



EFFECT OF FAMILY MANAGEMENT AND CONTROL ON VALUE OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract

The dominance of family ownership and control in consumer goods companies in Nigeria continues to attract scholarly and investor interest due to its potential implications for firm value, particularly in an emerging market characterized by institutional weaknesses and volatile economic conditions. Motivated by the need to provide sector-specific and market-based evidence, this study examines the effect of family concentration, involvement, and control on the value of listed consumer goods companies in Nigeria. The objective of the study is to assess how family ownership concentration, family board control, and family executive involvement influence firm value, while addressing persistent problems of agency conflicts, managerial entrenchment, weak investor confidence, and inconclusive empirical findings in the Nigerian context. An ex post facto research design was adopted, with a population of 21 listed consumer goods companies on the Nigerian Exchange, from which 20 firms were selected using purposive sampling based on data availability and observable family participation. Secondary data were sourced from audited annual reports and financial statements covering the period 2014–2023. Data were analyzed using descriptive statistics, correlation analysis, and robust panel regression techniques to address potential violations of classical regression assumptions and firm-specific heterogeneity. The findings reveal that family ownership concentration exerts a significant negative effect on firm value, while family board control and family executive involvement both have positive and significant influences on firm value. The study concludes that balanced and well-structured family involvement, particularly through board control and executive participation, plays a crucial role in enhancing firm value in listed consumer goods companies in Nigeria. Based on these results, the study recommends that family-controlled consumer goods firms limit excessive ownership concentration while strengthening effective board participation and professional family involvement at the executive level, and that regulators strengthen governance frameworks to enhance transparency and protect investor interests.

Keywords: family ownership, family management, board control, firm value, tobin's q

1. Introduction

Firm value remains one of the most critical indicators of corporate success because it captures both the current performance of a firm and investors' expectations about its future prospects. Market based measures such as Tobin's Q reflect how effectively firms convert assets into value, incorporating managerial efficiency,

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governance quality, and growth potential (Chung & Pruitt, 1994; Basu et al., 2017). A high Tobin's Q signals strong market confidence, efficient resource utilization, and positive expectations regarding long term profitability, while a low Tobin's Q suggests weak governance, inefficiencies, or heightened risk perceptions (Haghjoo et al., 2017; Malelak et al., 2020).

In emerging economies, firm value is particularly sensitive to ownership and control structures, where governance mechanisms often substitute for weak institutional frameworks (Claessens et al., 2002). Consequently, understanding the drivers of firm value is essential for sustaining competitiveness, attracting investment, and ensuring long term corporate stability.

Across the global corporate landscape, family management and control have emerged as dominant governance structures, especially in emerging markets where ownership is highly concentrated. Family Ownership Concentration enables families to exert substantial influence over strategic decisions, potentially reducing classic agency conflicts between owners and managers through closer monitoring and long-term commitment (La Porta et al., 1999; Anderson & Reeb, 2003). However, excessive concentration may also lead to entrenchment, expropriation of minority shareholders, and resistance to governance reforms, thereby eroding firm value (Villalonga & Amit, 2006; Faccio & Lang, 2002).

Family Board Control further shapes firm outcomes by determining the effectiveness of oversight and strategic guidance, as family dominated boards may either strengthen stewardship and accountability or weaken independence and transparency (Barontini & Caprio, 2006; Malelak et al., 2020).

Similarly, Family Executive Involvement can enhance firm value through deep firm specific knowledge and long-term orientation, yet it may also introduce nepotism and managerial inefficiencies when professional competence is compromised (Chrisman et al., 2005; Muntahanah et al., 2021). These mixed theoretical expectations underscore the need for context specific analysis.

In Nigeria, these dynamics are particularly pronounced within the consumer goods sector, where many listed firms evolved from family-owned enterprises and continue to retain strong familial influence. The sector operates under conditions of intense competition, volatile input costs, exchange rate pressures, and regulatory uncertainty, all of which magnify the impact of governance quality on firm value (Adegbite et al., 2013; Gharbi & Othmani, 2022).

Family controlled consumer goods firms often emphasize continuity, brand reputation, and long-term survival, which can support market valuation and resilience (Miralles Marcello et al., 2014; Audretsch et al., 2010). Conversely, weak separation between ownership, control, and management may undermine investor confidence, particularly when transparency and board independence are limited (Juwita, 2019; Lestari et al., 2022).

Control factors such as Firm Size and Leverage further condition these relationships, as larger firms may benefit from economies of scale and market power, while high leverage can amplify both value creation and financial risk, influencing Tobin's Q outcomes (Ramdhianty et al., 2020; Minh Ha et al., 2022).

Despite extensive global literature, important gaps remain that justify this study within the Nigerian context. Empirically, most existing studies on family ownership and firm value focus on developed economies, with limited sector specific evidence from Sub Saharan Africa and Nigeria in particular (Bertrand & Schoar, 2006; Claessens et al., 2002). Studies such as Anderson and Reeb (2003), Villalonga and Amit (2006),

Barontini and Caprio (2006), and Malelak et al. (2020) provide valuable insights but do not fully account for institutional weaknesses, regulatory volatility, and market imperfections characteristic of Nigeria.

Theoretically, agency and stewardship perspectives yield conflicting predictions regarding family control, yet few studies integrate these theories within emerging market realities where family governance often substitutes for weak external monitoring (Miller & Le Breton Miller, 2005). Methodologically, prior Nigerian studies tend to rely on accounting-based performance measures, leaving a gap in market-based valuation evidence using Tobin's Q (Uadiale, 2010; Adegbite et al., 2013).

This study fills these gaps by providing a sector focused, market-based analysis of how Family Ownership Concentration, Family Board Control, and Family Executive Involvement affect firm value of listed Nigerian consumer goods companies, while controlling for Firm Size and Leverage. By doing so, it advances empirical evidence, refines theoretical understanding, and offers practical governance insights relevant to Nigeria's evolving capital market.

The main objective of this study is to examine the Effect of Family Concentration, Involvement and Control on Value of Listed Consumer Goods Companies in Nigeria. The specific objectives are to:

- (i) assess the effect of family ownership concentration on the value of listed Nigerian consumer goods companies;
- (ii) examine the effect of family board control on the value of listed Nigerian consumer goods companies;
- (iii) evaluate the effect of family executive involvement on the value of listed Nigerian consumer goods companies.

The following null hypotheses are tested:

H₀₁: Family ownership concentration has no significant effect on the value of listed Nigerian consumer goods companies;

H₀₂: Family board control has no significant effect on the value of listed Nigerian consumer goods companies;

H₀₃: Family executive involvement has no significant effect on the value of listed Nigerian consumer goods companies.

2. Literature Review

Conceptual Review

Firm value represents the overall worth of a company as perceived by the market and is widely regarded as a comprehensive indicator of corporate success. Tobin (1969) conceptualizes firm value as the ratio of a firm's market value to the replacement cost of its assets, emphasizing the efficiency with which firms utilize their asset base to generate market confidence. McConnell and Servaes (1990) further associate firm value with ownership structure and governance mechanisms, arguing that firms with effective governance frameworks tend to command higher market valuations.

Similarly, Morck, Shleifer, and Vishny (1988) link firm value to managerial incentives and ownership concentration, noting that governance arrangements directly shape market perception and valuation outcomes. These foundational definitions have positioned firm value as a bridge between internal managerial decisions and external investor expectations.

Building on this foundation, later studies emphasize firm value as a forward-looking measure that reflects expected future performance rather than historical outcomes alone. Chung and Pruitt (1994) operationalize firm value through Tobin's Q,

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describing it as a forward-looking indicator that incorporates market expectations of growth opportunities, profitability, and risk.

Pindado and Requejo (2015) argue that firm value captures the market's assessment of how well firms deploy resources under existing governance and financial constraints. In emerging markets, firm value is particularly sensitive to ownership structure, financial leverage, and institutional quality, as weak regulatory frameworks increase the importance of internal governance mechanisms in shaping investor confidence (Claessens et al., 2002; Malelak et al., 2020). Consequently, firm value not only reflects firm performance but also signals credibility, transparency, and long-term sustainability.

More recent literature reinforces the relevance of firm value as a multidimensional construct influenced by governance, financial structure, and strategic orientation. Hagjoo et al. (2017) describe firm value as a holistic market-based measure that integrates profitability prospects, governance quality, and risk management effectiveness. Minh Ha et al. (2022) further note that in capital markets characterized by volatility, firm value responds strongly to ownership concentration and board effectiveness, particularly in family-controlled firms. In line with these perspectives, this study adopts Tobin's Q as the proxy for firm value because it captures both market perception and asset utilization efficiency.

Accordingly, firm value is defined as the market-based valuation of listed Nigerian consumer goods companies relative to their book value of assets, reflecting investors' assessment of governance quality, financial structure, and future performance expectations in a family management and control context (Malelak et al., 2020; Lestari et al., 2022).

Family Ownership Concentration refers to the extent to which equity ownership and voting rights of a firm are dominated by a family or related individuals, enabling them to exert significant influence over corporate decisions. La Porta et al. (1999) conceptualize ownership concentration as the proportion of shares held by the largest shareholder or cohesive group, emphasizing its role in shaping control rights.

Anderson and Reeb (2003) extend this view by defining family ownership concentration as a governance arrangement in which a founding family holds a substantial share of voting power sufficient to influence strategic and operational decisions. Similarly, Claessens et al. (2002) describe family ownership concentration as a mechanism through which families maintain control via direct shareholding, pyramidal ownership structures, or cross-holdings, particularly prevalent in emerging markets. Villalonga and Amit (2006) further argue that concentrated family ownership aligns ownership and control, potentially reducing classic agency conflicts between owners and managers while increasing the family's ability to monitor managerial actions effectively.

More recent studies reinforce the relevance of family ownership concentration in understanding governance and value creation dynamics. Pindado et al. (2015) note that family ownership concentration reflects the degree of control exerted by families over strategic choices, risk-taking, and resource allocation. Malelak et al. (2020) emphasize that in environments with weak external governance, concentrated family ownership often substitutes for formal monitoring mechanisms, influencing market valuation and investor confidence.

Lestari et al. (2022) similarly highlight that high family ownership concentration can generate both benefits, such as long-term orientation and commitment, and costs, including entrenchment and minority shareholder expropriation. In line with these perspectives, this study defines family ownership

concentration as the proportion of equity and voting rights held by a controlling family that enables it to dominate corporate decision-making processes and influence governance outcomes in listed Nigerian consumer goods companies, with implications for firm value as reflected in market-based measures (Malelak et al., 2020; Minh Ha et al., 2022).

Family Management and Control describe the extent to which family members actively shape corporate decisions through ownership influence, board participation, and executive authority. Shleifer and Vishny (1997) define family control as the capacity of family members to influence corporate policies through concentrated ownership, board representation, or executive positions, thereby shaping strategic direction and governance outcomes.

Faccio and Lang (2002) emphasize that family management and control are evident when family members occupy key leadership roles such as chairperson, chief executive officer, or dominant board members, allowing them to steer both oversight and day-to-day decision-making. Chrisman et al. (2005) further conceptualize family management as the direct involvement of family members in strategic planning and operational execution, highlighting the unique governance structure that distinguishes family-controlled firms from widely held corporations. Gomez-Mejia et al. (2011) extend this perspective by linking family control to the preservation of socio-emotional wealth, arguing that families often prioritize legacy, reputation, and continuity alongside economic objectives.

Recent studies reinforce the global acceptance of family management and control as a multidimensional governance mechanism with both value-enhancing and value-reducing implications. Malelak et al. (2020) describe family management and control as a governance arrangement in which families exercise dominant influence over strategic decisions, risk preferences, and monitoring intensity, particularly in emerging markets where external governance is weak. Lestari et al. (2022) note that family control can substitute for formal monitoring systems, fostering long-term orientation and stability, while also increasing the risk of managerial entrenchment and reduced board independence.

Minh Ha et al. (2022) similarly argue that the effectiveness of family management and control depends on how family influence is balanced with professional management practices and transparent governance structures. In line with these perspectives, this study defines family management and control as the degree to which family members exert dominant influence over ownership concentration, board composition, and executive management, enabling them to shape strategic and operational decisions in listed Nigerian consumer goods companies, with direct implications for firm value and market perception (Malelak et al., 2020; Lestari et al., 2022).

Empirical Review

Family Ownership Concentration and Firm Value

Adegbite et al. (2025) examine how ownership concentration shapes firm value in African capital markets, with firm value proxied by Tobin's Q and ownership concentration measured as the percentage of shares held by dominant families. The study adopts an ex post facto panel research design using a purposive sample of listed non-financial firms across selected African countries, including Nigeria, with secondary data sourced from annual reports and stock exchange filings and analyzed using fixed and random effects regression models. The findings reveal that moderate family ownership concentration enhances firm value, while excessive concentration

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erodes market valuation due to weak minority shareholder protection, though the study does not isolate sector-specific effects.

Minh Ha et al. (2022) assess the optimal level of family ownership concentration and firm value in Vietnam using Tobin's Q and ROA as proxies within a panel-corrected standard errors framework applied to 31 listed firms selected purposively from the Ho Chi Minh Stock Exchange, relying on secondary data analyzed through PCSE regression. The results reveal a non-linear U-shaped relationship, indicating that firm value declines at lower ownership levels but improves beyond a threshold, although the limited sample size constrains generalizability.

Gharbi and Othmani (2022) analyze French listed firms using Tobin's Q and a Panel Smooth Transition Regression model, demonstrating that family ownership below a critical threshold reduces firm value but enhances value beyond that level, with the critique centered on its developed market focus. Malelak et al. (2020) investigate Indonesian non-financial firms using Tobin's Q within a panel data framework and find that family ownership does not independently affect firm value unless combined with strong governance mechanisms, highlighting the need to integrate governance quality. Anderson and Reeb (2003), using a large US panel dataset and multivariate regression, show that founding-family ownership significantly improves firm value through superior monitoring, though the developed-market context limits applicability to Nigeria.

Family Board Control and Firm Value

Minh Ha et al. (2024) examine the effect of board effectiveness and family board dominance on firm value in ASEAN countries, measuring firm value using Tobin's Q and family board control through the proportion of family directors, employing a panel research design with secondary data from listed firms analyzed via generalized least squares. The findings indicate that family board control enhances firm value only when board independence is preserved, while excessive dominance weakens valuation, though institutional heterogeneity limits cross-country comparability.

Lestari et al. (2022) analyze Indonesian listed firms using Tobin's Q as the dependent variable and board structure indicators as proxies, adopting a quantitative panel design with purposive sampling and regression analysis. Their findings show that independent boards positively affect firm value and that family ownership strengthens this relationship, but audit committees show no direct effect, suggesting governance complementarities.

Malelak et al. (2020) also find that independent commissioners significantly enhance firm value, while family board dominance alone is insufficient, using panel regression on Indonesian firms. Yopie and Itan (2016) examine Indonesian family firms using Tobin's Q and board-related governance proxies through multiple regression analysis and find that CEO-family status negatively affects firm value, while larger boards improve valuation, though the cross-sectional design limits causal inference. Claessens et al. (2002), using a large Asian dataset and panel regressions, document that family-dominated boards increase expropriation risk and reduce firm value in weak institutional environments, reinforcing the importance of governance safeguards.

Family Executive Involvement and Firm Value

Adegbite et al. (2024) explore executive family involvement and market valuation in Nigerian listed firms using Tobin's Q as the proxy for firm value and family executive presence as the independent variable within a panel regression framework. Using secondary data from annual reports and purposive sampling, the study finds that family executive involvement improves firm value only when complemented by

professional management structures, though it does not focus specifically on the consumer goods sector.

Tawfik (2023) examines Egyptian non-financial firms using panel OLS regression with family ownership and executive involvement as predictors of cash flow efficiency and firm value-related outcomes, revealing that family executive involvement enhances financial discipline but becomes detrimental when combined with political connections, with contextual limitations affecting generalization.

Sumarsono (2020) studies Indonesian family firms using Tobin's Q and family participation in top management teams through fixed effects regression, finding that educated and professionally trained family executives significantly enhance firm value, though gender disparities remain, and the findings are context-specific.

Villalonga and Amit (2006), employing a longitudinal design with US firms and Tobin's Q as the valuation proxy, demonstrate that family executive involvement increases firm value only when founders remain active, while descendant-led firms exhibit lower valuation, highlighting succession challenges. Chrisman et al. (2005) conceptually and empirically argue that family executive involvement enhances firm-specific knowledge and long-term value creation but may generate entrenchment risks if unchecked, underscoring the need for balanced governance mechanisms.

Theoretical Framework

Agency Theory

Michael Jensen and William Meckling (1976) developed Agency Theory to explain the principal-agent problem that arises when ownership and control are separated. The theory suggests that managers (agents) may prioritize their personal interests over those of the owners (principals), generating monitoring and bonding costs. In family-owned firms, concentrated ownership can reduce typical owner-manager conflicts but may increase principal-principal tensions between controlling family members and minority shareholders. Agency Theory continues to be a cornerstone of corporate governance research.

Recent studies illustrate its ongoing relevance: Amran et al. (2023) in Malaysia linked family control to dividend policies designed to mitigate agency conflicts, while García-Ramos and Díaz (2024) confirmed in a meta-analysis that family ownership lowers standard agency costs but raises the risk of minority shareholder expropriation. In Nigeria, Okoye and Eze (2023) examined how boards dominated by families influence governance compliance, and Uche and Ibrahim (2024) explored implications for financial transparency in private family businesses.

The theory provides a framework for connecting ownership concentration and governance structures (independent variables) with the extent and nature of agency costs (dependent variable), highlighting how family control can both align and misalign incentives within firms (Jensen & Meckling, 1976; Okoye & Eze, 2023).

Stewardship Theory

Donaldson and Davis (1991) proposed Stewardship Theory as a contrast to Agency Theory, suggesting that managers are intrinsically motivated to act as faithful stewards of the organization. Managers with strong identification with the firm, such as family members, tend to prioritize collective goals, maintain the firm's reputation, and ensure long-term success, naturally aligning their interests with those of owners.

Contemporary research supports its relevance in family business contexts. For example, Ntiamoah et al. (2023) linked the resilience of family-managed SMEs in Ghana during economic crises to stewardship behaviors. Madan and Sen (2024) observed that family firm CEOs are more likely to invest in long-term R&D projects.

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In Nigeria, Adeyemi and Bello (2023) found that family leadership encourages higher corporate social responsibility spending, and the 2024 Family Business Institute report in Lagos associated stewardship orientation with improved employee retention. The theory connects family management and a stewardship-focused culture (independent variable) to long-term strategic orientation and firm sustainability (dependent variable), framing managers as committed custodians of the organization's welfare (Donaldson & Davis, 1991; Adeyemi & Bello, 2023).

Socio-Emotional Wealth (SEW) Theory

Gómez-Mejía, Haynes, Núñez-Nickel, & Jacobson (2007) introduced Socio-Emotional Wealth (SEW) Theory to explain that family firms primarily seek to preserve non-financial benefits, including family control, influence, identity, and legacy. The drive to protect SEW often takes precedence over purely economic goals, shaping strategic choices, risk-taking behavior, and overall firm performance. SEW has become a dominant framework in family business research.

Recent applications include Berrone et al. (2023), who showed that concerns for SEW explain family firms' reluctance to adopt disruptive technologies that could undermine family control, and De Massis et al. (2024), who examined succession challenges in European family businesses through the SEW lens.

In Nigeria, Okafor and Eze (2023) linked SEW preservation to conservative debt policies, and Salami et al. (2024) found that SEW considerations often lead firms to retain underperforming family members in managerial roles. The theory links the emphasis on preserving socio-emotional wealth (independent variable) with strategic decisions and firm valuation (dependent variable), providing insight into why family firms may prioritize non-financial objectives even when financially suboptimal (Gómez-Mejía et al., 2007; Okafor & Eze, 2023).

3. Methodology

The study employs an ex post facto research design with panel data analysis to examine the Effect of Family Concentration, Involvement and Control on Value of Listed Consumer Goods Companies in Nigeria from 2014 to 2023. Guided by Agency Theory, Stewardship Theory, RBV, and SEW, key variables include family shareholding concentration, family involvement in management, family voting rights, and firm value indicators such as Tobin's Q and ROA. The population consists of 21 listed consumer goods companies, with 20 meeting criteria for consistent financial data and observable family participation; purposive and stratified sampling ensures representativeness across firm sizes.

Secondary data from annual reports and financial statements will be analyzed using fixed or random effects panel regression models, with control variables such as firm size, leverage, and market-to-book ratio, and robustness checks like the Hausman test. This approach allows the study to capture cross-sectional and longitudinal variations, linking family ownership and management structures to firm value while providing empirical insights into the governance dynamics of family-controlled companies in Nigeria.

Model Specification

To examine the Effect of Family Concentration, Involvement and Control on Value of Listed Consumer Goods Companies in Nigeria, the study adopts the following panel regression model: $TQ_{it} = \beta_0 + \beta_1 FOC_{it} + \beta_2 FBC_{it} + \beta_3 FEI_{it} + \beta_4 FS_{it} + \beta_5 LEV_{it} + \mu_{it}$

Where: TQ_{it} = Tobin's Q (Firm Value) for firm i at time t ; FOC_{it} = Family Ownership

Concentration for firm i at time t ; $FB C_{it}$ = Family Board Control for firm i at time t ; $F E I_{it}$ = Family Executive Involvement for firm i at time t ; $F S_{it}$ = Firm Size for firm i at time t ; $LE V_{it}$ = Leverage for firm i at time t ; β_0 = Intercept; $\beta_1 - \beta_5$ = Coefficients of independent/control variables; μ_{it} = Error term.

This panel data regression model is designed to estimate the impact of family management and control variables (ownership, board control, executive involvement) on firm value, controlling for firm-specific characteristics such as size and leverage. The model accounts for both cross-sectional differences between firms and time-series variations over the 2014–2023 period. A fixed or random effects estimation approach will be used, with robustness checks (Hausman test) to select the most appropriate model.

Table 1

Variable Definition and Measurement

Variable	Measurement	Source
Firm Value (TQ)	Tobin's Q = (Market Value of Equity + Book Value of Total Liabilities) / Book Value of Total Assets	Tobin (1969); Anderson & Reeb (2003); Chung & Pruitt (1994); Gharbi & Othmani (2022)
Family Ownership Concentration (FOC)	Percentage of shares held by family = (Family Shares / Total Shares) × 100	Anderson & Reeb (2003); Villalonga & Amit (2006); Claessens et al. (2000)
Family Board Control (FBC)	Proportion of family members on the board = (Number of Family Directors / Total Board Members) × 100	Anderson & Reeb (2004); Maury (2006); Uche & Ibrahim (2024)
Family Executive Involvement (FEI)	Dummy variable: 1 if CEO/MD is a family member, 0 otherwise	Villalonga & Amit (2006, 2022); Miller et al. (2007); Okoye & Eze (2023)
Firm Size (FS)	Natural logarithm of total assets or market capitalization	Lang & Stulz (1994); Rajan & Zingales (1995); Gharbi & Othmani (2022)
Leverage (LEV)	Total debt / Total assets	Rajan & Zingales (1995); Claessens et al. (2000); Okafor & Eze (2023)

Source: Author's Compilation, 2026

4. Results and Discussion

The analysis of the Effect of Family Concentration, Involvement and Control on Value of Listed Consumer Goods Companies in Nigeria reveals that family ownership concentration has a positive and significant impact on firm value, highlighting the benefits of aligned interests between family shareholders and the company.

Similarly, the presence of family members on the board contributes positively, suggesting that effective monitoring and strategic oversight by family directors can enhance value. Family executive involvement, however, exhibits a weaker and less consistent influence, indicating that excessive managerial dominance by family members may sometimes limit investor confidence or market perception.

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Control variables such as firm size and leverage also play important roles, with larger firms generally associated with higher value, while higher leverage tends to reduce it. Overall, the findings underscore the importance of balanced family involvement in ownership and governance, where concentration and board participation strengthen value, but overly dominant executive control may create constraints for optimal strategic outcomes.

Table 2

Descriptive Statistics

	TOBINQ	FOC	FBC	FEI	FIRMSIZE	LEVERAGE
Mean	1.659293	31.63773	26.22288	0.474747	17.21247	0.486364
Median	1.520	20.500	16.700	0.000	17.520	0.450
Maximum	3.650	82.500	70.000	1.000	21.730	0.880
Minimum	0.320	0.000	0.000	0.000	13.650	0.120
Std. Dev.	0.828658	32.26556	26.45305	0.500628	1.996295	0.13679
Skewness	0.408256	0.259091	0.277485	0.101139	-0.17223	0.68119
Kurtosis	2.390123	1.326056	1.437502	1.010229	1.894961	2.92002
Jarque-Bera	8.568797	25.33247	22.68248	33.00086	11.05309	15.36541
Probability	0.013782	0.000003	0.000012	0.0000	0.00398	0.000461
Sum	328.54	6264.27	5192.13	94	3408.07	96.3
Sum Sq. Dev.	135.2747	205090	137853.5	49.37374	785.0833	3.686182
Observations	200	200	200	200	200	200

Source: EViews 12.0 Output (Author's Computation)

The descriptive statistics in Table 2 provide an initial overview of the key variables used to assess the effect of family concentration, involvement, and control on firm value of listed Nigerian consumer goods companies. The dependent variable, Tobin's Q (TOBINQ), has a mean of 1.66 and a moderate standard deviation (0.83), indicating some variation in firm value across the sample.

Family ownership concentration (FOC) and family board control (FBC) show substantial dispersion, with means of 31.64% and 26.22%, respectively, but high standard deviations (~32% and 26%), suggesting diverse family influence among firms. Family executive involvement (FEI) has a mean of 0.47, reflecting that less than half of the firms have family members in executive positions, with a binary distribution evident from the standard deviation (0.50).

Firm size (FIRMSIZE) averages 17.21, while leverage (LEVERAGE) averages 0.49, showing moderate financial scale and capital structure across firms. Skewness and kurtosis values indicate slight asymmetry and mild departures from normality, particularly for leverage and FEI, which is supported by significant Jarque-Bera probabilities (<0.05) for all variables, implying non-normal distributions. Overall, the table highlights that family concentration, board control, and executive involvement vary widely among Nigerian consumer goods firms, suggesting potential differential impacts on firm value that warrant further regression analysis.

Table 3

Correlation Matrix

	TOBINQ	FOC	FBC	FEI	FIRMSIZE	LEVERAGE
TOBINQ	1.000					
FOC	-0.384	1.000				
FBC	0.472	0.223	1.000			
FEI	-0.194	0.324	0.016	1.000		
FIRMSIZE	0.848	-0.197	0.331	-0.113	1.000	
LEVERAGE	-0.673	0.082	-0.371	0.220	-0.612	1.000

Source: EViews 12.0 Output

The correlation matrix in Table 3 provides insight into the relationships between family control variables, firm characteristics, and firm value (TOBINQ) for listed Nigerian consumer goods companies. Tobin's Q is negatively correlated with family ownership concentration (FOC, -0.384) and family executive involvement (FEI, -0.194), suggesting that higher family shareholding and executive participation may be associated with lower firm value.

In contrast, Tobin's Q shows a positive correlation with family board control (FBC, 0.472) and firm size (FIRMSIZE, 0.848), indicating that greater family influence at the board level and larger firms tend to exhibit higher market value. Leverage has a strong negative correlation with Tobin's Q (-0.673), implying that more highly leveraged firms are associated with lower value.

The interrelationships among family variables show moderate correlations: FOC is positively related to FEI (0.324) but negatively to FBC (-0.223), while FBC and FEI are almost uncorrelated (0.016), highlighting that family ownership, board presence, and executive involvement are distinct dimensions of control. Overall, these correlations suggest that different forms of family involvement have heterogeneous effects on firm value, with board-level control appearing beneficial, while ownership concentration and executive dominance may be detrimental.

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Table 4

Diagnostic Tests Results

Test	Statistic	p-value		Decision	Implication
Multicollinearity Test					
VIF – FOC	Centered VIF	1.276	-	No Issue	VIF < 10
VIF – FBC	Centered VIF	1.308	-	No Issue	VIF < 10
VIF – FEI	Centered VIF	1.177	-	No Issue	VIF < 10
VIF – Firm Size	Centered VIF	1.743	-	No Issue	VIF < 10
VIF – Leverage	Centered VIF	1.767	-	No Issue	VIF < 10
Serial Correlation Test					
Breusch-Godfrey LM Test	F-statistic	45.746	0.000***	Reject H ₀	Serial correlation present
	Obs*R-squared	64.546	0.000***	Reject H ₀	Serial correlation detected
Heteroskedasticity Test					
Breusch-Pagan-Godfrey	F-statistic	4.729	0.000***	Reject H ₀	Heteroskedasticity present
	Obs*R-squared	21.729	0.001***	Reject H ₀	Heteroskedasticity detected
	Scaled explained SS	62.348	0.000***	Reject H ₀	Non-constant variance

Source: EViews 12.0 Output

The diagnostic tests in Table 4 assess the reliability of the regression model examining the effect of family concentration, involvement, and control on firm value of listed Nigerian consumer goods companies. The Variance Inflation Factor (VIF) values for all independent variables—FOC (1.276), FBC (1.308), FEI (1.177), firm size (1.743), and Leverage (1.767)—are well below the threshold of 10, indicating that multicollinearity is not a concern and the explanatory variables are not highly correlated. However, the Breusch-Godfrey LM test for serial correlation (F-statistic = 45.746, $p = 0.000$; $\text{Obs}R^2 = 64.546$, $p = 0.000$) and the Breusch-Pagan-Godfrey tests for heteroskedasticity (F-statistic = 4.729, $p = 0.000$; $\text{Obs}R^2 = 21.729$, $p = 0.001$; Scaled explained SS = 62.348, $p = 0.000$) indicate the presence of both serial correlation and heteroskedasticity, suggesting that the classical OLS assumptions are violated.

To address these issues and obtain consistent and efficient estimates, the robust panel regression approach is appropriate, as it accounts for unobserved heterogeneity across firms and provides reliable estimates in the presence of serial correlation and

heteroskedasticity, thereby ensuring that the influence of family ownership, board control, and executive involvement on firm value is robustly and accurately estimated.

Table 5

Regression Results (Robust Regression)

Dependent Variable: TOBINQ				
Method: Robust Least Squares				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-3.653	0.215	-16.967	0.000
FOC	-0.008	0.001	-12.286	0.000
FBC	0.029	0.001	23.140	0.000
FEI	0.132	0.031	4.330	0.000
FIRMSIZE	0.272	0.009	29.032	0.000
LEVERAGE	-1.153	0.136	-8.488	0.000
R-squared	0.720	Adjusted R-squared		0.713
Rw-squared	0.959	Adjust Rw-squared		0.959
Akaike info criterion	289.131	Schwarz criterion		311.658
Deviance	9.384	Scale		0.183
Rn-squared statistic	3903.130	Prob (Rn-squared stat.)		0.000

Source: EViews Output (Author's Computation)

The robust regression results in Table 5 examine the effect of family concentration, involvement, and control on the value of listed Nigerian consumer goods companies, with Tobin's Q (TOBINQ) as the dependent variable. The estimated model follows the specified

functional form : $TQ_{it} = \beta_0 + \beta_1 FOC_{it} + \beta_2 FBC_{it} + \beta_3 FEI_{it} + \beta_4 FS_{it} + \beta_5 LEV_{it} + \mu_{it}$

Substituting the estimated coefficients, the empirical robust model is expressed as:
 $TQ_{it} = -3.653 - 0.008 FOC_{it} + 0.029 FBC_{it} + 0.132 FEI_{it} + 0.272 FS_{it} - 1.153 LEV_{it} + \mu_{it}$.

The constant term ($C = -3.653$, $p < 0.01$) is negative and statistically significant, indicating that in the absence of family ownership concentration, family board control, family executive involvement, firm size, and leverage, the baseline firm value would be negative. This highlights the fundamental importance of governance and firm-specific characteristics in explaining variations in market valuation among listed Nigerian consumer goods companies.

With respect to the key explanatory variables, family ownership concentration (FOC) has a negative and highly significant coefficient (-0.008 , $p < 0.01$), implying that a one-unit increase in family ownership concentration leads to a decrease in Tobin's Q by about 0.008 units, holding other factors constant. This suggests that higher concentration of ownership in the hands of family members reduces firm value, likely due to entrenchment effects, weak minority shareholder protection, and reduced market confidence.

In contrast, family board control (FBC) shows a positive and significant effect on firm value (0.029 , $p < 0.01$), indicating that greater family representation at the board level increases Tobin's Q, reflecting the value-enhancing role of strategic oversight, long-term orientation, and stewardship by family directors. Family executive involvement (FEI) is also positive and statistically significant (0.132 , $p < 0.01$), showing that the presence of family members in executive positions increases firm

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value, suggesting that firm-specific knowledge, continuity, and commitment embedded in family management can contribute positively to market valuation in the Nigerian consumer goods sector.

Regarding firm-specific factors, firm size (FIRMSIZE) has a strong positive and significant effect on Tobin's Q (0.272, $p < 0.01$), meaning that an increase in firm size leads to a corresponding increase in firm value, reflecting economies of scale, stronger market power, and enhanced investor confidence associated with larger firms.

Conversely, leverage (LEVERAGE) exerts a negative and significant influence on firm value (-1.153, $p < 0.01$), indicating that higher debt levels significantly reduce Tobin's Q, due to increased financial risk and debt burden perceptions by investors. The goodness-of-fit statistics show that the model has strong explanatory power, with an R-squared of 0.720 and robust weighted Rw-squared of 0.959, while the highly significant Rn-squared statistic ($p = 0.000$) confirms the overall robustness and reliability of the model.

Overall, the robust panel regression results demonstrate that different dimensions of family involvement exert heterogeneous effects on firm value: ownership concentration reduces value, while board control and executive involvement enhance value, confirming the importance of balanced family participation in shaping the market valuation of listed Nigerian consumer goods companies.

Findings

The robust regression results suggest nuanced influences of family governance on firm value that align with broader empirical evidence and the current Nigerian economic climate. Family ownership concentration's negative and significant effect on Tobin's Q mirrors findings from recent research in Nigerian non-financial firms, where concentrated ownership structures were linked to weaker performance outcomes due to entrenchment, minority expropriation risks, and poor investor confidence (Nnaji-Ihedinmah et al., 2025).

In the context of Nigeria's extended period of macroeconomic instability characterized by inflationary pressures, exchange rate volatility, and foreign exchange losses that eroded shareholder value and profitability for consumer goods firms between 2023 and 2025 high concentration of family ownership may exacerbate negative market perceptions when firms are perceived as less adaptable or transparent in turbulent environments (Ajah, 2025; Nwosu et al., 2025). From an agency theory perspective, this negative outcome reflects heightened principal-principal conflicts and weaker monitoring of dominant family controllers, reinforcing the need for governance structures that dilute extreme ownership concentrations to protect minority interests (Jensen & Meckling, 1976).

Conversely, the positive and significant impacts of family board control and family executive involvement on firm value are consistent with stewardship and Socio-Emotional Wealth (SEW) theories, which posit that active family input in governance and management can enhance long-term strategic alignment, commitment, and market confidence (Gómez-Mejía et al., 2007; Randolph et al., 2019). These findings are also reflected in emerging market governance research showing that family board participation can provide effective oversight and sustain firm performance, especially in environments where external governance mechanisms are weak (Nnaji-Ihedinmah et al., 2025).

In Nigeria's specific operating environment where improved macroeconomic stability is emerging following policy reforms and easing exchange rate pressures firms with engaged family boards and management may better navigate recovery, refine

strategies, and strengthen investor trust, thereby boosting Tobin's Q (PwC Nigeria, 2026). This supports the idea that balanced family involvement, especially at the governance level, can be value-enhancing when family directors help guide firms through economic adjustment phases.

From a policy perspective, the differentiated effects observed underscore the importance of sound corporate governance frameworks and balanced ownership structures in emerging economies. Regulators and policymakers should encourage mechanisms that limit excessive concentration of family ownership while promoting transparent board practices and professional management to harness the benefits of family involvement without undermining market confidence. This is particularly crucial in Nigeria where macroeconomic stability is fragile, and robust internal governance can help firms withstand inflation and exchange rate shocks that negatively impact market valuations (Nwosu et al., 2025; PwC Nigeria, 2026).

Strengthening disclosure requirements, fostering board independence, and improving minority shareholder protections could, therefore, mitigate risks associated with concentrated ownership and enhance the value-creation potential of family-controlled consumer goods firms in the Nigerian capital market.

5. Conclusion and Recommendations

Based on the empirical discussions, the study concludes that family concentration, involvement, and control significantly influence the value of listed Nigerian consumer goods companies, as measured by Tobin's Q. Specifically, high family ownership concentration tends to reduce firm value, suggesting that excessive dominance by family shareholders may intensify entrenchment, expropriation risks, and weak minority shareholder protection issues that are particularly pronounced in Nigeria's fragile corporate governance environment and volatile macroeconomic conditions.

In contrast, family board control and family executive involvement enhance firm value, indicating that when family participation is channelled through governance and managerial roles, it promotes strategic alignment, long-term orientation, and effective monitoring. These findings are consistent with agency theory, stewardship theory, and socioemotional wealth (SEW) theory, which jointly explain how family influence can either destroy or create value depending on its structure and intensity.

In light of these findings, the study recommends that family-controlled consumer goods firms in Nigeria should avoid excessive ownership concentration and instead adopt balanced ownership structures that encourage transparency and protect minority investors. Regulators such as the Securities and Exchange Commission (SEC) and Nigerian Exchange Group (NGX) should strengthen governance codes to limit dominant family shareholdings while promoting board independence.

At the firm level, families are encouraged to participate actively through board representation and executive management, where their firm-specific knowledge, commitment, and long-term vision positively enhance firm value. Policymakers should also support governance reforms that professionalize family involvement, ensuring that family control complements rather than undermines firm valuation and sustainable growth in Nigeria's evolving economic landscape.

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