KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF SOCIAL SCIENCES

DEPARTMENT OF ACCOUNTING AND FINANCE

MANAGEMENT OF OWNERSHIP SHARE AND FIRM VALUE: THE MODERATING ROLE OF FIRM SPECIFIC FACTORS

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DECLARATION

I Solemnly Declare That This Submission, Management Of Ownership Share And Firm Value: The Moderating Role Of Firm Specific Factors is my personal work towards the Masters of Science in Accounting and Finance Degree and that, As I know, it holds no material earlier published by another person and has not been presented to any institution or examining body for the award of any degree, without where due acknowledgement has been made in the work.

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Head of Department Signature Date

DEDICATION

This academic work is dedicated to Mr. Felix Berbiye, my mother Ernestina Darko and Dr. Evans Agalega.

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ABSTRACT

The study examines the relationship between ownership share and firm value as influenced by firm specific factors on the Ghana Stock Exchange. From 2015 to 2021, the study gathered yearly series of information.

To investigate relationship that exist between ownership share and firm value as influenced by firm specific factors, the study used a quantitative technique and a sample of 28 companies that were listed on the Ghana Stock Exchange. The study also gathered information on firms from audited annual reports, and it gathered information about performance from the Ghana Stock Exchange fact book, the GSE profile of listed companies, and the audited annual report. To analyze the data for the study, inferential analysis on the other adopted the regression and correlation with analysis of variance to test hypothesis was employed to further corroborate the results from the descriptive statistics. The results showed that the test of significance of the relationship that exits between management share ownership and firm value as influenced by firm growth. The study recommended whether the relationship between management ownership and firm value is nonlinear or not, the study suggests that it be made more robust by increasing the data or changing the variables.

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LIST OF ABBREVIATIONS

CG: CORPORATE GOVERNANCE

CSR : Corporate Social Responsibility

FV : Firm Value

GSE : Ghana Stock Exchange

ROA : Return On Asset

PLCs : Publicly Traded Corporations

ROE: Return on Equity

DY: Dividend Yield

GMM : Generalized Approach Of Moment

MTRV : Market To Reserve Value

MTB: Market To Book

IDX : Indonesia Stock Exchange

OLX : Ordinary Least Square

KSE: Karachi Stock Exchange

ISE: Istanbul Stock Exchange

FGO: Firm Growth Opportunities

ANOVA: Analysis Of Vari

CHAPTER ONE

1.1 Background of the Study

Firm value is a critical need for businesses particularly in the measurement of the performance and sustainability of the firm as investments. It therefore become imperative to measure firms' value through the right variables and associations however, there has always been a challenge in the right identification of the factors that affects it for investors and financial analysts particularly in real terms (Salehi, Zimon, Arianpoor, and Gholezoo, 2017).

Prior studies have therefore examined the connections between categories of variables and firm value. These involve the board's ownership of shares and the company's characteristics, particularly when determining the worth of the company. Additional variables include those that affect ownership, which essentially refers to the possession of shares in a company, which continues to be of interest to businesses, particularly in achieving their goals of maximizing the value of their investments, their shareholders' value, their profits, and minimizing their costs, losses, and risks. Therefore, it is crucial for every business to assess its worthwhile making it available to its customers, shareholders, owners, and other partners.

Management and ownership of the firm is so critical that it has a direct impact on the firms' financial performance and other prospects of the firm. Governance and its structure as far as the firm is concerned occurs mainly through internal mechanisms such as ownership structure (Mnasri and Ellouze 2015). It is one of the most critical factors affecting the proper implementation of corporate governance and increases the reliability of corporate activities and management policies regarding investment and protecting stakeholders' interests. Ownership therefore has a crucial supervisory role in reducing agency costs, controlling the directors, and improving current financial performance and investment efficiency (Rashed et al. 2018).

Also, according to Vu (2020) decisions regarding investments must be based on the firm value linked between owners and managers as a valuable information from institution of interest. This is because, it gives the institution or the firm a competitive advantage in its performance necessary to facilitate informed and intelligent business decision by investors. Majeed et al (2020) corroborates that the structure and or the composition of the members of the board of governors in relation to how these firms are management or governed may affect negatively or positively financial performance in diverse ways which tend to affect the firms' value. In instances where these effects particularly, the negative ones are not properly managed leads to financial disaster for the firm and vice versa (Majeed et al., 2020). On the contrary, changing the management of a firm sometimes result in improvement in the financial performance of the company, particularly when supported by coherent board decisions as a result of good corporate governance. This comes into fruition through increased transparency in the leadership style exhibited by the management which results in the growing reputation and reducing the asymmetric information gap among shareholders (Lokuwaduge and Heenetigala 2017). Again, increased managerial efficiency and transparency in decision making leads to an improvement in the level of accountability and a result led to risk reduction of inappropriate investment or firm value decisions (Paniagua et al. 2018).

However, a company's performance, serving as a gauge of its worth, largely depends on the management of such businesses. If these managers are additionally shareholders or owners of these companies, then an impasse between managers and investors serves as a reminder of the requirement for an appropriate degree for administrative ownership to ensure that board decisions are made in the best interests of shareholders (Ashfaq and Rui, 2019).

Internal and external factors also affect financial performance and as well as the value of the firm. Others such as market anomalies make differences in the interest rate that impact investor behaviour and as well the firm value(Natarajan et al. 2020).Therefore, increment of administrative possession from a level that is lower not just assists with associating the interests of management and shareholders or investors, yet in addition prompts better dynamic prompting a higher firm worth. Notwithstanding, when the value possessed by the board finds a good pace level, the expansion of administrative proprietorship may furnish supervisors with more prominent opportunity to seek after their own advantage unafraid of diminishing firm worth. Just, when administrative possession moves toward an impressively elevated level, the organization issue can be to a great extent moderated and the firm worth can be expanded.

Finally, according to Arianpoor (2019), in the emerging economies of the developing countries, depending on its peculiar ownership structure, economic status, legal framework, policies of the government, cultural practices and most especially existing corporate system of governance are the sources of the differences in the firms' value from one country to the other as a result of different financial performances of the firm. The implication of this outcome of the study by Arianpoor (2019) is the fact that the firm value could also be influenced by other factors or firm specific factors. Nugroho and Stoffers (2020) further corroborates the fact that other factors which include market competition is an influential factor in corporate investment and financial performance that can lead to increased investment and business efficiency and affects corporate value and agency costs This informs the basis of this present study on the topic management of ownership share and firm value: the moderating role of firm specific factors.

1.2 Statement of the Problem

In previous research, the effects of this relationship's moderators, such as ownership share as well as other characteristics, are examined in connection to company value. Analysis of firms' disclosure of green activities and firm value establishes linear relationship similar to other relationships, whilst others find a complex relationship as a result of the interaction of contextual factors that moderate the relationship (Gao et al., 2017).In a related study, the effect of green disclosure on firm value can be positive, neutral or negative, and that these associations are often ambiguous and conflicting (Mattingly, 2015).

Ji-Hyun and Su-Yol (2022) examines the effect of the evanishment of unethical controlling shareholders' risk on firm value and how corporate governance moderates this effect from a principal agency perspective finds that the evanishment of controlling shareholders' risks does not significantly influence the affiliated firms' value, however supports the positive effect of corporate governance on firm value. Weichieh and Sauerwald (2015) finds that CEO long-term pay positively moderates the relationship between corporate philanthropy and firm value while multi board outside directors negatively moderate this relationship, and that the relationship between corporate philanthropy and firm value enhances as CEO tenure increases. Corporate governance plays an important moderating role in the relationship between corporate philanthropy and firm value.

Affaf, Aamer and Jamshaid (2020) investigate whether the corporate governance (CG) moderates the link between corporate social responsibility (CSR) and firm value (FV) and find using correlation, regression, and moderation analyses a significant direct relationship between CSR and firm performance with the interactivity between CSR and FV weakened when CG was included as a moderator.

The outcomes of the above previous studies shows varying use and outcomes the various factors and firm value which thus leave investors and other market players to have more access to information which reduces their uncertainty and builds their confidence about a firm's sustainable long-term performance (Pham & Huynh, 2020), coupled with the limitation on prior studies restrictions to the direct relationship between green disclosure and firm value, with limited focus on exploration of the role of influential role of firm specific factors in this relationship. This current study therefore seeks to examine the effect of management of ownership share and firm value, with establish the key firm specific factors.

1.3 Objectives of the study

The main objective of this study is to examine the relationship between ownership share and firm value as influenced by firm specific factors.

The specific objectives of the study were to:

1. To examine the nature of the relationship between management of ownership share and firm value.
2. To determine the effect of firm specific factors on the relationship between management of ownership share and firm value.
3. To investigate the relationship between managerial ownership and firm value.
4. To examine whether the relationship between managerial ownership and firm value is nonlinear.

1.4 Research questions

In order to achieve the above objectives, the following research questions were formulated.

1. What is the nature of the relationship existing between management of ownership share and firm value?
2. What is the effect of firm specific factors on the relationship between management of ownership share and firm value?
3. Is there any relationship between managerial ownership and firm value?
4. Is the relationship between managerial ownership and firm value nonlinear?

1.5 Significance of the Study

This part of the thesis is tailored to help us gain knowledge as to the extent in which this thesis is going to be beneficial to the society and the country at large. By bringing about a convergence of interests and lessening managerial entrenchment, the study on ownership structure and business performance may help to minimize the issues of agency between principle and it agent. The study is crucial for determining managers' incentives and, in turn, the firms' economic efficiency in terms of corporate governance. The study could help Ghanaian policymakers adopt appropriate regulations in connection to a specific ownership structure that improves the performance of the company, which is likely to increase economic efficiency and the growth of the stock market. Even more so, an economy's ownership structure may determine how corporate governance will change in the future and foresee crises. Ito and Yuko (2014) claimed that the 1997 Asian Financial Crisis was exacerbated by the association among management of ownership share and firm value. At last, the results of the research will inform researchers interested in the study's factors and serve as a starting point for additional investigation.

1.6 Scope of the Study

The study's scope will be limited to Ghana with specific reference to firms that are recorded on the stock trade. This has carefully been chosen in line with the specific aims of the study in this manner centring on management of firms' ownership and firm value. It also examines the moderating role of firm specific factors.

1.7 Summary of Methodology

The study will adopt the use of both descriptive and inferential statistical analytical methods in analysis of quantitative data that will be obtained for this particular research study. Secondary data from the Ghana Stock Exchange (GSE) of information of firms listed on the stock exchange will be utilized. The graphical analysis of information investigation will essentially include the utilize of frequency tables, and charts to assist recognize patterns of long-term performance of the data. Measures of dispersion and location such as standard deviations, mean, mode, median, most extreme and least values as well as the range will be computed.

Inferential examination on the other hand which can portray relationship between the respective variables shall be performed to further authenticate the outcomes descriptive statistical results with the use of STATA.

1.8 Organization of the Study

The study was organised into five sections or chapters to aid the smooth progression of the work. The first chapter will deal with the study background, statement of the problem definitions, research objectives, research area, research boundaries and research organization. The second chapter (Chapter two) will examine literature on the subject matter. The third chapter will contain the methodology used for the study. The methodology includes the research design, the survey population, the sampling method and the sample size. Chapter four will deal with the presentation and analysis of the collected data. The last but not least chapter (Chapter five), shall consider the conclusions and recommendations that will be worth considering in line with the findings and conclusions that will emanate from the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is a crucial component of the work since it evaluates the works of others in terms of management ownership and corporate value. The conceptual, theoretical, and empirical literature reviews, which are presented in the following order, are the three main perspectives from which the literature is specifically examined.

2.1 Conceptual Review

2.2.1 Management of Ownership

Ownership management has been found to aid further improve regular monitoring, using Oded and Wang (2010). In order to promote corporate value, certain models are being developed to describe how ownership management can both increase and inspire shareholder activism, and how an elevated level of concentration is mirrored by a large spending on oversight.

Bekiris (2013) and Cziraki, Renneboog, and Szilagyi (2010) emphasize the reality that once managerial ownership attains a high level, the issue of agency could turn toward to be greatly mitigated because of full cooperation between managers and shareholders so as the consequences of the outcome is that higher the manager ownership.

There is a wealth of literature on the relationship between institutional investors and corporate governance. In this sense, institutional ownership significantly aids to preserve efficient corporate management, according to Aggarwal, Erel, Ferreira, and Matos (2011**).** Bushee, Carter, and Gerakos (2010) have also demonstrated that appropriation through delicate institutions of government in the US is connected to prospective gains in ownership rights.

Chung and Zhang (2011), the proportion of institutional ownership of firm shares appears to significantly rise in tandem with governance quality. Similar conclusions were reached by McCahery et al. (2011), who found that financial institutions prioritize corporate responsibility highly and frequently participate in shareholder campaigns.

According to Sahut and Othmani Gharbi (2011), institutional investors' highly active behavior reflects well on their positive impact on firm success. However, some authors have found that institutional investors' presence has a negative effect on business results.

A thorough investigation by Huynh (2010) and Gantchev, Gredil, and Jotikasthira (2015) revealed no connection between shareholder activism and corporate performance.

It is still important to remember that leadership succession and earnings management are closely related, and that newly appointed leaders will be under considerable pressure to boost their efficiency in order to persuade the company's shareholders who the hiring selection is going in the correct direction. Hadani, Goranova, and Khan (2011) assert that the leadership shift on handling earnings is closely related to the activism of institutional investors. According to Cai and Walkling (2011) and Renneboog and Szilagyi (2011), large companies are more likely to be the focus of activist shareholders. In fact, the funds frequently take into account the fact that it appears to be simpler for huge corporations to valorize activism.

2.2.2 Firm Performance and Value

An impressive number of empirical studies have been conducted to investigate the link between institutional activism and business performance. As a result, numerous studies show how institutional investors' ownership of business stock has a favorable impact on firm performance. According to Sahut and Othmani Gharbi (2011), institutional investors' highly active activity explains well how this favorable effect on firm performance.

Sahut and Othmani Gharbi (2011) regarding the French and Reducer Shareholdings

Detention Cases, as well as Faccio and Menguez-Vera and Martn-Ugedo (2007) regarding a Tobin Q based Spanish context study, Mizuno (2010) on a ROE based study dealing with the Japanese context, Huynh (2010) and Gantchev, Gredil, and Jotikasthira (2015), elaborated works resulting in vacation of relationship between firm performance and ownership management.

2.2.3 Firm Specific factors

2.2.3.1 Company Size

According to Cai and Walkling (2011) and Renneboog and Szilagyi (2011), large companies are more likely to be the focus of activist shareholders. In addition to stakeholder pressure and the firm's accessibility, larger firms also tend to invest more in non-financial activities. As a consequence, the size of the firm, which is typically expressed as the natural logarithm of total assets, has a significant impact on the value of the firm (Bose, Podder, and Biswas,

2017).

2.2.3.2 Change in leadership (CEO succession)

Most major organizations are led by effective managers, who believe they have the power to make decisions without considering the interests of shareholders (Suhadak et al., 2019). A robust competitive environment fosters a successful corporate governance culture and results in greater monitoring of management choices regarding investment and efficiency as the competitive environment serves a significant informational function. This can be complemented by improved managerial responsibility, efficiency, and transparency in decision-making, which lowers the likelihood of making poor investment decisions (Paniagua et al. 2018). In this regard, Lautsen (2002) has demonstrated that, with regard to the particular case of Denmark, performance levels seem to possess an impact on the CEO's potential termination, indicating appropriately that the leader's constant fear of termination motivates him to act in accordance with the profitable interests of the shareholders. According to a

German case study, Leker and Salomo (2000) came to the conclusion that a decline in performance (as determined by ROA) had an effect on the rate of rotation of the leadership teams. Similar results also show in other publications, supporting and validating the premise that lower results and a higher likelihood of replacing the management team are associated. In this regard, Finet and Labelle (2004) hypothesize that institutional investors would send a positive signal to the markets by purchasing sizable quantities of the business contributes under review (a detention-level positive effect) when they show up to be at the beginning of a management team alteration process. This fact has led Davidson, Jiraporn, Nemec, and Nemec (2004) to uphold the notion that earnings management has a strong connection to the succession of leaders and that the newly appointed leaders would be under intense pressure to demonstrate a boost in their performance in order to persuade the company shareholders that their hiring selection is going in the right direction. Hadani, Goranova, and Khan (2011) assert that the leadership shift in corporate management is closely related to the institutional investors' activity.

2.3 Theoretical Review

2.3.1 Agency Theory

According to the agency theory, shareholder activism had been utilized as a substitute control mechanism to settle disputes relating to the agency of shareholders and leaders (Goranova, Abouk, and Soofi, 2015). The interests of shareholders and executives can be effectively linked through a theoretical structure that allows active shareholder supervision possible. A framework of this kind can be described as a set of actions that shareholders are likely to conduct in order to influence the corporate governance process and offer guidance in this area (Becht, Franks, Mayer, and Rossi, 2010).

There is a theory that claims that as managerial ownership tends to rise, shareholder and executive interests will differ less. In reality, management ownership encourages managers to behave in accordance with the interests of the other shareholders and take on projects that will maximize the value of the company.Since agency costs would be reduced, managerial ownership of some of the business's financial assets or of a group of employees certainly would boost their earning interests.

This demonstrates how management ownership has a positive relationship with business value and is, therefore, influenced by the firm's size. This is due to the reality that the size of the firm additionally represents its overall value. Following this regard, Bekiris (2013) and Cziraki, Renneboog, and Szilagyi (2010) made a point that agency problem would turn out to be much minimized when management ownership reaches a high degree because of total coordination within managers and shareholders. Therefore, the less shareholder activism there would be, the higher managerial ownership turns out to be.

2.3.2 Interest-Convergence Theory

The performance of family businesses is said to be explained by agency costs economies, highlighting the critical role of control and supervision, according to interest-convergence theory. According to Huynh (2010), the minority shareholders' activism shows to be quite potent in comparison to the corporations' inherent ability to manipulate the management control system. It was emphasized that, in contrast to strictly regulated family and heritage enterprises, the managerial firms' unique character is strongly linked with an elevated danger of shareholder agitation. This is because management has a vested interest because they own stock in the company and are therefore part of the ownership. They stand to gain a great deal if the firm's worth is maximized, and the opposite is also true. Therefore, it is anticipated that ownership will have a positive impact on the firm's value.

2.3.3 Free cash-flows theory

More recently, Guiomar (2013) has stressed that the shareholders typically turn to debt as a mechanism through which managers may be disciplined and company value can be maximized when addressing the free cash-flows hypothesis. This hypothesis is also related to the study in that maintaining debt discipline results in proactively avoiding irrational or excessive spending, which is typically what drives up a company's costs. High expenses incurred by the business tend to reduce earnings rather than increase profits, which has an impact on dividends that owners are supposed to receive and, consequently, on ownership interest.

2.3.4 The Stewardship Theory

The core principles of stewardship theory are rooted in the fields of sociology and psychology, specifically emphasizing the conduct of executives. The original purpose of its development was to examine scenarios in which executives (stewards) are incentivized to operate in the best interest of the principals. The term "steward" refers to an individual who safeguards and enhances the wealth of shareholders by ensuring optimal corporate performance, hence maximizing their own utility functions (Davis, Schoorman, and Donaldson 2017). From this standpoint, stewards refer to firm executives and managers who work on behalf of the shareholders, safeguard their interests, and generate profits for them. The stewardship idea emphasizes the synchronization and harmonization of the objectives of senior management, who act as stewards, with those of the organization. Consequently, stewards experience satisfaction and motivation when the organization achieves success. This is in contrast to agency theory, which emphasizes individualism (Donaldson and Davis, 2018). In contrast, collectivists focus on the role of senior management as stewards, integrating their interests with those of the organization. According to this view, managers are regarded as stewards who prioritize the firm's aims, cooperation, sales growth, and profitability. The maximization of corporate performance leads to the maximization of shareholders' value, which in turn maximizes the utility functions of the stewards. It is considered that the performance of the firm can directly influence how people perceive the performance of individuals within the organization.

Smallman (2014) argues that when shareholder wealth is maximized, the utilities of the stewards are also maximized. This is because organizational success will fulfil the majority of stakeholders' needs and provide the stewards with a clear mission. In addition, he asserts that stewards effectively manage competing demands from various beneficiaries and interest groups. Stewardship theory is a proposition that suggests that in order to achieve balanced governance and dynamic performance stability, firms should prioritize meeting the demands of interested stakeholders (Yusoff and Alhaji, 2012). Stewardship theory primarily concerns itself with the establishment of systems that promote empowerment and trust.

The stewardship model in Japan's economy involves Japanese workers assuming the role of stewards, taking ownership of their occupations, and persistently working on them. Stewardship theory posits that managers, acting as stewards, safeguard and enhance shareholder value by ensuring firm performance, since it recognizes a robust correlation between the success of the firm and the actions of managers. Furthermore, stewardship theory proposes the concept of CEO duality, which combines the roles of the CEO and the chairman in order to reduce agency costs and enhance their effectiveness as stewards within the company. This would result in enhanced protection of the shareholders' interests. This thesis elucidates the correlation between directors and shareholders with regards to the performance of a corporation in the realm of corporate governance. The stewardship principle elucidates the question of whether the ownership structure impacts the management's capacity to attain superior business performance. Davis, et al (2017) contend that the agency theory and stewardship theory are not mutually incompatible, but rather provide a connection between agency and stewardship connections. Consequently, the stewardship theory complements the agency theory. Empirical evidence has shown that combining both theories, rather than keeping them separate, leads to enhanced returns (Donaldson and Davis, 2016). According to Anderson, Mansi, and Reeb (2016), the agency and stewardship models of management behaviour provide important theoretical predictions on the significance of chief executive stock holdings or managerial ownership.

2.4 Empirical Review

This section examines the subject's current state and offers proof from earlier research. This section's goal is to review the literature that has already been written about the subject and to point out any gaps. Studies that related to the objectives are reviewed on the empirical side.

This prompted several researches that are discussed under study. Empirical research on the topic has produced conflicting findings on ownership structure and firm performance.

2.4.1 Block Shareholding and company Performance

Iwasaki and Mizobata (2019) carried out a thorough meta-analysis to investigate the connection among ownership concentration and company performance in developing nations in Central and Eastern Europe. A meta-analysis of 1517 estimates from 69 published research that empirically look at the association between these factors was done in the paper. Between 1989 and 2017, data on published companies were gathered during a 27-year period. The results of the meta-analysis, which was conducted on all data gathered, showed that there is a statistically significant and favorable relationship between block shareholding and business performance. This study supports the claim that block shareholding can help an economy with a developing or immature stock market and financial system improve management discipline and performance. Block ownership and metrics of company performance are highly positively correlated, according to Benamraoui, Jory, Mazouz, Shah, and Gough's 2019 research. Performance was evaluated based on three factors: operational efficiency (alterations in return on asset), stock performance (excess purchase and hold returns), and business valuation (Tobin's Q). The study also discovered that blockholders play a significant role in predicting future business performance.

Additionally, Khan and Nouman (2017) looked into the possibility of different types of ownership having an impact on the economic success of listed nonfinancial companies. The study used yearly information from 2004 to 2013 and a sample of 177 non-financial companies. The study's findings revealed that block holding greatly improves a firm's performance. In other words, block shareholders who monitor and control top management's unfavorable behavior and make decisions that are advantageous for other shareholders boost the firm's worth and profitability. Block shareholding adds value and helps to mitigate agency issues, according to the research. To investigate the effect of corporate responsibility on the effectiveness and financial performance of the banking industry, Tai (2015) sampled 57 publicly traded national banks. The study used accounting-based performance measures (the return on asset and return on equity) and collected data from banks between 2011 and 2013. According to the study's regression analysis, block shareholding has a negative impact regarding efficiency or return on assets and is a key factor influencing financial performance. Thus, the current study's main hypothesis is that "block ownership and company performance are significantly correlated."

2.4.2 Ownership by managers and business performance

An investigation on ownership structure and business performance was undertaken by Kunst and Beugelsdijk (2018) using a sample of 27,852 globally listed companies in 123 different countries. The study's findings showed a strong correlation among managerial ownership and business performance. As a result of managers taking on more risk on behalf of the company and having their interests matched with those of other shareholders, it is implied that paying managers or agents with ownership enhances firm performance. Thus, the convergence of interest theory.

Additionally, from 2009 to 2013, Katper, Anand, and Kazi (2018) investigated the impact of management ownership on the efficacy of 75 non-financial enterprises. The outcome showed a strong negative link among managerial ownership and achievement in OLS, which was determined by using a panel data model and assessing success by return on asset (ROA). This suggests that managerial ownership hinders efforts to mitigate the principal-agent dilemma, which has a negative impact on performance.

The impact of managerial ownership on firm performance was also examined by Li, Sun, and Yannelis (2018). With a sample size of 15,846 firm-year data for 3,690 distinct firms, the study created a panel of companies from 2000 to 2005. The study's findings demonstrate a strong correlation between an increase in effective management ownership and an improvement in business performance as shown by Tobin's Q. The study also showed that organizations with significant agency difficulties and firms with inadequate alternate governance structures exhibit greater increases in performance by managerial ownership. The effect is minimal for businesses with extremely low or extremely elevated managerial ownership, but it is significant for businesses with intermediate levels of managerial ownership.

The impact of management ownership on the performance of publicly traded corporations (PLCs) was also studied by Kamardin (2014). In the year 2006, 112 PLCs were sampled in order to give concrete proof on the agency problem. Return on assets (ROA) and Tobin's Q, which stand for accounting and market measures of performance, respectively, were the two performance indicators used.

The study's findings revealed a substantial positive association between managerial ownership and either ROA or Tobin's Q performance indicators, indicating that managerial ownership results in improved efficiency.

Finally, Raji (2012) studied how ownership arrangement affected business performance in Ghana. Return on Assets (ROA), Return on Equity (ROE), and Dividend Yield (DY) were used in the study to gauge effectiveness. The research was done from 2005 to 2009 and was restricted to only financial organizations. The study also used purposive sampling to sample 6 financial institutions, and Pearson's Product Moment Correlation and Logistic Regression were used to evaluate the panel data. The results demonstrate a favorable correlation between insider ownership (managerial ownership) and company success. This shows how managerial ownership may be able to converge or align the interests of management and investors. "The research examined in support of this concept yield conflicting findings regarding ownership structure and firm performance. The reality that the multiple research used diverse environments, economies, and data could be the cause of the inconsistent outcomes. Because factors vary from one country to the next and investor legal protection varies, studies on managerial ownership in advanced nations may not produce the same results as those in emerging countries. The following is the hypothesis for this study:"

The performance of a company and managerial ownership are significantly correlated.

2.4.3Performance of Firms under Institutional Ownership

For U.S. listed shipping companies, Tsouknidis (2019) looked at the connection among institutional ownership and firm performance. The study used quarterly 13F disclosures on institutional investments from the years 2002 to 2016, totaling 59 quarters for each firm during the study period.

The study also used the generalized approach of moment (GMM) estimator to account for the existence of dynamic endogeneity in the connection under investigation and sampled 43 out of 49 U.S. listed shipping businesses. The findings revealed a bad correlation between firm performance and the institutional ownership percentage. According to the study, non-strategic institutional investors, who often have limited time frames for investing and opportunistic investment behavior, are what are responsible for the unfavorable association.

"Yeh (2019) investigated why institutional shareholders affect the performance of listed tourism enterprises in a study. Return on Asset (ROA) and Tobin's Q were used in the study to evaluate the performance of 15 publicly traded tourism companies. Additionally, the study used quarterly data from 2011 to 2015. According to the study's findings, institutional ownership has a positive impact on mentioned tourism companies' return on assets (ROA) and Tobin's Q. According to the study, institutional owners with sizable shareholdings have an incentive to actively oversee management, which will improve business performance in a cutthroat market.

In other words, institutional shareholders play a part in reducing the principal-agent agency dilemma. Lin and Fu (2017) looked at the impact of institutional ownership once more on the performance of a newly listed company with a sizable sample. For a data range of 2004 to 2014, the study used a model with simultaneous equations with a generalized approach of moment estimator. The findings showed that institutional ownership had a beneficial impact on business performance. The outcome also showed that large institutional shareholders who are not subject to pressure have a stronger favorable impact on firm performance than institutional shareholders who are. According to the report, institutional investors raise shareholder value by luring in more analysts and lowering insider ownership.

Al-Najjar (2015) also looked into the connection between ownership structure and publicly traded company performance in a study. The study included 120 firm-year observations on 15 publicly traded companies. .

The study included 120 firm-year observations on 15 publicly traded companies. With data spanning the years 2005 to 2012, the study also evaluated performance using calculating base measures, return on asset, and return on equity. The results supported both the conflict of interest and the strategic connection hypotheses since they showed that institutional ownership had a detrimental effect on both measures of business performance. This means institutional ownership is not a crucial governance instrument to reduce agency conflict.

Finally, to investigate the impact of share ownership and shareholder activity on the performance of investee companies, Awunyo-Vitor and Baah (2012) "conducted a study on listed firms on the Ghana Stock Exchange. A panel regression analysis and data from 1999 to 2008 were used to conduct the study. Due to the varied interpretations of these indicators affecting business success, the study additionally examined performance from two perspectives, return on asset and Tobin's Q. According to the study's conclusions, there is a statistically significant positive association between institutional ownership and firm performance, and high firm financial performance is a result of institutional ownership. Because institutional ownership serves as a mechanism for more affordable quality control of management decisions, it suggests that institutional ownership could be utilized to reduce the agency problem. According to the study's main hypothesis, institutional ownership and company performance are significantly correlated.

2.4.4 Public Sector Ownership and Business Performance

By integrating the various findings in emerging markets, Wang and Shailer (2018) conducted a multi-country analysis to investigate whether reported ownership-performance linkages consistently vary for government ownership. 54 primary studies encompassing 17 countries were selected from a sample of publicly traded corporations. The seemingly disparate findings about the relationship between ownership success for various types of shareholders in emerging markets were combined using the meta-analysis method.

Financial and market base measures were identified as being used to measure reported performance. The outcome supports the general consensus that government ownership and performance are negatively correlated.

Applying the system-GMM estimator on stated manufacturing firms from 2002 to 2015, Hoang, Nguyen, and Hu (2017) discovered a substantial relationship between state ownership and firm performance.

State ownership and Tobin's Q were shown to have an inverse U-shaped relationship in the study employing system-GMM to control endogeneity. This shows that partial privatization may be a successful strategy for enhancing business performance. The empirical results from fixed effect models used in Phung and Hoang's (2013) research on state ownership and firm performance likewise demonstrated that there is an inverse U-shaped link between state ownership and firm performance. In a study published in 2016, Kamardin, Latifa, and Mohdb "examine the impact of various ownership structure types on business performance. Out of 943 companies, 183 were chosen for the study's sample, and data from 2006 to 2010 were gathered. As a stand-in for firm performance, market to reserve value (MTBV) was used. According to the findings, there is a bad correlation between governing mental ownership and business performance. The article hypothesizes that the outcome may be caused by lesser government ownership, which may have an impact on corporate decision-making.

Eelderink (2014) studied the relationship between structure ownership and company ownership using a sample of 80 Dutch listed companies. The study employed OLS regression on the data gathered to quantify performance based on return on equity and market to book (MTB). Along with financial firms, other companies that traded on Euronext Amsterdam between 2010 and 2013 are included in the study. Governmental ownership does appear to promote firm performance, as seen by the considerable relationship that exists between the two.

"In conclusion, research on the various hypotheses about ownership structure and business performance has produced conflicting findings. This may be because the majority of the studies were carried out in developed nations with robust legal and governance frameworks. There is growing realization that, due to distinct political, economic, and institutional circumstances, studies or theories from industrialized economies may only have limited applicability to emerging markets like Ghana. According to recent studies, factors including geographic location, industrial growth, the ownership structure, which in turn affects the performance of the organization and its default risk, is influenced by cultural features and other elements (Zeitun & Pedersen & Thomsen (1997; Gang, 2007). Therefore, the hypothesis of the current investigation is: "Government ownership and corporate performance are significantly correlated.

2.4.5 Relationship between Management of Ownership Share and Firm Value

The second objective of the study is to examine the nature of the relationship existing between management of ownership share and firm value. The empirical reviews of literature are thoroughly presented as follows.

Ekadjaja (2019) demonstrate the possession or ownership structure, which incorporates administrative possession, organization possession, remote proprietorship, and concentration possession as determinants to foresee value of the firm. Administrative proprietorship will be recognized and dissected on its plausibility to make the reverse U-shape relationship design; in this manner the test on allegorical impact between administrative proprietorship utilizing Tobin's Q can be conducted. In the meantime, such test cannot be conducted to the other three autonomous factors. This test was connected to non-financial firms whose offers were recorded on Indonesia Stock Exchange (IDX) amid 2000-2017. The result of board information relapse test concludes that administrative proprietorship can foresee esteem of the firm, whereas it isn't for organization proprietorship and remote possession.

Furthermore, Sandisiwe (2015) explores in case there's a relationship between administrative ownership and firm execution in chosen firms recorded on the JSE, and in the event that so, what that relationship is with the application of relapse investigations over a test of 23 retail division firms, observing information extending from 2010 to 2013. The comes about are found to be strong. The results propose that the speculation that a positive relationship exists between administrative possession and execution be rejected as a negative relationship is found. Instep, the comes about of a two-stage slightest squares (2SLS) investigation discover that administrative possession does not affect firm execution in any direction.

Indrarini (2019) access investor's recognition on the level of victory of a company which frequently related with advertise costs. Expanding share costs appears an increment in shareholder thriving. This considers points to look at the coordinate and backhanded impacts of administrative proprietorship on profit consistency and firm esteem. The populace was all fabricating companies recorded on the Indonesia Stock Exchange for the period 2011-2016. Information was dissected utilizing the SEM-PLS show. Administrative possession contains a noteworthy impact on profit consistency as a degree of profit quality. Profit consistency encompasses a noteworthy impact on firm esteem. Administrative proprietorship features a noteworthy impact on firm esteem, both specifically and in a roundabout way through profit consistency.

Employing a sample of 240 listed companies on the main board of Bursa Malaysia in 2013, an examination into the relationship between administrative and proprietorship structures with the firm's esteem as well as the directing impact of development openings on the relationship between ownership structure and firm's value was assessed as hypothesized that administrative and regulation possession contains a critical relationship with the firm esteem. In any case, the result does not back the theories which applies that there may well be other components that control the behavior of supervisors in impacting the esteem of the companies. On the other hand, the balance impact of development openings have critical positive relationship with firm esteem which is steady with the speculations created (Noor, 2017).

Also, Ruan (2011) looks at the impact of administrative possession on firm execution through capital-structure choices, employing a test of China's civilian-run firms recorded on the Chinese stock showcase between 2002 and 2007. The experimental results illustrate a nonlinear relationship between administrative proprietorship and firm esteem. Administrative proprietorship drives the capital structure into a nonlinear shape, but in an inverse course to the impact of administrative possession on firm esteem. The results of synchronous relapses recommend that administrative possession influences capital structure, which in turn influences firm esteem. Our discoveries infer that the "interest convergence" and "entrenchment" impacts of managers' conduct in terms of administrative possession can moreover clarify the agency-relevant circumstance of China's civilian-run firms.

Sahut (2011) show that as much as business have benefits to accrue from the firm, it influences their characters. This would show up to have a strikingly ideal impact on firm output which resulting from a demonstration of especially dynamic corporate conduct. Consequently, the more critical their share in capital is, the more dynamic they would turn out to be. This way appears worth progressing as far as it leads to benefit of the ownership and management as well.

Varying relationship were also established by other researchers with respect to the objective. Specifically, Zhongfeng (2010) finds that there's no critical relationship between proprietorship concentration and official stipend in state-owned enterprises (SOEs), whereas there's a U-shaped relationship in non-SOEs. Other researches including Lanouar (2011) found that a negative but significant effect on firm execution as measured by an intermediary for Tobin's Q in a concurrent equation system.

2.4.6 Effect of Firm Specific Factors on Management of Ownership Share and Firm Value

It is important also examine the role of other factors or variables in the relationship between management of ownership hare and firm value through empirical review of literature. Also, Hussain (2017) investigate observationally the affiliation among use, profit pay-out proprietorship structure and firm esteem and impact of development openings on this relationship utilizing the relationship examination method, ordinary least square (OLS) relapse examination on 148 non-financial companies recorded on Karachi Stock Exchange (KSE) for the period of five years (2011-2015). Utilizing t-test and board information relapses, the outcome reveal a critical positive relationship between use, and firm esteem, and possession concentration and firm esteem whereas inconsequential affiliation between profit pay-out and firm esteem, which the interaction term of use and development openings is immaterial, the intelligently term of profit pay-out and growth openings is additionally immaterial, and the interaction of possession concentration and development openings is additionally immaterial. In this manner, within the presence of development openings the relationship of use, profit pay-out and possession structure with firm esteem does not influence driving to the conclusion that development openings don't play a directing part. A long-running argument over the connection between managerial ownership and firm value is addressed by Ryu and Yoo (2011) by using the Korean panel data for calculating control and ownership rights for every single group connected company. The measurements used by Korean businesses in Baek et al. (2004) are different. This essay independently analyzes the merging of significance and establishment ideas rather than conflating the two opposing effects. The majority of businesses with less than 42 percent inside management ownership do not clearly show a connection between firm value and inside management ownership, according to empirical results. , for companies with more than 42% inside management ownership, there is a positive association between firm value and inside management ownership, and this relationship is also true when owner control rights are taken into account. Again, on firm specific factors, Yuan (2019) employs an information set comprising of 9,302 firm-year perceptions of Australian recorded companies amid 2005-2015 and a three-stage slightest squares synchronous condition demonstrate to test the bi-directional connections with the outcomes demonstrating that both administrative possession and board autonomy contrarily influence firm execution and bad habit versa, and particularly, board freedom is adversely related with administrative possession and vice versa.

Also, Berķe-Berga (2017) examines the relationship between proprietorship by management and that of value of the firm to shows up to be an imperative issue in corporate governance literature. The tests were performed to determine whether expanded administrative proprietorship has impact on firm execution measured by Tobin's Q and return on assets (ROA). The results uncover that there's positive relationship between administrative possession and inside execution degree whereas it does not altogether influence the advertise execution degree (Tobin's Q). We conclude that administration basically centres on firm principal variables and proportions like productivity, deals development, venture – they have positive connection with administrative proprietorship. In the interim, there's no critical contrast in market-related components for companies with or without administrative proprietorship, as these components within the Baltics are more affected by other contemplations like financial matters, legislative issues and tall liquidity premium.

A survey of institutional investors conducted by McCahery (2011)found that corporate governance demonstrates to be vitally imperative to the organization financial specialists. which a few have appeared certain readiness to lock in in shareholder since they anticipate an opportunity of development in those businesses Be that as it may, when the regulation financial specialists really offer their offers, the share costs would, most after certainly decay drastically, coming about in critical misfortunes to the teach. As such, the teach show up to be bolted in their ventures.

Also, other factors such as family firms' execution shows up to have its clarification within the office costs economies, focusing the significant work of control and supervision. Huynh (2010), concludes essentially to other variables including family firms are stamped with higher execution as compared to non-family firms that the minority shareholders' activism demonstrates to be or maybe solid with regard to firms' normally stratagem through administrative control framework. Subsequently, administrative firms' uncommon character is closely related with an expanded chance of shareholder-activism as contradicted to the firmly controlled family and legacy firms.

Mandacı (2010) looks at the impacts of proprietorship concentration and administrative proprietorship on the productivity and the esteem of non-financial firms recorded on the Istanbul Stock Exchange (ISE) within the setting of a developing advertise. The main variables included firm's value measured by Return on Assets (ROA) and Tobin's Q proportions, where the previous measures productivity and the last mentioned the esteem of the firm. In expansion, we give detailed data on the most characteristics of the possession structures of the firms in our test and discover that possession of Turkish firms is profoundly concentrated. Also, the unlisted holding companies have the most elevated normal rate of offers, which bolsters the conviction that people or families build up the holding companies in arrange to control their recorded firms. After controlling for venture concentrated, use, development and estimate, we discover that possession concentration contains an essentially positive impact on both firm esteem and productivity, whereas administrative possession features an altogether negative impact on firm esteem.

In turn, Bushee (2010) have illustrated that assignment by touchy administration institutions within the US is associated with planned advancements shareholder rights. Chung (2011) shows that volume of the company shares' division held by institutions shows up to extend strikingly in parallel with administration quality.

Finally, Shoaib (2015) examine how administrative value proprietorship influences the capital structure choice (debt-equity ratio) of non-financial firms recorded on the Karachi Stock

Exchange in Pakistan between 2008 and 2012. Prior ponders on Pakistan have investigated the effect of proprietorship structure on firm execution. This ponder amplifies the writing by investigating the relationship of proprietorship structure, particularly administrative proprietorship, on capital structure. Our comes about appear a modified Ushaped relationship between administrative value proprietorship and leveraging. At a moo level of administrative possession, it is emphatically related to debt-equity proportion, accepting that supervisors utilize more obligation, conceivably looking for higher returns on value or higher stock cost by leveraging. An altered U-shaped relationship recommends that leveraging would be reduced after the point where directors gotten to be major leftover claimants by owning a certain sum of value possession. Administrative advantage may clarify this inclination, in spite of the fact that the causal relationship requires further strengthening.

2.5 Conceptual Framework

The conceptual framework of this study was developed by drawing upon existing literature that aligns with the study's goal and the variables employed in this particular investigation. The study defines ownership structure variables as block holding, institutional ownership, managerial ownership, and government ownership. These variables or concepts are interconnected and represent the independent variables for the current investigation. The dependent variable, performance, is assessed using both accounting-based and market-based measures. The performance indicator comprises the return on assets (an accounting-based measure) and Tobin's Q (a market-based measure).

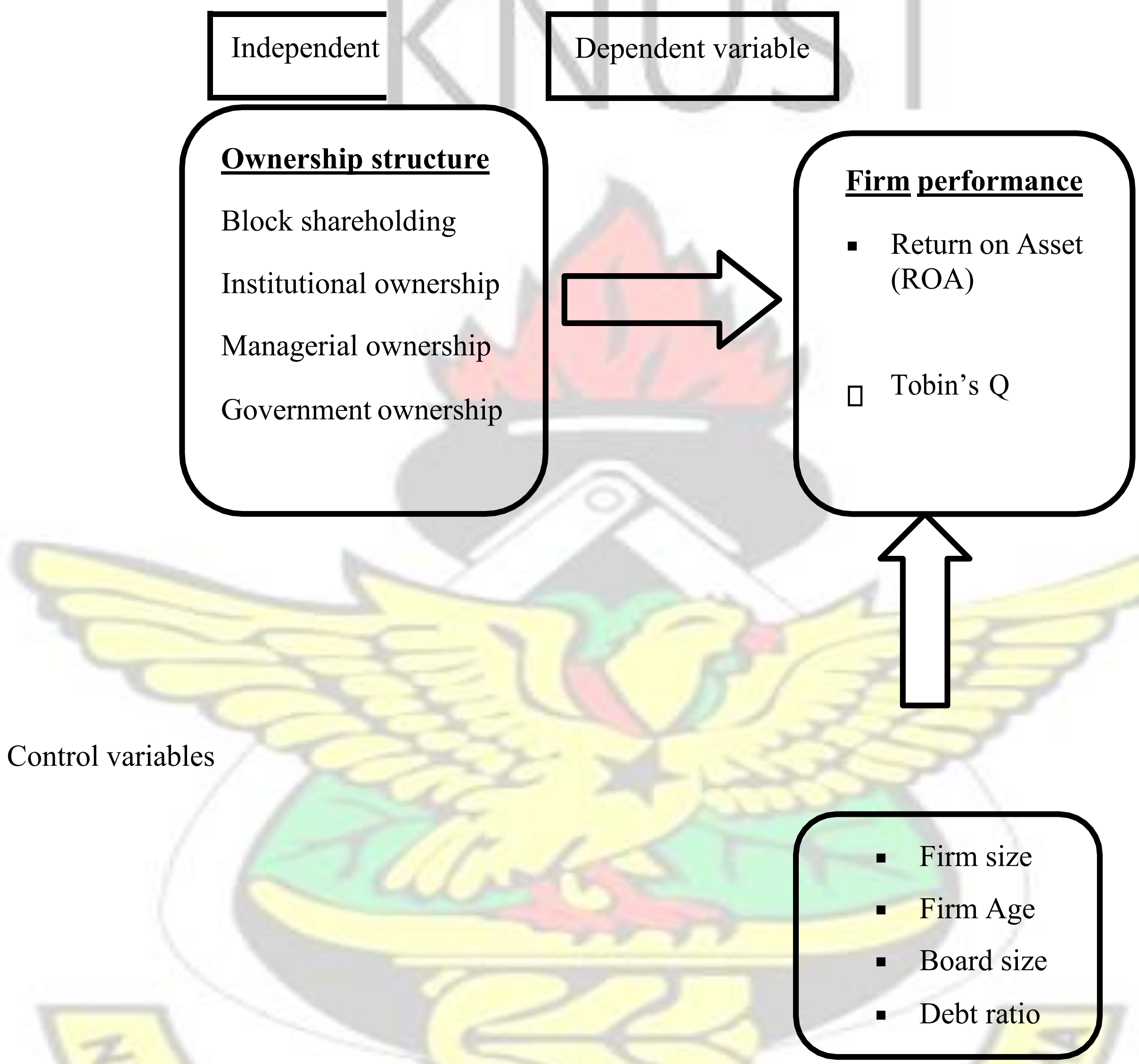

Figure 1: Conceptual Framework
Source: Author's construct, (2023)

The above conceptual framework illustrates the correlation between the ownership structure (independent variable) and of firms listed on the Ghana Stock Exchange. The relationship is elucidated by the agency and stewardship theories employed in the study. The study also presents control variables that impact performance, including firm size, age of a firm, board size, and debt ratio (leverage). Figure 1 depicts the independent variable as the ownership variables and the dependent variable as the firm variable, together with its suitable measure. The directional arrows indicate the correlation between different ownership characteristics and the performance measure.

2.6 Chapter Summary

Theories were examined to support the study based on the aforementioned, notably agency theory interest-convergence theory, and free cash-flows theory The study demonstrated how the numerous empirical reviews and the study's hypothesis were relevant to the theories. The research also found that there have been few studies on the relationship between relationship between management of ownership share and firm value. Due to the increased knowledge of the effects of numerous factors on ownership structure in emerging economies, this study examines effect of firm specific factors on management of ownership share and firm value. According to Zeitun and Gang (2007) and Pedersen & Thomsen (1997, respectively), factors including company size and change in leadership, tax system, industrial growth, and others are considered to affect firm specific factors ownership in various markets and economies risk.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research methodology is very essential in describing the strategies and procedures adopted in the execution of the work. It clearly sets out the approach adopted in this investigation in this section which actually facilitated the real execution leading to the completion of the thesis. It fundamentally covers the research approach, research design, population, sampling technique and size, source of data, econometric model or method of data analysis, and as well as issues of validity and reliability through the use of model adequacy checking.

3.1 Research Approach

The term "research approach" describes the process or plan that researchers use to respond to their research questions or hypotheses (Kothari 2014. There are three types of research methods: mixed, quantitative, and qualitative. Studies that focus on naturally occurring events and contexts are known as qualitative research (Nutassey, 2018). A quantitative approach facilitates generalization of findings and objective, numerical analysis (Crowther & Lancaster, 2008). According to Creswell & Creswell (2017), the mixed method combines quantitative and qualitative research methods. Therefore, the quantitative research approach is suitable for this study in order to meet the research objectives since it would create a mathematical model and guarantee objective analysis. The outcomes of using a quantitative research approach are exact, conclusive, and standardized; they may be converted to statistics and allow a statistical analysis among entities (Sukamolson, 2005). According to Leedy and Ormorod (2010), deductive approaches that confirm, validate, and test assumptions regarding a theory (in this case, Agency and stewardship theory) are preferred in quantitative research.

3.2 Research Paradigm

The term "research paradigm," derived from the Greek word "paradeigma" meaning pattern, was initially defined by Kuhn (1962) as a conceptual framework that is collectively embraced by a group of researchers. This framework serves as a useful model for investigating problems and devising solutions in a study. A research culture is characterized as a collective collection of beliefs, attitudes, and assumptions shared by a community of researchers regarding the nature and practice of research (Antwi and Hamza, 2015; Kuhn, 2017). The research paradigm consists of two primary categories: positivism and interpretivism. Positivism posits that reality is objective, focusing on the quantification of variables and the testing of hypotheses that are connected to overarching causal explanations. The focus is also on collecting empirical data in numerical form, which allows for the presentation of evidence in a quantitative manner when employing data collection procedures (Neuman, 2003). Conversely, interpretivists think that reality is subjective and is influenced by individual researchers, resulting in meaning being filtered via their own view or experiences. While both perspectives are commonly employed in business research, this study specifically utilizes positivism. The study employs positivism as it has formulated several hypotheses derived from the aims and theories, allowing the researcher to utilize a quantitative technique.

3.3 Research Design

The approach and guiding framework for creating and executing structures among the study variables in order to address the study objectives is known as research design (Kothari, 2014). The author clarified that the selection and efficacy of the study design are crucial in producing the most data possible to evaluate the research objectives. Accordingly, "the research design provides the framework for efficiently and cheaply gathering pertinent data.

The study's underlying concepts are highlighted throughout the design. Additionally, it is reliant on the information-gathering strategy and the nature of the research challenge (Bryman & Bell, 2007).

This justification led to the use of the explanatory research design for this study, which examines how one or more variables predict the other variable. A model’s ability to forecast the explained variable or regress and depends on how the variable(s) or regressor (s) are used. The study's use of an explanatory study is justified by its objectives.

The goals were to determine how the regressors (management share ownership) and the regress and (firm value) related to one another.

Therefore, company efficiency on the management of Ownership Share is predicted by firm value.

The interpretevist perspective, which sees quantitatively analysis as being very restricted, might be pinpointed as the main flaw of the strictly quantitative method (Creswell, 2014).

Nevertheless, using countrywide indicative survey precludes the use of mixed on the same firms, therefore, the design was chosen because it permits generalization.

3.4 Study Population

The research population includes number of corporate institutions listed on the Ghana Stock Exchange, bank financial institutions and non-bank financial and manufacturing institutions were the main target for the study.

The study focused on a secondary data . It specifically covered a six (6) year period spanning from 2015 to 2021.

3.5 Sampling and Sampling Size

The researcher used purposive sampling approach to choose the study's respondents. Purposive sampling size, according to the chart, requires a sample size of 28.

Saunders et al. (2007) argued.

Table 3.1 below displays the distribution of sample sizes:

Category	**Sample**
Bank financial institutions	8

Non-bank financial and institutions	manufacturing	20
Total		**28**

Source: Field Data, 2023

As a result, it was straightforward to contact suppliers and employees who were present during the field study's time period and hand them questionnaires. The researcher used Krejcie et al.'s (2017) guidance in choosing the sample.

3.6 Data Source

With respect to this investigation, the source of information was overall data gotten from the Ghana Stock Exchange (GSE) which is made up of financial and as well as the non-financial institutions. The information collected was with respect to the firm's share cost (measured as prevailing at year-end, three months after year-end and six months after year-end), the advertise esteem of equity-to-book esteem of value and log of showcase capitalization covering a sevenyear period, thus, from 2015 to 2021. It is important to state that using share prices at year-end is consistent with (Isshaq et al., 2009) while using prices post-year-end is owed an explanation that there is likely to be a lag between the time accounts are released and the information in the accounts considered emerging on the market (Bokpin, 2013).

Out of the overall number of corporate institutions listed on the GSE, a total of eight (8) bank financial institutions and twenty (20) non-bank financial and manufacturing institutions were purposively chosen for the study based on accessibility to data or information. The reasons for the inclusion of both bank and non-bank institutions is to allow a balance between low or less tightly regulated firms with regard to their management. This is because these characteristics have proven to have an effect on the governance mechanisms (Ntim et al., 2012).

3.7 Data Collection

The study made use of secondary data, which is information gathered for a cause other than the one for which it was originally gathered. Non-financial firms listed on the Ghana Stock Exchange (GSE) provided the information for this study. Between 2015 and 2021, a six-year period, data on market equity-to-book value of equity and market capitalization, were compiled. Due to the lack of data for the most recent year, this time frame was used for the study. There may be a lag between the time the accounts are published and the information in the accounts that is expected to surface on the market (Bokpin, 2013). Based on the availability of the data, ten banks and ten non-banks were selected from among 28 business entities for the study. Only non-financial organizations are prohibited from evaluating closely regulated, highly oriented enterprises' management because it has been established that these characteristics have an impact on governance procedures (Ntim et al., 2012).

3.8 Data Modelling

The main variable which is of great interest is management share ownership. In an endeavour to control the fluctuation in firm esteem not ascribed to administration share proprietorship and to address endogeneity from an excluded variable, control factors are included within the show. In line with earlier ponders, the ponder controls for government possession, firm posting age, firm estimate, leverage and return on value. There are several arguments and empirical evidence that these variables have shown both linear and non-linear relationships with firm value (Fiador, 2013). The assumption here is that firm value will be different across industries and financial years. These variables are included to unveil unobservable effects such as trend effects and

industry-specific effects. The model specifically takes the form: y_{it} □□□□$_1$$MANSHARE_{it}$ □□□X

$_{it}$ □□$_i$ □□$_{it}$

i = 1, 2, 3, ..., N is the cross-sectional dimension of companies, t = 1, 2, 3, management share ownership (MANSHARE) is the independent variable, X_{it} is the set of control variables, λ_i represents the unobserved firm-specific fixed effect, ε_{it} is the error term and y_{it} denote the firm value.

Where;

MANSHARE	=	Proportion of ordinary shares held or owned by management members at year-end
FV.	=	The firm esteem measured in five distinctive ways: characteristic log of the share cost at the year-end, normal log of share cost 3 months after year-end, natural log of share cost 6 months after year-end, normal log of market-to-book esteem of value, and the characteristic log of advertise capitalization
FGO	=	Firm growth opportunities which is measured as the growth rate.
7FSIZE	=	Natural log of book value of total assets at year-end

3.8.1 Model Adequacy Checking: Validity and reliability tests

The appropriate modelling approach in every analysis is to validate the model by analysing the residuals through different demonstrative tests conducted. These incorporate multi-collinearity, autocorrelation, heteroscedasticity, normality, and linearity were confirmed. The ponder employments correlation coefficients both Pearson pairwise and Spearman rank based to check for multi-collinearity. The ponder too checked for endogeneity. The presence of endogeneity will be tried utilizing the Durbin-Waton exogeneity test to set up whether the coefficient of board share possession for all the intermediaries for firm esteem is factually critical or statistically significant to allow for the analysis.

3.9 Data Analysis

As far as the analysis of the data is concerned, descriptive and inferential statistics were performed within the examination for the information accumulated for the research. The descriptive data analysis basically involved the use of frequency tables, and charts to help identify trends patterns of the main variables relating to firm value and managerial share ownership over a period of time. Summary measures such as means, standard deviations, maximum and minimum values as well as the range will be computed. Inferential analysis on the other adopted the regression and correlation with analysis of variance to test hypothesis was employed to further corroborate the results from the descriptive statistics.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.0 Introduction

This part of the thesis which deals with the analysis of data, results presentation and discussions is very crucial arriving at the conclusion of the study based on the methodology that was adopted for the study. The presentation in this section is systematically based on the objectives of the study which include: to investigate the relationship between managerial ownership and firm value; to examine whether the relationship between managerial ownership and firm value is nonlinear; to examine if the relationship between managerial ownership and firm value is influenced by the size of the firm; and to investigate if the relationship between managerial ownership and firm value is dependent on firm growth opportunities. Finally, it is crucial to emphasize that inferential as well as descriptive analysis were utilized in the analysis, presentation, and discussion of the results in accordance with the data analysis technique described in the methodology.

4.1 Test For Multicolinearity

They are confirmed to exist, and they include multi-collinearity, autocorrelation, heteroscedasticity, normality, and linearity. To test for multi-collinearity, the study uses correlation coefficients that are both Pearson pairwise and Spearman rank based. Table 4.1 contains the precise results for the multi-collinearity test, which are detailed below

Table 4.1 Pearson pairwise correlation coefficients

VALUE	FV	MANSHARE	FGO	SIZE
FV	1			
MANSHARE	-0.206388	1		
FGO	0.152903	-0.072924425	1	
SIZE	-0.135328	-0.187199173	0.118487	1

Source: Field Data, 2023

Finding out if the variables are correlated, or if there is a substantial link between the independent variables, including the control variables, is the main goal of Pearson pairwise correlations in order to avoid violating the multi-collinearity principle. Since the diagonals have a correlation coefficient of 1, their relationship is perfect. This is also true since it shows the relationships between each variable and itself. Since firm value (FV) is the dependent variable, its relationship to the other variables is managerial ownership share (MANSHARE), the independent variable, and the control variables, firm growth opportunities (FGO) and firm size (size), respectively was not significant. The correlations between the dependent and control variables remained very weak, but not zero, as can be seen from the data, with the link involving size and MANSHARE having the strongest correlation at -0.187. As a result, it suggests that the independent and control variables did not exhibit multi-collinearity in the data. Additionally, in accordance with the methodological approach, this suggests that the data is appropriate for such analysis.

4.2 Research Question One: The Relationship Between Managerial Ownership And Firm Value

The first objective of the study was to look at the connection between management ownership and firm value. Using regression and correlation approaches, the findings of the specific aim are shown in Tables 4.2, 4.3, and 4.4 and are explained below.

Table 4.2: Model summary of the relationship between management share ownership and firm value

Statistics	Value
R	0.206388
R Square	0.042596
Adjusted R Square	0.038885
Standard Error	2.044634
Observations	260

Source: Field Data, 2023

When examining the relationship between managerial share ownership and the value of the company, the model summary of the analysis is used to gauge the nature, strength, and margin of variability of the projection. There must be a connection between business value and management share of ownership because the correlation coefficient is not zero (0). The relationship between business value and management's ownership stake in the company is weakly positive, as indicated by the correlation coefficient (R) of 0.206.Its positive sign also suggests that when management owns a portion of a company, this weakly increases the firm's value, indicating that management share ownership as a system of governance has been beneficial to the developing capital market since as the level of management share ownership rises, so does the market value of the companies. This result runs counter to the claim that a rise in management share ownership hurts minority shareholders' interests. The outcome also provides data to refute that of (Abhinay et al., 2009), whose data support the findings of earlier studies that found a negative impact of board share ownership on firm value (Abhinay et al., 2019), which is incongruent with earlier studies that found a positive relationship between board
share ownership and firm value.

In addition, the coefficient of determination (R square), which measures the percentage of variation in the dependent variable that can be explained through the independent variable, is 0.0425 (4.26%), which suggests that only 4.26% of the change in firm value is explained or accounted for by the management share of ownership. This also implies that other factors beyond the scope of this analysis account for about 95.74% of the shift in firm value rather than the ownership share of management. This outcome is in line with findings made by Aggarwal et al. (2011), who found that institutional ownership has a significant role in preserving strong corporate governance, which in turn increases firm value.

Table 4.3: Analysis of variance (ANOVA) of relationship between management share ownership and firm value

Source of variation	Df	SS	MS	F	Significance F
Regression	1	47.98716	47.98716	11.47873	0.000814
Residual	258	1078.576	4.180528		
Total	259	1126.563			

Source: Field Data, 2023

The importance of the association between management share ownership and business value is examined using Table 4.3. Since the P-value of 0.0008 is below the significant level of 0.05 and the significance level is set at 0.05, it is clear from the table that the connection is of statistical importance. This suggests that notwithstanding the smaller values of the correlation and determination coefficients, respectively, the model ought to be kept in place if there isn't a better one for analyzing the association between management share ownership and business value. According to Connelly et al. (2012), there is a substantial curvilinear association between board share ownership and business value, and this conclusion corresponds with their results.

Table 4.4: Model coefficients of relationship between management share ownership and firm value

Coefficient	Coefficients	Standard Error	t Stat	P-value
Intercept	17.45313	0.136616	127.7528	3E-235

MANSHARE	-3.93431	1.161238	-3.38803	0.000814

Source: Field Data, 2023

Since the initial test of the relationship between managerial ownership share and firm value revealed an association and subsequent confirmation of the statistical significance of such a relationship, it is suitable to model the relationship using a suitable equation that can produce estimates and forecasts. As a result, the model is denoted by Y = 17.453 - 3.93431X, where Y is the company value and X is the management ownership share. When the management ownership share is set to zero (0), the firm value is or will be constant at 17.453, and the change in firm value caused by a change in management ownership share is or will be constant at -0.9343, which is the size of the change. Given that the P-value of 0.0008 is smaller than the level of significance, the probability (P) value indicates an statistical significance at a significance level of 0.05. This supports the earlier finding that the association is statistically significant overall when tested using both parameter tests and analysis of variance testing.

The results of this study pertaining to the correlation between management ownership and business value align with certain previous research, while conflicting with others. The study's findings about the positive correlation between management ownership and firm value are consistent with the findings of Aggarwal et al. (2011) and Shiu-Yik et al. (2012), both of whom observed a significant and positive relationship between these two variables. The study conducted by Abhinay et al. (2019) presents findings that contradict the purported positive effects of board shareholding on business value. The findings of Connelly et al.'s (2012) study are consistent with the results of the current study, as they also identified a non-linear association between board share ownership and business value.

4.3 Research Question 2: Examining Whether The Relationship Between Managerial Ownership And Firm Value Is Nonlinear

This relationship is examined using graph of the two variables as depicted in the Figure 4.1

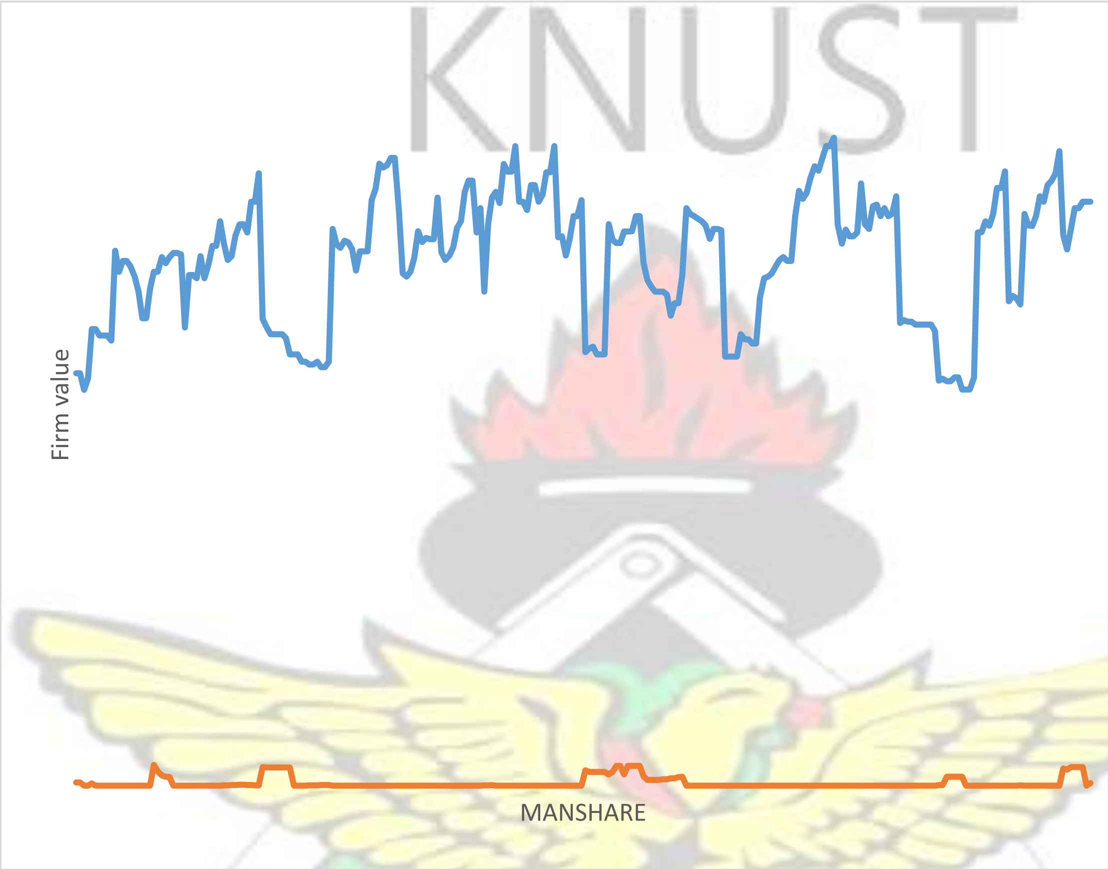

Figure 4.1: Frequency curve of the relationship between FV and MANSHARE

According to the findings so far in 4.4, there is a statistically significant adverse relationship between managerial ownership share and firm value in the model, but a weakly positive relationship between managerial ownership share and firm value is determined by the correlation coefficient. This finding supports the analysis of the relationship's nature to determine whether it is nonlinear. It is evident that the nature of the relationship is nonlinear based on the frequency curve that was utilized to evaluate it. Again, this is in keeping with earlier research that found a large curvilinear relationship between ownership of board shares and firm valuation (Connelly et al., 2012). In the same vein, it can be deduced that there is a nonlinear relationship between ownership of management shares and business value. The link between management ownership share and company value, in contrast to prior studies where the nonlinear character of the relationship was captured by an u shape, exhibits differently with no obvious description of shape but rather. The results of this study are consistent with the current body of research regarding the correlation between management ownership percentage and the valuation of firms. The study reveals a small positive correlation between management ownership share and firm value, which aligns with prior research (Hamiduzzaman, 2012; Roy, Chattopadhyay, and Mazumder, 2020) that has similarly observed a positive albeit modest association. Furthermore, the current study aims to extend prior research by examining the influence of business expansion potential on the aforementioned association.

The findings of the current study align with previous research that emphasized the significance of taking into account aspects outside management ownership share to conduct a thorough examination of business value (e.g., Ashbaugh-Skaife, Collins, and LaFond, 2006). The observation that the influence of management ownership share on firm value is contingent upon the prospects for business growth aligns with previous research that has examined the effects of external factors, such as industry and macroeconomic conditions, on this relationship (Serrasqueiro and Nunes, 2014; Iskandar-Datta and Jia, 2016).

4.4 Research Question 3: Examine The Relationship Between Managerial Ownership And Firm Value As Influenced By The Size Of The Firm

The third objective of this research was to determine whether the size of the company had any bearing on the relationship between management ownership and firm value. Because the connection between management ownership share and firm value was only 0.206 and 4.6% for the correlation coefficient and the coefficient of determination, respectively, this is investigated to see if the size of the firm might serve as a helpful control variable. This is further evaluated using the same regression analysis with a control variable, as shown in Tables 4.5, 4.6, and 4.7, which are summarized as follows**.**

Table 4.5: Model summary of the relationship between management share ownership and firm value as influenced by size of firm

Statistics	Value
R	0.271953388
R Square	0.073958645
Adjusted R Square	0.066752098
Standard Error	2.014774574
Observations	260

Source: Field Data, 2023

Table 4.5's summary of the model shows that even in the presence of firm size, the correlation coefficient (R) of 0.272 indicates a relatively weak positive relationship between firm value and management's ownership stake in the company. The correlation coefficient goes from 0.206 to 0.272, an increase of 0.066. This suggests that business size has an impact on the link between firm value and management ownership share. Additionally, this suggests that firm size should be taken into account when evaluating the relationship between firm value and management ownership share.

Once more, the coefficient of determination (R square) of 0.074 (7.4%) indicates both of which the management ownership share and the size of the firm account for or explain 7.4% of the proportion of variation in the firm value. This further suggests that additional variables outside the scope of this analysis account for around 92.6% of the changes in firm value rather than the ownership percentage held by management and the size of the company. This outcome is in line with findings made by Aggarwal et al. (2011), who found that institutional ownership has a significant role in preserving strong corporate governance, which in turn increases business value.

Table 4.6: Analysis of variance (ANOVA) of relationship between management share ownership and firm value as influenced by firm size

Source of variation	Df	SS	MS	F	Significance F
Regression	2	83.31911	41.65955	10.2627	5.15E-05
Residual	257	1043.244	4.059317		
Total	259	1126.563			

Source: Field Data, 2023

Considering the results of the ANOVA's relationship significance test Table 4.7 demonstrates the significance level of 0.05 for the association between management share ownership and company value. This suggests that the model should be kept up to date as long as there isn't a more accurate one for analyzing how company size affects the relationship between managerial share ownership and firm value.

Table 4.7: Model coefficients of relationship between management share ownership and firm value as influenced by size of firm

Coefficient	Coefficients	Standard Error	t Stat	P-value
Intercept	20.28951751	0.97079	20.90001	2.36E-57
MANSHARE	-4.5776444	1.164872	-3.92974	0.000109
SIZE	-0.165296204	0.056028	-2.95024	0.003468

Source: Field Data, 2023

In the model as it is currently constructed, the link between managerial ownership share and firm value is provided as Y = 20.289 - 4.5776X1 - 0.1653X2, with X1 and X2 standing in for management ownership share and firm size, accordingly. Whenever management ownership share and company size are not present, the constant value of 20.289 represents the beginning value of the firm's worth. The magnitude of the shift in firm value as a result of a unit change in management ownership share and firm size, respectively, is represented by the values of -4.577 and -0.165. Since the P-values of 0.0001 and 0.003 are both below the level of significance, the probability (P) values further show a statistical significance at a significance level of 0.05. This supports the earlier finding that the association is statistically significant overall when tested using both parameter tests and analysis of variance testing.

This finding is at odds with earlier research that found a positive relationship between board share ownership and firm value (Abhinay et al., 2019) and supports the findings of other studies that found a negative influence of board share ownership on firm value (Abhinay et al., 2019). The results of this study are consistent with other research on the correlation between management ownership percentage and business value, particularly when taking into account the influence of firm size. Previous research has also identified a modest positive correlation between the proportion of management ownership and the value of the firm (Aggarwal et al., 2011; Amiruddin et al., 2018). However, this current analysis contributes novel perspectives by incorporating firm size as a control variable.

The incorporation of the firm size variable in the regression analysis provides empirical evidence for the existing literature's assertion that firm size plays a significant role in assessing the association between management ownership share and business value (Hamiduzzaman, 2012; Shirazi et al., 2017). The results of this study indicate that the combined influence of management ownership share and company size accounts for approximately 7.4% of the variability observed in firm value. However, it is important to acknowledge that there may exist additional factors beyond the scope of this investigation that predominantly contribute to fluctuations in business value.

4.6 Research Question 4: Relationship Between Managerial Ownership And Firm Value Is Dependent On Firm Growth Opportunities

The study's final objective was to determine whether chances for business growth influence the relationship between management ownership and firm value. The results of the various correlations are summarized in Tables 4.8, 4.9, and 4.10.

Table 4.8: Model summary of the relationship between management share ownership and firm value as influenced by firm growth opportunities

Statistics	Value
R	0.248397
R Square	0.061701
Adjusted R Square	0.054399
Standard Error	2.028065
Observations	260

Source: Field Data, 2023

In the context of prospects for business expansion, the correlation coefficient (R) of 0.248 between firm value and management share of ownership indicates a moderately weak positive link. The correlation coefficient rises from 0.206 to 0.248 as a result. This suggests that business expansion opportunities have an impact on the link between company value and management ownership share. This additionally implies that chances for business growth should be taken into account when evaluating the relationship between firm value and management ownership share. Once more, the coefficient of determination (R square) of 0.061 (6.1%), indicates that only 6.1% of the variation in firm value is jointly explained or taken into account by management share of ownership and firm growth opportunities. This leaves 93.9% of the changes in firm value unaccounted for.

Table 4.9: Analysis of variance (ANOVA) of relationship between management share ownership and firm value as influenced by firm size

Source of variation	Df	SS	MS	F	Significance F
Regression	2	69.50999	34.75499	8.449935	0.000279
Residual	257	1057.053	4.113049		
Total	259	1126.563			

Source: Field Data, 2023

Considering the results of the ANOVA's relationship significance test In the absence of a more effective model for examining the relationship between managerial share ownership and firm value as influenced by firm growth opportunities, Table 4.9 demonstrates that the relationship between management share ownership and firm value as affected by firm growth opportunities is significant at 0.05 level of significance. As a result, the model can be maintained.

Table 4.10: Model coefficients of relationship between management share ownership and firm value as influenced by size of firm

Coefficient	Coefficients	Standard Error	t Stat	P-value
Intercept	17.33044	0.145736	118.9163	1.1E-226
MANSHARE	-3.74165	1.154903	-3.2398	0.001354

FGO	0.382349	0.167144	2.287535	0.022978

Source: Field Data, 2023

According to the underlying model, Y = 17.330 - 3.74165X1 + 0.38235X2 represents the firm value, and X1 and X2 stand for management ownership share and firm growth opportunities, respectively. In terms of the model's coefficients, the constant value of 17.330 represents the beginning value of the firm's worth in the absence of management ownership share and prospects for firm expansion, with all other components being constant. The corresponding values of the magnitude of change in firm value as a result of a unit change in management ownership share and firm growth potential are -3.7416 and 0.3823, accordingly. The probability (P) values once more show a statistically significant result at a significance threshold of 0.05 because the Pvalues of 0.001 and 0.023 are both below the level of significance. This provides additional support for the earlier finding that the association is statistically significant overall when both parameter tests and analysis of variance tests are used. The results of this study make a valuable contribution to the current body of knowledge about the correlation between management ownership percentage, company value, and firm growth prospects. Prior studies have also investigated the influence of growth prospects on the association between management ownership share and business value (Andres et al., 2012; Giacomelli et al., 2017).

The findings of this study indicate that there is a positive relationship between firm value and management ownership share. Specifically, the correlation coefficient increases from 0.206 to 0.248 when taking into account the firm's growth potential. This finding implies that the probability of business expansion has a role in shaping the association among firm value and management ownership share, hence corroborating the prevailing perspective in the literature about the significance of growth prospects in this nexus.

The R-squared value of 6.1% suggests that the combined influence of management ownership share and firm growth opportunities accounts for a relatively small amount of the variability observed in firm value. This discovery is consistent with prior research that has similarly demonstrated a relatively limited capacity of these variables to explain variations in company value (Chen et al., 2016; Pham et al., 2020). This study implies that there may be additional variables that were not taken into account, which exert a more substantial influence on the determination of business value.

The obtained ANOVA results provide more evidence to substantiate the significance of the association between management ownership share and firm value, particularly in the context of firm expansion potential. This finding aligns with other studies that have similarly identified a substantial correlation between these factors (Firmansyah et al., 2019; Latif et al., 2021).

This finding is in conflict with other studies that suggested a positive relationship between board share ownership and company value (Abhinay et al., 2019), and it supports earlier studies that found a negative influence of board share ownership on firm value.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This report's concluding chapter covers a summary of the study's findings, the intended conclusion, and recommendations for the relevant stakeholders to take into consideration.

5.2 Summary of Findings

The study of the data identified four key variables: business size (size), management ownership share (MANSHARE), firm growth opportunities (FGO), and firm value (FV). All four variables' means, medians, and modes all displayed signs of variation. The mean for FV was 17.28087, MANSHARE was 0.043784, FGO was 0.298808, and firm size was 16.98904 accordingly. The largest observation for the four variables was 21.26889; MANSHARE had a value of 0.467446; FGO had a value of 9.46; and size had a value of 23.46987. The coefficient of determination (R square) of 0.0425 (4.26%) showed that only 4.26% of the change in firm value is taken into account for or explained by the management share of ownership, despite the correlation coefficient (R) of 0.206 showing a weakly positive association between firm value and management ownership share.

According to this study, there were other factors that contributed 95.74% of the alteration in firm value rather than the management portion of ownership. Using a P-value of 0.0008 and a correlation coefficient (R) of 0.272, it was statistically proven that there was a connection among management share ownership and business value. The coefficient of determination (R square) of 0.074 (7.4%) showed that both management ownership share and firm size could only explain or account for 7.4% of the variation in firm value. This left 92.6% of the changes in firm value unaccounted for. The association between managerial ownership share and firm value is based on the model Y = 20.289 - 4.5776X1 - 0.1653X2, where Y is the firm value. Size of the firm serves as the control variable. In the existence of prospects for business expansion, the correlation coefficient (R) of 0.248 shows a moderately mild positive relationship between firm value and management share of ownership.

The management ownership share and firm growth opportunities together account for or explain 6.1% of the variation in the firm value, according to the coefficient of determination (R square) of 0.061 (6.1%). The association between management share ownership and firm value as influenced by firm growth opportunities is significant at a level of significance of 0.05, according to the test of the relationship's significance.

5.3 Conclusion

The study came to the conclusion that all four of the study's variables firm value, management ownership share, firm development potential, and firm size were pertinent to evaluating emerging market capital markets. Only 4.26% of the change in firm value was taken into account for or explained by management share of ownership, according to the coefficient of determination (R square) of 0.0425 (4.26%) and the correlation coefficient (R) of 0.206, which showed a weakly beneficial relationship between firm value and management share of ownership. There was no discernible definition of shape in the link between management ownership and business value, which was nonlinear. According to the study's findings, there is a substantial correlation involving management ownership share and firm value that is affected by the size of the firm, with a R squared value of 0.074 (7.4%) and a R correlation coefficient of 0.272. Having a correlation coefficient of 0.206 to 0.248 and a R square of 0.061 (6.1%), firm value and management share of ownership were likewise shown to be somewhat weakly positively correlated in the presence of firm expansion prospects. Management share of ownership and firm expansion potential do not jointly account for 93.9% of changes in company value.

5.4 Recommendations

The following recommendations are made for consideration based on the findings, and conclusions derived from the study.

In order to help enhance the strength and nature of the link, as evidenced by weak correlation and coefficient of determination values, the study recommends the construction of a more robust and sparse model in the evaluation of the relationship between management ownership share and business size. There are two ways that this could be done: i) increasing the data from 260 to see if it will improve with the coefficients, as large data sets are known to increase the precision of results; ii) adding other variables to the model based on the finding that the management ownership share only explained 4.26% of the change in firm value, with the remaining 95.74% of the change in firm value as per the data and analysis performed not or being able to be accounted for by the management share of ownership by the management share of ownership.

Second, whether the relationship between management ownership and firm value is nonlinear or not, the study suggests that it be made more robust by increasing the data or changing the variables.

Additionally, it is advised that more control variables be added to the model because the inclusion of only the firm's size as a control variable revealed a significant relationship between management ownership share and firm value, leading to a model that was able to fully explain the dynamics of the relationship between firm size and management ownership share for wise decision-making.

Again, encouraging institutional investors or owners to engage in efficient monitoring can effectively decrease strategic alignment and conflicts of interest.

Furthermore, it is imperative for the government to implement measures aimed at expanding the ownership structure of State Owned Enterprises to incorporate co-ownership by private individuals, as there has been a decline in the performance of government-owned firms. Once more, it is crucial to implement or promote alternative methods of corporate governance that ensure the alignment of management's interests with those of the shareholders.

Finally, it is advised to modify the relationship by including other control variables in addition to firm growth opportunities. This is similar to the conclusion related to the final objective, which sought to investigate whether the relationship between managerial ownership and firm value is dependent on firm growth opportunities. This is due to the two (2) control variables that were incorporated into the model, which improved it compared to models without control variables by increasing or enhancing the values of the model coefficients.

3.5 Limitations of the study

The researcher faces a number of obstacles during the study. Some data given was full errors and has to be sorted out in order to obtained the data needed for the which delayed the analysis of the work.

5.6 Suggestion for further studies

The model can be expanded to cover non-listed enterprises by conducting more research on the other ownership were not included in the research.

Additional research could look at the crucial ownership threshold over which managers' commitment and firm performance would grow.

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