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OWNERSHIP STRUCTURE, DIVIDEND POLICY AND SHAREHOLDERS WEALTH AMONG LISTED NON-FINANCIAL FIRMS IN NIGERIA

In the field of corporate finance, there is still disagreement over whether ownership structure and dividend policy have an impact on shareholders' wealth. Thus, between 2012 and 2021, this study aims to empirically demonstrate the combin ed effects of ownership structures and dividend policies on the stockholder wealth of listed non-financial companies in Nigeria. The study's population comprised the non-financial enterprises registered on Nigerian Exchange Group. Purposive sampling was used to choose a total of 54 firms for the sample size. For this study, an expo-facto research design was used. The Nigerian Exchange Group's publications and the publicly available financial statements of the selected companies provided secondary data for the study. The panel data regression model was the analysis technique used. The combined impact of ownership structure and dividend policy on shareholders' wealth was found to be positive and significant. The outcome supports the agency theory's contention that ownership structure is an oversight tools that can be used to curtail management's opportunistic behavior while regular dividend payments provide the company a favorable impression in the eyes of investors, they also enable the company to raise capital through the issuance of additional shares, which increases shareholder value. Therefore, the study suggested that policy makers for Nigerian non-financial enterprises restructure their ownership structure and dividend policy in a way that will promote strict oversight of operations and effective resource management, ultimately increasing the value of the company for its shareholders. Other economic sectors were not taken into consideration; the analysis is limited to Nigerian listed non-financial enterprises.

Key words: Non-financial firms; agency theory; dividend policy; shareholders wealth.

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Нигерияның тіркелген қаржылық емес фирмалары арасындағы меншік құрылымы, дивидендтік саясат және акционерлердің әл-ауқаты

Корпоративтік қаржы саласында меншік құрылымы мен дивидендтік саясат акционерлердің әл-ауқатына әсер ете ме, жоқ па деген келіспеушіліктер әлі де бар. Осылайша, 2012-2021 жылдар аралығында бұл зерттеудің мақсаты меншік құрылымдары мен дивидендтік саясаттың Нигериядағы биржада тіркелген қаржылық емес компаниялардың акционерлерінің әл-ауқатына жиынтық әсерін эмпирикалық түрде көрсету болып табылады. Зерттелетін жиынтыққа Нигерия биржалық тобында тіркелген қаржылық емес кәсіпорындар кірді. Мақсатты іріктеу арқылы 54 фирма таңдалды. Бұл зерттеу экспо-факто зерттеу дизайнын қолданды. Нигерия биржалық тобының басылымдары және таңдалған компаниялардың жалпыға қол жетімді қаржылық есептері зерттеуге қосымша мәліметтер берді. Талдау әдісі ретінде панельдік деректердің регрессиялық моделі қолданылды. Меншік құрылымы мен дивидендтік саясаттың акционерлердің әл-ауқатына жиынтық әсері оң және маңызды деп танылды. Алынған нәтиже агенттік теорияның меншік құрылымы менеджменттің оппортунистік мінез-құлқын шектеу үшін пайдаланылуы мүмкін қадағалау құралы болып табылатындығын растайды, ал дивидендтерді үнемі төлеу компанияларға инвесторлардың көз алдында жағымды әсер қалдырады, сонымен қатар олар компанияға акционерлердің құнын арттыра отырып, қосымша акциялар шығару арқылы капиталды тартуға мүмкіндік береді. Осылайша, зерттеу Нигериялық қаржылық емес кәсіпорындардың саясаткерлері өздерінің меншік құрылымын және дивидендтік саясатты операцияларды қатаң қадағалауға және ресурстарды тиімді басқаруға ықпал ететін етіп қайта құрылымдауды ұсынады, бұл сайып келгенде компанияның акционерлері үшін құндылығын арттырады. Экономиканың басқа салалары ескерілмеді; талдау Нигерияда тіркелген қаржылық емес кәсіпорындармен шектеледі.

Түйін сөздер: Қаржылық емес фирмалар, агенттік теория, дивидендтік саясат, акционерлердің әл-ауқаты.

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Структура собственности, дивидендная политика и благосостояние акционеров среди зарегистрированных нефинансовых фирм Нигерии

В области корпоративных финансов по-прежнему существуют разногласия по поводу того, влияют ли структура собственности и дивидендная политика на благосостояние акционеров. Таким образом, в период с 2012 по 2021 год целью данного исследования является эмпирическая демонстрация совокупного влияния структур собственности и дивидендной политики на благосостояние акционеров нефинансовых компаний, котирующихся на бирже в Нигерии. Исследуемая совокупность включала нефинансовые предприятия, зарегистрированные в Нигерийской биржевой группе. С помощью целенаправленной выборки было отобрано 54 фирмы. В данном исследовании использовался дизайн исследования экспо-факто. Публикации Нигерийской биржевой группы и общедоступные финансовые отчеты выбранных компаний предоставили вторичные данные для исследования. В качестве метода анализа использовалась регрессионная модель панельных данных. Совокупное влияние структуры собственности и дивидендной политики на благосостояние акционеров было признано положительным и значительным. Полученный результат подтверждает утверждение агентской теории о том, что структура собственности является инструментом надзора, который может быть использован для ограничения оппортунистического поведения руководства, в то время как регулярные выплаты дивидендов создают компании благоприятное впечатление в глазах инвесторов, они также позволяют компании привлекать капитал путем выпуска дополнительных акций, что увеличивает акционерную стоимость. Таким образом, в исследовании предлагается, чтобы политики нигерийских нефинансовых предприятий реструктурировали свою структуру собственности и дивидендную политику таким образом, чтобы это способствовало строгому надзору за операциями и эффективному управлению ресурсами, что в конечном итоге повысит ценность компании для ее акционеров. Другие секторы экономики не принимались во внимание; анализ ограничен нефинансовыми предприятиями, зарегистрированными в Нигерии.

Ключевые слова: нефинансовые фирмы, агентская теория, дивидендная политика, благосостояние акционеров.

Introduction

Maximizing shareholder wealth is one of the main objectives of any corporate company. According to Brigham and Houston (2017), growing shareholder wealth and share value is a key objective for any organization, and they shared this opinion. Although organizations have various objectives, enhancing shareholder value seems to be the most crucial one (Sakaki, et al., 2021). This is predicated on the idea that equity holders should receive payment last; this is sufficient to show that an organization that generates money for its shareholders would eventually satisfy all other interest groups. Boosting shareholder wealth has a direct effect on a company's long-term growth and even its ability to continue as a going concern. A growth in a company's shareholder value, for example, may inspire more confidence in investors by signaling the company's ability to have bright future prospects, which in turn will result in high returns on equity (Putranto, 2018).

In the last ten years, the concept of enhancing shareholder value has gained prominence in discussions about corporate governance in a number of countries, including Germany, France, Sweden, Pakistan, India, and Nigeria. The justifications for maximization of shareholder worth have even gained importance in recent years (Farrukh et al., 2017; Putranto, 2018). This is primarily influenced by a quantity of business catastrophes that have been publicized globally, including those involving Xeros, World Com, and Cadbury Plc, among others. Numerous business enterprises have failed as a result of these scandals, which has caused shareholder capital to be lost. Consequently, research endeavors are focused on comprehending policy measures that corporations globally can utilize to augment shareholder value and thereby mitigate the adverse effects of such scandals on shareholders' wealth.

The research literature has investigated the significance of various organizational variables, including board characteristics and firm-specific characteristics, on the maximization of shareholders' wealth. However, some scholars contend that the dividend policy of the company plays a significant role in explaining variations in shareholders' wealth (Aminu & Salahudeen, 2019; Omoregie & Eromosele, 2016). The dividend policy may have two main effects on shareholders' wealth: firstly, it may mitigate the management's opportunistic behavior, which aims to satisfy their self-interest at the expense of the optimization of shareholders' fortune (Jensen, 1986). The consistent payment of dividends will lessen the flow of free cash and thus reduce the likelihood of the management to exploit the shareholders, as many studies have demonstrated that when there is an excessive amount of free cash in the organization, management is more inclined to engage in exploitative conduct at the expense of improving the wealth of its shareholders. The second channel is the signaling effect of the dividend policy, which acts as a signal of the firm's strength and performance in the eyes of investors. When a firm pays or declares dividends on a regular basis, it will draw more investors, which will increase the valuation of the stock of such a firm in the market and higher shareholder wealth maximisation.

The dividend strategy of an organization establishes the percentage of earnings that will be distributed as dividends to shareholders and the percentage that will be reinvested in the business for future use (Aminu & Salahudeen, 2019). Retained earnings and payout, whether in the form of cash or script issue, are trade-offs. The company's stock price, capital flows, investment prospects, financial structure, and liquidity position can all be impacted by its dividend policy. The dividend policy can reveal details about the performance of the business.

Ownership structure is a significant issue that is taken into account in the literature while attempting to explain the variations in the wealth of shareholders. One crucial element of a company's internal corporate governance process is its ownership structure. The idea of ownership structure encompasses the processes involved in creating and enforcing control and ownership rights. It is possible to examine how the ownership structure affects business outcomes like maximizing shareholder wealth from the angles of institutional, foreign, and management ownership. Over the past ten years, the All Share Index (ASI), which measures stock performance, has continued to show a significant degree of volatility in relation to shareholders' wealth. The ASI, for example, was recorded at 66,371.20 in 2008 and decreased to 20,838.90 in 2010. After that, the ASI for Nigerian businesses fell, reaching a low of 19,732.34 in 2011 and 20,669.38 in April 2020 (Nigerian Exchange Group, 2020). The stock of Nigerian corporate businesses has volatile performance, which puts current investors at risk and erodes the trust of prospective investors. Therefore, stakeholders in the Nigerian business environment continue to place a high priority on maximizing shareholder wealth through improved stock performance.

Ownership structure and shareholder wealth have been the subject of studies (Tawiah, Benjamin & Banns, 2015; Sakaki, Jory & Jackson, 2021; Ryu & Chae, 2021). Research on how dividend policies affect stockholders' wealth is also abundant (Ullah, Suliman, Nargas & Ullah, 2021; Ndirangu, 2019; Tijani, 2019). This study focuses on the combined effects of both ownership structure and dividend policy on shareholders wealth, as measured by the market value of shares. All previous studies examine the effects of dividend policy or ownership structure on shareholders wealth individually.

Literature Review

Ownership Structure

Qwnership structure refers to how an organization's equity is distributed in terms of capital and voting rights, as well as who the equity owners are (Holderness et al. 1999). The ownership structure contributes to a reduction in the incentive to control profits. Moreover, it is believed that business executives possess the capacity to manipulate reported profitability in order to further their own interests. Maury and Pajuste (2005) assert that a company's worth increases with more equitable distribution of voting power. An equitable distribution of voting power indicates that there are many large shareholders present, allowing them to keep an eye on and restrain the largest shareholder, thereby boosting the value of the company. The greatest shareholder's authority may exceed cash flow rights if voting rights are not distributed equitably, which would lower the firm's value.

Dividend Policy

A dividend is typically the amount of money that shareholders receive back for their investment in a company's stock. The compensation that shareholders receive for their risk-taking and investments in a company is known as a dividend (Hanady, 2021). One of the most significant choices made by company management is the dividend policy (Sinnarajah, 2020). The amount of dividends that should be paid to shareholders is specified in the dividend policy. In a corporate organisation, managers are the agents, making decisions on behalf of shareholders (Jensen, 1986). For investors, receiving dividend payments guarantees that their stocks will be held for a considerable amount of time. This indicates that the decision to pay a dividend on a regular basis is directly influenced by the dividend policy. Paying a dividend to shareholders is essential to preserving a company's good name. Dividend payouts also help to reduce agency disputes involving managers and owners (Jensen, 1986). The dividend payout shows the corporation's capacity to cover its own and borrowing costs. However, managers typically prefer to keep profits for themselves rather than distribute them to shareholders because doing so lowers their available profits and creates agency issues (Sinnarajah, 2020). Dividend policy is therefore a sensitive matter for shareholders and company managers. Managers need to strike equilibrium between maintaining the profits retained for potential corporate growth and the ratio of profit to share as dividends thus upholding the confidence of investors, (Hanady, 2021). Because the dividend allocation hypothesis includes a range of control arrangements between stakeholders and executives, cross-sectional variations in dividend policy are driven by an underpinning reason.

Shareholders Wealth

The future value of the anticipated return that investors can expect from the firms in which they have invested represents the net worth of shareholders. When a stock price increases or the amount of dividends rise, stockholders can profit from what they've invested (Akit, Hamzah, & Ahmad, 2015). The present value of the anticipated future returns to the company's owners, or shareholders, is the definition of shareholder wealth. These recurring benefits may come in the shape of dividend payments on regular basis or sales proceeds from stocks. The market value of the company's common stock is used to calculate the wealth of shareholders. The market price of the company's common stock serves as a proxy for the wealth of its shareholders and is determined by the company's financing, investment, and dividend policies. (Priya & Azhagaiah, 2008)

Theoretical Framework

Agency Theory:

This study's theoretical foundation is agency theory, which holds that disagreements between managers and shareholders lead to agency costs, which reduce shareholder value. According to agency theory, serious agency conflicts can be lessened by having a more robust corporate governance framework. Different forms of corporate governance result from the interconnected system that makes up corporate governance, where particular activities are only relevant and successful when combined in specific ways. One of the most respected forms of corporate governance is a company's ownership structure. From an agency standpoint, it is anticipated that, for example, a rise in the holdings of institutional investors will support efficient monitoring. Initially, institutional investors assist in reducing investor knowledge asymmetry. This suggests that institutional investors assist in reducing agency problems like underinvestment. Second, when necessary, shareholder activism can put managers of Nigerian firms under effective pressure. Their proactive participation in monitoring operations therefore has the ability to increase company value and, consequently, shareholder wealth.

When objectives are not aligned, agency expenses occur. It is possible to implement mechanisms that reduce the agency costs associated with conflict resolution. The hypothesis holds that dividend payments made on time can reduce agency expenses. This is because it will limit the quantity of cash flow that managers have access to. They will be discouraged from taking part in any activity that won't help the organization as a result. When it comes to investment selection and risk tolerance, the timely payment of dividends helps resolve conflicts of interest between the manager and the principal (Jensen & Meckling 1976). Even while dividend payments would reduce the amount of cash accessible to managers, this would nevertheless encourage them to visit the stock market to seek further funds. This will reduce the agency problem by enabling possible investors to monitor the management and operations of the company. The manager is not able to use the discretionary monies available to him for perquisite consumption, although he's not in any manner limited in his ability to oversee the growth of the company. Established in 1982, the Rozeff cost reduction strategy offers support to agency theory by reducing agency costs through an increase in payout ratio and eliminating transaction costs related to securing outside funding. The performance of the company can be improved and the interests of shareholders can be protected by cutting agency costs to the absolute minimum.

Empirical Review

Abe et al. (2022) investigated how the dividend policy affected the volatility of shareholders' wealth in a portion of businesses that have profiles on the Nigerian Exchange Group (NGX). In the study, a research approach known as ex post facto was employed. As of December 31, 2020, 162 businesses registered on the Nigerian Exchange comprise the study's population. 49 randomly chosen companies made up the study sample. Data obtained from the NGX and firms' official websites for the years 2010 through 2020 was employed. Inferential as well as descriptive statistical methods were used to examine the data. According to the study, the ownership structure greatly regulated how the dividend policy affected the volatility of shareholders' wealth

Sakaki et al. (2021) studied the effect of institutional control on shareholders' equity mispricing of publicly traded US companies between 1981 and 2012 by panel regression. The analysis came to the conclusion that the stock was less mispriced the more institutional investors held in the stock the steadier their shareholdings were (i.e., less volatile).

Falade et al. (2021) employed a sample of ten manufacturing firms in Nigeria from 2010 to 2019, in their study undertaken to assess the mediating influence of dividend policy on the connection between management ownership and firm value. The approach of pooled OLS regression was utilized for evaluating the collected information. The findings demonstrated that value of the selected Nigerian manufacturing companies was significantly and inversely correlated with managerial ownership

Abbassi et al. (2021) Using the fixed effect model and the generalized method of moments (GMM), investigate the effects of ownership structure and board characteristics on stock market liquidity of non-financial enterprises in South Asian nations. According to a report, management ownership has a big and negative impact on stock market liquidity, but institutional ownership, board size, board independence, and CEO duality have a significant and favorable impact.

Ryu and Chae (2021) explored the effect of managerial control level on stock price collapse in distribution and service sectors between 2012 and 2017 using the Korea Composite Stock Price Index (KOSPI). Both panel and logistic regression were used to evaluate the data. It has been determined that the likelihood of a stock price fall is significantly inversely correlated with managerial ownership level.

Sakawa and Watanabel (2020) conducted research to determine how institutional investors affected performance in a stakeholder-driven economy like Japan. The panel regression technique was employed for assessing data produced for the research. It came out that in a stakeholder-oriented system, institutional shareholders help to improve sustainable business performance and build sustainable corporate governance processes

Ogbeide and Evbayiro-Osagie (2019) studied the relationship between share price volatility in Nigeria and several corporate governance systems, including audit committee size, ownership concentration, management ownership, and board independence. The study used annual data from 20 listed corporations for the years 2010 to 2015. It was discovered that managerial ownership had a detrimental effect on share price volatility.

Putranto (2018) conducted a study using data from Indonesia's food and beverage industry from 2012 to 2015 to gather empirical evidence about the influence of managerial ownership and profitability on firm value using Panel OLS Regression. Their analysis's outcome revealed that managerial ownership significantly and favorably affects the firm's worth.

Rahman (2018) examined dividend policy and how it affects business performance using data sourced from Pakistan Stock Exchange's cement sector, which was listed from 2012 to 2016. It was verified by the OLS result that there was a direct and non-significant relationship between dividend per share and return on equity. Additionally, ROE was directly and significantly impacted by firm value, firm size, and earnings per share; financial leverage had no bearing on this.

Chenchehene and Mensah (2015) analyzed the result of dividend policy on stockholders' holdings in the UK retail sector between 2004 and 2008. This led to the choice of 25 companies from the UK's retail market. Earnings, profitability, share price, business size, leverage, and investment are the factors used in the study. The findings show that the prosperity of shareholders is not much impacted by the size of the company, the dividend payment that is currently made, or current investments. On the other hand, a one-year delay in dividend payments has an immense effect on the wealth of investors. Overall, the study's findings show that dividend policies increase stockholders' wealth.

Methodology

All the non-financial businesses quoted on the Nigerian Exchange Group make up the overall population. The research design used in the study was expo facto, 54 firms were selected as the sample using the purposive selection technique between 2012 and 2021. The audited annual reports of the chosen firms provided the data that was used. A company was considered if its shares were routinely traded on the Stock Exchange Group trading floor and if its financial information was complete. To fulfill the purpose of the research, the Abe et al. (2022) model was modified to show the joint impact of both independent variables on the shareholders' wealth. There are two ways to specify the model: stochastic and functional. It was done using regression with fixed and descriptive features.

$$SHW = f\ (OWNS, DIVP) \tag{1}$$

$$SP_{it} = \beta_0 + \beta_1 DVPO_{it} + \beta_2 DVY_{it} + \\ + \beta_3 ION_{it} + \beta_4 MGO_{it} + \beta_5 DVPO * MGO_{it} + \beta_6 DVY * ION_{it} + \mu_{it} \tag{2}$$

Where:
SP = Share Price
DVPO = Dividend payout
DVY = Dividend yield
ION = Institutional ownership
MGO = Managerial Ownership
DVPO*MGO = combined variable of dividend payout and managerial ownership
DVY*ION = combined variable of dividend yield and institutional ownership
μ = Error term
β_0= Constant Term
$\beta_1 - \beta_6$ = Regression Coefficients
I = Firm
T = Time
Variable Measurement

Table 1 – Variables and their description

Variables	Description	Sources
Dependent Variable		
Shareholders Wealth	Share price	Farrukh et al, (2017)
Independent Variables		
Managerial Ownership	The percentage of the company's shares owned by the directors or management	Ryu and Chae (2021), Putranto (2018)
Institutional Ownership	The proportion of the business share owned by the corporate body	Sakaki et al. (2021), Abbassi et al. (2021)
Dividend Payout	Dividend per share/Earnings per share	Sourav et al. (2020)
Dividend Yield	Market Price Per Share / Earnings Per Share	Chenchehene & Mensah (2015)
Note- Authors' Compilation, 2023		

Results and Findings

Table 2 presents the descriptive Statistics

The statistics of the relevant variables were shown by the results in table 2. The firm's average share price is N42.764, while the sampled firms' share prices vary widely, as indicated by the standard deviation of N150.62. Similarly, the means of dividend yield and payout are 0.0305 and 0.252, respectively, with corresponding standard deviations of 0.113 and 0.675. This suggests that while the average dividend payout is 25%, the sampled non-financial enterprises in Nigeria have a dividend yield of only 3%. Furthermore, the findings indicate that the sampled enterprises' average management ownership was 16%, however this figure exhibits significant fluctuation due to its standard deviation of 0.223. This suggests that, generally speaking, directors in Nigeria own 16% of the shares of non-financial companies. In addition, institutional ownership registered the mean of 0.398, meaning that around 39.8% of the shares of Nigerian listed non-financial enterprises are held by institutional investors.

Table 3 presents a summary of the correlation results between the variables. It shows that the share price and management ownership MGO had a negative correlation, with a correlation coefficient of -0.1370. SP and institutional ownership (ION) were strongly and favorably correlated. The combined effect of dividend policy and ownership structure; the share price showed a weak but substantial correlation with MGO*DVPO 0.0041 and ION*DVY 0.0818. ION and MGO showed a weak and negligible correlation. While ION*DVY's interaction with management ownership was inverse and negligible, MGO*DVPO's association with managerial ownership is moderate and substantial. There are no problems with multicollinearity among the variables

Table 2 – Descriptive Statistics

	SP	MGO	ION	DVPO	DVY	MGO*DVPO	ION*DVY
Mean	42.763	0.1624	0.3975	0.2520	0.0305	0.0270	0.0121
Maximum	155.99	0.9435	0.8500	2.5000	2.5423	1.5580	0.5338
Minimum	0.2000	0.0000	0.0000	-12.500	0.0000	-4.5750	0.0000
Std. Dev.	150.62	0.2258	0.2227	0.6752	0.1137	0.2397	0.0284
Observations	540	540	540	540	540	540	540
Note- Author's Computation, 2023							

Table 3 – Correlation Matrix

Variables	SP	MGO	ION	MGO*DVPO	ION*DVY
SP	1.0000				

MGO	-0.1370	1.0000			
	(0.0285)	-----			
ION	0.4039	-0.2935	1.0000		
	(0.0429)	(7.1223)	-----		
MGO*DVPO	0.0041	0.1606	0.0117	1.0000	
	(0.0592)	(0.0517)	(0.2717)	-----	
ION*DVY	0.0818	-0.1498	0.2257	0.0588	1.0000
	(0.0600)	(1.1579)	(5.3743)	(1.3681)	-----
Note- Author's Computation, 2023					

Table 4 – Variance Inflation Factors

	VIF	1/VIF
ION	1.848	.541
MGO	1.202	.832
DVPO	1.178	.849
DVY	1.087	.92
MGO*DVPT	1.083	.923
ION*DVY	1.032	.969
Note- Author's Computation, 2023		

According to table 4 summary of the findings of the multicollinearity test employing variance inflation factors, institutional ownership holds the greatest VIF of 1.848, followed by managerial ownership at 1.202 and dividend payout at 1.178. These are dividend yield (VIF = 1.087), combined dividend payout and management ownership (VIF = 1.083), and institutional ownership and dividend yield (VIF = 1.032). The model has no multicollinearity issues because each calculated VIF is smaller than the 10 threshold that is required to indicate multicollinearity.

To verify that the study's parameters were stationary, unit root tests were performed on the variables. The outcome as displayed in table 5 demonstrates the stationarity of every variable. While some variables are stationary at first difference, others are stationary at level.

Table 5- Unit Root Test

Test	Augumented Dickey Fuller (ADF)			Phillip-Perron (PP)		
Variables	**Level**	**1st Diff**	**Status**	**Level**	**1st Diff**	**Status**
SP	-1.9806	-12.690***	I(I)	-1.9991	-4.4044**	I(I)
DVPO	-5.0841 **	-	I(0)	-4.7950***	-	I(0)
DVY	-2.9167	-3.4801**	I(I)	-1.7823	-4.1680**	I(I)
MGO	-0.5239	-2.8426	I(I)	-0.5018	-2.9081**	I(I)
ION	-3.4604**	-	I(0)	-4.2696***	-	I(0)

**** p<0.01, ** p<0.05*
Note- Author's Computation, 2023

Table 6 – Relevant Diagnostic Tests

Diagnostic Test	Type of Test	F-Val	P-Val	Remarks
Heteroskedasticity	Breusch Pagan	3.9527	0.5634	Absence of Heteroskedasticity
Serial Correlation	Wooldridge	2.1816	0.3143	No Serial correlation
Systematic coefficient	Redundant fixed	43.362	0.0000	Fixed effect is appropriate
Systematic coefficient	Hausman	12.279	0.0196	Fixed effect is appropriate

Note- Author's Computation, 2023

Specified model is not affected by heteroskedasticity, as indicated by the heteroskedasticity test result for robustness of the model, which has a p-value of 0.5634. The model appears to be free of correlation problems, according to the Wooldridge test for serial correlation, which yielded a p-value of 0.3143.

Redundant fixed and Hausman tests were performed for the purpose of determining which of the pooled, fixed, and random effect statistical panel was most appropriate. The results of the tests favored fixed effect, as table 6 illustrates. A fixed effect was utilized to interpret the relationship between ownership structure, dividend policy, and shareholders' wealth of non-financial Nigerian companies.

Regression Analysis

The fixed effect estimation panel was the most appropriate in line with the outcome of Redundant Fixed and Hausman tests, as shown in table 7. The result shows that the ownership structure and dividend policy of the tested enterprises had significant influence on wealth of their shareholders. R^2 indicated that 86% of the variations in the SHW's value could be explained by the explanatory variable. F-Statistics shows a strong fit with a p-value of 0.5, and Durbin Watson's value of 1.8210 suggests that the model is autocorrelation-free. MGO and ION had positive impact on SHW ($t=2.2535$, $p<0.05$), ($t=3.8457$, $p<0.01$) respectively inferring that SHW increases with increase in both managerial and institutional ownership. The value of SHW will rise by 3.6392 for every extra unit of MGO.

Table 7- Regression Analysis

Variable	Pooled Effect		Fixed Effect		Random Effect	
	Coeff	T-Stat	Coeff	T-Stat	Coeff	T-Stat
C	6.4631	-5.8915	-2.5473	-1.5620	-8.9325	-4.6475
MGO	2.6241	2.4114**	3.6392	2.2535**	7.2477	2.9731***
ION	1.3311	8.1434***	2.4162	3.8457***	2.6112	5.7388***
DVPO	11.237	6.4896***	5.8270	1.8438**	1.3467	3.1401***
DVY	10.044	1.3759	3.6301	0.5966	2.0044	1.6539*
MGO*DVPO	6.2104	5.9324***	8.6264	1.7821**	3.4067	3.0093***
ION*DVY	10.735	1.9267**	2.6178	0.7701**	11.758	2.1471**
R^2	0.32		0.86		0.42	
Adjusted R^2	0.30		0.84		0.41	
F-Statistic	23.750		52.618		25.780	
F P-value	0.0000		0.0000		0.0000	
DW	1.3055		1.8210		1.3156	

*** $p<0.01$, ** $p<0.05$
Note- Author's Computation, 2023

Additionally, findings indicated that dividend payout (DVPO; $t=1.8438$, $p<0.05$) significantly and favorably influenced SHW. This implies that raising dividend paid will raise the SHW. When taking into account the probability of 0.05, the combined impact of ownership structure and dividend policy on shareholders' wealth is large and favorable. ION*DVY ($t=-0.7701$, $p<0.05$) and MGO*DVPO and SHW ($t= -1.7821$, $p<0.05$).

Discussion of Findings

This result implies that dividend policy and ownership structure are useful tools for boosting shareholders' wealth. The results are consistent with agency theory, which holds that companies with a higher concentration of institutional investors and a higher percentage of managerial shareholding have better monitoring capabilities. This, in turn, motivates managers to concentrate on maximizing shareholder wealth, as failure to do so may result in termination when shareholders discover them engaging in opportunistic behavior. The result corroborates the submission of previously published literature, such as (Sakawa & Watanabel, 2020; Sakaki et al., 2021 and Abbassi, et al. 2021) who discovered that ownership structure is linked to higher shareholder wealth but contradict the findings of Ogbeide and Evbayiro-Osagie's (2019). Furthermore, the positive correlation between dividend payout and shareholder wealth suggests that paying dividends enhances a company's reputation and allows it to raise capital through the issuance of new shares, which raises the price of the stock. This aligns with the studies of (Ullah et al. 2021; Ebire et al. 2018; Farrukh et al., 2017 and Kumaresan, 2014) who claimed that the net worth of shareholders is positively and significantly impacted by dividend policy. The results, however, conflict with research by (Hassan et al., 2015 and Falade et al., 2021) that found that dividend policy had a detrimental effect on shareholders' wealth.

Conclusion and Recommendations

The study looked at the combined effects of ownership structure and dividend policy on shareholder wealth of 54 non-financial companies that were examined and whose shares were actively traded on the Nigerian Exchange Group during the time for studies. The findings demonstrated that the independent factors' interaction significantly and favorably affected shareholders' wealth. Both ownership structure and the dividend strategy are great instruments for minimizing agency conflicts between management and shareholders since they increase a company's monitoring capacity, which in turn decides how much the business maximizes shareholder wealth.

Recommendations

Based on the study's findings, Nigeria non-financial enterprise policy makers in order to encourage stringent operational oversight and efficient resource management should reorganize their ownership structure and dividend policy. This will ultimately increase the company's value for its shareholders.

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