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Effect of Capital and Ownership Structure on Financial Performance of Listed Information and Communication Technology Firms in Nigeria

[1]Ogunleye, Joshua Kehinde Ph.D, *[2]Afolabi, Chukwudi Segun Ph.D, [3] Akinleye, Bilikis Olayemi Ph.D [4]Tajudeen Adewale Odetayo [5]Igbaroola, Oluwafemi Ayodimeji

[1]Department, Business Edication, Osun State collge of Education, Ila-orangun, Nigeria

[2]Department of Accounting, University of Ilesa, Ilesa, Nigeria

[3] Department of Aounting, Adeleke University Ede,Nigeria

[4,5]Department of Accounting, University of Ilesa, Ilesa, Nigeria

***Corresponding Author**

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Abstract: The study examines how different types of capital ownership affect the financial performance of publicly traded IT companies. The study also examined the relationships and effects among the selected variables. The study looked at the firm's debt-to-equity ratio, total debt-to-asset ratio, long-term debt-to-asset ratio, and short-term debt ratio. The firm's financial performance was the dependent variable. It also looked at managerial, institutional, and foreign ownership. We considered an ex-post facto research design appropriate for the study, which focused on the ten years' annual financial reports of the listed information and communication technology firms (2014-2023). The data analysis employed the multiple regression technique, panel data analysis with fixed effects, random effects, and pooled ordinary least square models. It was found that the capital and ownership structure of listed ICT companies in Nigeria have a big impact on their financial performance (FV=18.20, P<0.05; FV=7.9571, P<0.05; FV=11.7298, P<0.05; FV=12.852, P<0.05). The study concluded that capital and ownership structures are potent factors affecting the financial performance of listed ICT firms in Nigeria. The study suggests that listed ICT companies should let managers buy shares. This will encourage them to carefully handle debt to lower risks and use debt capital wisely in projects that will improve the business's long-term value and financial performance.

Keywords: Capital structure, ownership structure, financial performance, Debt/Equity, Total debt, Long term debt, short term debt.

I. Introduction

Information and Communication Technology (ICT) firms in Nigeria face challenges in determining the appropriate capital mix to achieve desired corporate performance, particularly in debt financing and balancing debt and equity. Such situations can lead to low performance and a decline in the firm's value and shareholder wealth. Shareholders and institutional investors place high value on an organization's success, and managers must ensure that all corporate resources are properly utilized for comparable returns.

The capital and ownership structure of ICT firms significantly influence their financial health and ability to expand and thrive. The Nigerian ICT sector has grown significantly recently, playing a significant role in employment, innovation, and business development. Fundraising for ICT firms is challenging due to the reliance on intellectual capital rather than tangible assets. Combining loans and equity is the best option for financing a company's assets.

It's important to stress the impact of capital-ownership structure in the ICT sector because ICT companies are a big part of economic growth and are part of the Nigerian Exchange group of companies that don't have a lot of room to grow quickly because of the needs of the Nigerian people and the growing market potential. There are few studies investigating the effect of capital-ownership structure on the performance and value of listed ICT firms in Nigeria, despite their contributions to the Nigerian economy. The goal of this study is to fill in a gap in the research by looking at how ownership structure, total debt to assets, long-term debt to equity, and short-term debt to assets affect financial performance as measured by return on assets and return on equity.

II. Literature Review

Capital Structure

A company's capital structure, as defined by Berk and DeMarzo (2017), includes debt, equity, and other securities. Its goal is to keep capital costs low for customers and ensure the company's long-term survival. The choice of capital is crucial as it directly impacts a firm's risk and return. The best mix of debt and equity capital is considered the "capital structure of a corporation." The

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proportion of debt and equity in the entire capital structure of a company is essential for financial management. The optimal capital structure involves increasing shareholder wealth and value while minimizing capital cost. However, identifying the optimal mix of debt and equity can be challenging due to uncertainty and risks. Recent debates on the effectiveness and efficiency of a company's asset management and capital structure indicators have led to various discussions. The ratio of a company's debt to equity provides insight into its long-term viability, revealing how much money comes from creditors and investors. The long-term debt-to-capital ratio measures how much an organization owes over the long run and demonstrates a company's ability to repay its debts and its risk tolerance.

$$\text{Long term debt ratio} = \frac{\text{Long term debt}}{\text{Total assets}}$$

Akaji, Nwadialor, and Agubata (2021) define the short-term debt ratio as the ratio between a company's short-term capital and short-term debt. Short-term debt is any obligation due within a year, often reflected in the current liabilities section of a financial statement. Short-term bank loans are a common component of a company's liabilities and debt; they are used to fund current assets and long-term liabilities for long-term assets.

$$\text{Short term debt ratio} = \frac{\text{Short term debt}}{\text{Total assets}}$$

Overall debt ratio refers to the total amount of debt owed by a business, including any equity investments. The total debt is the sum of current obligations and long-term debt, while total capital is the whole capitalization of the company. We can mathematically calculate the total debt ratio as follows:

$$\text{Total debt ratio} = \frac{\text{Total liability}}{\text{Total assets}}$$

Ownership Structure

The concept of ownership structure, defined by Jensen and Meckling (1976) and widely used in literature, is the focus of this study. There are two types of investors in an organization: inside investors and outside investors. Inside investors and shareholder committees consist of individuals, groups, and organizations with various objectives, time horizons, and financial resources. They have a say in all major decisions, including who serves on the board of directors, how the company's internal financial records are improved, and who is appointed as an auditor.

Good corporate governance is influenced by these organizational structures, which can be attributed to accountability, transparency, the efficient use of scarce resources, and competitively and efficiently managed enterprises. A good ownership structure reduces the risks of financial crises and money loss. Control of a firm is also known as ownership structure, which is defined as the distribution of equity to votes and capital.

Managerial ownership refers to the situation where managers own the business they run, acting as managers and shareholders of the company. This type of ownership increases the equity of the organization and provides managers with a strong economic incentive to align ownership and control, ensuring that managers act in the best interest of shareholders. Management shares are the proportion of shares held by managers of an entity.

The percentage of a company's total issued shares owned by institutions is known as institutional ownership. Institutional investors, such as banks, insurance firms, and pension funds, have explicit fiduciary responsibilities. Institutional shareholders are more engaged than ordinary shareholders in the company, focusing on optimizing returns. They have a higher level of expertise in the capital markets and the company as a whole, and they are better able to take action, making it possible for them to monitor managers in a more efficient and cost-effective manner. In this study, institutional ownership was defined as the percentage of the company's stock owned by various institutions as investors.

Foreign ownership refers to the presence of foreign investors in a company, which can lead to higher financial performance due to their expertise, resources, and ability to control and monitor management. This study defines foreign ownership as the percentage of shares owned by foreigners to the total number of shares issued. The extent to which a company has met its financial goals and how well it utilizes its assets to generate revenues is known as financial performance. Organization theory and strategic management form its foundation, with two types of measurement: monetary and operational. The success of a company relies heavily on its ability to perform well, and there is a current trend toward evaluating a company's performance based on the creation of value, which is linked to the goal of sustainable development.

Previous research has used Tobin's Q and accounting rate of return to measure a company's performance, but they are interchangeable. Accounting profitability and market value performance were used as measures in this study, in line with the findings of Asen, Nwude, Idamoyibo, Ufodiama, and Udo (2021). Return on Assets (ROA) is the overall effectiveness of management in generating profits with its available assets. The higher the firm's ROA, the better. The profitability measure ROA is considered a subject of disagreement among scholars. The simplest way to determine ROA is to take net income reported for a

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period and divide that by total assets. This study chose financial performance measures by adjusting interest and tax to evaluate the performance of management objectively (Ogunleye, 2023).

$$\text{Return on Assets (ROA)} = \frac{\text{Net Income}}{\text{Total Assets}}$$

ROE: Return on Equity

ROE serves as a gauge of a corporation's profitability relative to its stockholders' equity. ROE is far more than a measure of profitability but shows how efficiently the company is in managing the capital invested by the shareholders. ROE provides a simple metric for evaluating investment returns. It also provides insight into how the company's management is using equity financing to grow the business. Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. ROE is important to shareholders because it shows their capital return after paying other capital suppliers. It is consistent with the works of Nguyen, Pham, Dao, Nguyen, and Tran (2020), Okewale, Mustapha, and Aina (2020). The reason for using ROE is that it helps investors to evaluate how their investments are generating income.

$$\text{It was expressed as:} \quad \frac{\text{Net Income}}{\text{BookValue of Equity}}$$

Tobin's Q

This study uses Tobin's Q as a proxy for firm value, which is the ratio of a firm's market value to its asset replacement cost. We widely use it as a forward-looking market-based indicator for a firm's financial performance, as it determines how effectively a firm exploits limited resources. The agency theory, rooted in Berle & Means' work and modernized by Jensen and Meckling, is used to measure the approximation for Tobin's Q.

Agency theory posits that a division of ownership and control can lead to agency issues when managers' motives are not to maximize company performance. In a company context, the principal is the shareholder or other stakeholder, while the agent is the internal party where stakeholders invest or delegate authority. When ownership and control are separate, the agency theory can predict and explain behavior and decisions. Shares held by various individuals and institutions give shareholders control or power to force the company to run optimally in operational, investment, and other corporate activities. If the company's performance meets shareholders' expectations, they consider that the company's share price deserves a high value.

The conceptual view of ownership structure and capital structure uses ROA, ROE, and Tobin's Q as a measure of financial performance.

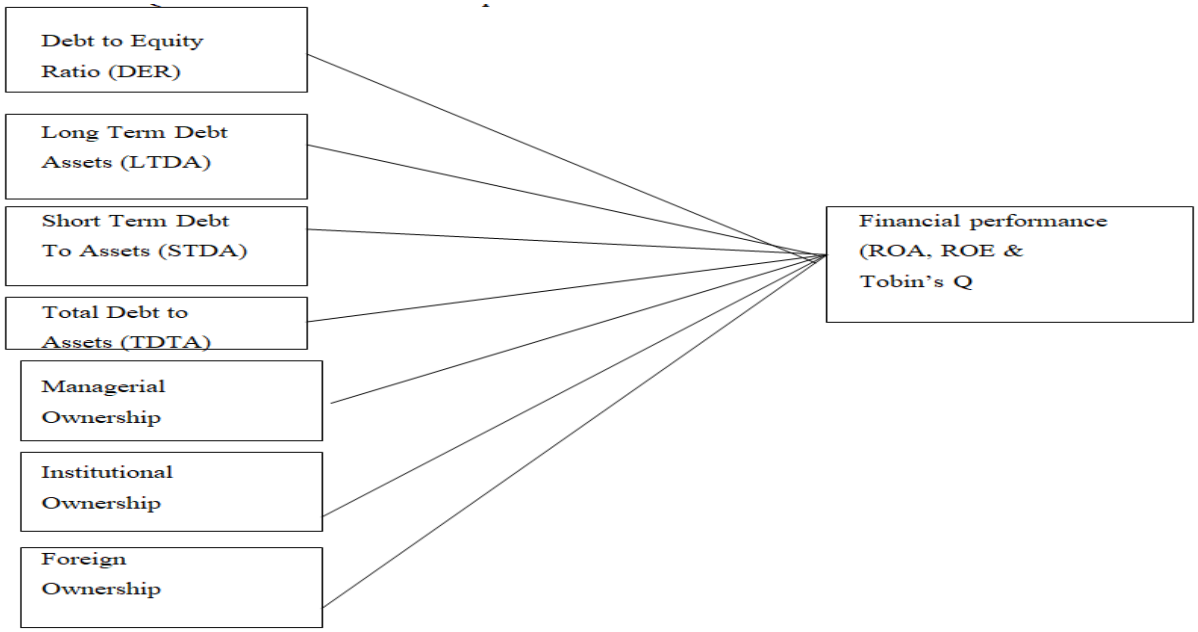

Figure 1: Researcher's concept 2025 the relationship between dependent and independent variables as conceived in the study.

Empirical Studies

The relationship between capital structure, firm ownership structure, and firm performance has been extensively studied in various countries. In Jordan, Al-Thuneibat (2018) found positive relationships among these variables, while Wu (2019) found that

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debt financing and ownership concentration positively influenced firms' performance. We conducted this study in Nigeria, specifically in the ICT sector.

Mishelle (2021) found that leverage has a significant negative impact on firm value in East Africa, suggesting that higher debt would result in a decrease in firm value. Additionally, managerial ownership had an inverse and significant impact on the relationship between leverage and firm value. This finding is consistent with previous research by Rosink (2020), Nguyen and Nguyen (2020), Braik and Messar (2018), and Christoph (2018), who all concluded positive relationships between capital structure and firm performance.

Andhika (2021) looked at how institutional ownership, debt, and firm size affect the value of a company in Japan using multiple linear regressions and moderated regression analysis. Profitability was used as a moderation variable. The results revealed that firm value is not influenced by institutional ownership but is significantly affected by leverage. Ichiro and Satoshi (2022) found that managerial, domestic and foreign ownership exert a positive impact on performance, suggesting that management discipline by investors is less sufficient in emerging markets. The study specifically focused on ICT companies in Nigeria. Rosyeni and Muthia (2019) found a significant relationship between institutional ownership and performance in Indonesia, but not significant when measured by ROA. They also found that liquidity had a positive effect on ROA, economic growth had a positive effect on firm performance, and size had no effect on firm performance. Huthaifa, Ashraf, and Mohammad (2019) found a positive relationship between capital structure and institutional ownership to improve financial performance in Jordanian real estate companies through ROA, ROE, and EPS. Tri and Abdul (2020) looked at how institutional ownership and capital structure affect the value of a company, using financial distress as a moderating variable. The study looked at non-bank companies registered in Indonesia from 2016 to 2018. In conclusion, there is a significant relationship between capital structure and firm value, which is moderated by financial distress. If capital structure rises and financial distress increases, firm value will increase. The study focuses on the impact of leverage, ownership structure, and microeconomic factors on firm performance in Nigerian ICT companies. The results show a negative but statistically significant relationship between leverage and firm performance with both ROA and ROE. Additionally, managerial, institutional, and family-owned ownership have a negative but statistically significant relationship with performance in listed companies in the Pakistan stock exchange.

Olusola, Mengze, Chimezie, and Chinedu (2022) examined the impact of capital structure on the firm performance of large companies in the Hong Kong stock exchange from 2014 to 2018. The study concluded that cultural, political, and institutional differences should be considered when assessing the impact of capital structure on a firm's performance. The current study measures performance using ROA, ROE, and Tobin's Q and supports both the pecking order theory and trade-off theory. Musa (2019) conducted a study on the effect of corporate financing, corporate governance, ownership structure, and microeconomic factors on the financial performance of listed deposit money banks in Nigeria. The results revealed that debt financing, board diversity, ownership concentration, institutional ownership, GDP, exchange rate, inflation rate, firm age, size, liquidity, and bank management efficiency all have significant negative effects on financial performance. Ownership contraction tends to minimize the effect of managerial ownership, as argued in some literature. Chaudhary, Iqbal, and Hussain (2023) looked at how financial stress, debt, and poor business performance were related in some Pakistani companies from 2005 to 2012. The study concluded that leverage plays a significant role and requires extreme care in its adjustment.

Egolum, Onyinyechukwu, and Eze (2021) investigated the effect of ownership structure on the value of listed oil and gas firms in Nigeria. The study found that managerial and CEO ownership structure had an insignificant positive effect on firm value, while government ownership had an insignificant negative effect. Suleiman, Barnabas, and Abdulnumeen (2024) investigated the effect of ownership structure on the performance of listed financial firms in Nigeria between 2014 and 2023. The study found that increasing managerial ownership can align the interests of managers with shareholders, leading to enhanced firm performance. Fasua et al. (2020) examined the mediating effect of dividend payment policy on the relationship between managerial ownership and firm value in listed manufacturing firms in Nigeria. The study found that managerial ownership and the policy on dividend payouts both played a part in the value of the company. The policy on dividend payouts indirectly played a role by increasing managerial ownership.

III. Methodology

This study uses an ex-post facto research design, focusing on listed information and communication technology firms on the Nigerian Exchange Group floor as of December 2023. We selected seven ICT firms using census sampling and annual secondary data from annual reports and financial statements. Multiple regression, panel data analysis, fixed effects, random effects, pooled ordinary least square models, and Hausman's chi-square statistics were used to look at the data.

ROA, ROE & Tobin's Q = f{DER, TDTA, LTDA, STDA, MO, IO, FO}…….. 3.1

Transforming equation 3.1 into mathematical models gives

Pooled Regression Model Specification

$ROA_{it} = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it}$ …….. 2

$ROE_{it} = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it}$ …….. 3

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$$\text{Tobin's Q} = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 4}$$

Fixed Effect Model Specification

$$ROA = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 5}$$

$$ROE = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 6}$$

$$\text{Tobin's Q} = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 7}$$

Random Effect Model Specification

$$ROA = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 8}$$

$$ROE = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 9}$$

$$\text{Tobin's Q} = \beta_0 + \beta_1 DER_{it} + \beta_2 TDTA_{it} + \beta_3 LTDA_{it} + \beta_4 STDA_{it} + \beta_5 MO_{it} + \beta_6 IO_{it} + \beta_7 FO_{it} + \varepsilon_{it} \quad \text{..... 10}$$

Where:

F = function of

ROA = Return on asset

ROE = Return on equity

Tobin's Q = Tobin's Q

DER = Debt to equity ratio

TDTA = Total debt to assets

LDTA = Long term debt to assets

SDTA = Short term debt to assets

MO = Managerial ownership

IO = Institutional ownership

FO = Foreign ownership

$\beta_1 - \beta_7 = \rho$

i = Cross section (Sample firms)

t = Time period (2014-2023)

ε = εrror term

IV. Results and Discussion

The study examines the impact of capital-ownership structures on the performance of Nigerian listed ICT firms. A panel least square model is proposed, which is only effective and consistent when the residual shows no serial correlation or homoscedasticity. The Wald test for groupwise heteroscedasticity and Wooldridge test for autocorrelation in panel data were used to confirm the model's robustness. The results show that the models are free from serial correlation and heteroscedasticity.

The result shows that the null hypothesis of the two tests was rejected.

Table 4.1 Diagnostic Test

Test	Test Statistics	P-value
ROA Model		
Wald test for groupwise heteroskedasticity	0.7574	0.3841
Wooldridge test for autocorrelation in panel data	0.3318	0.5645
ROE Model		
Wald test for group wise	0.4031	0.5254
Heteroskedasticity		
Wooldridge test for autocorrelation in panel data	0.2562	0.6127

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TOBQ Model		
Wald test for groupwise heteroskedasticity	0.1400	0.7082
Wooldridge test for autocorrelation in panel data	0.0441	0.8335

The study analyzed the impact of capital-ownership structure on the Return on Assets (ROA) of Nigerian listed ICT firms using post-diagnostic tests. The model was found to be robust and passed the necessary tests. The study also assessed the appropriateness of three estimate models, including the Hausman Test, Lagrange Multiplier Test, and Redundant Fixed Effect Test. The results showed that the fixed effect model was better than the pooled OLS and random effect model. The overall coefficient of determination showed that 67.8% of the variation in ROA was explained by independent variables. The model also found that DE had a negative relationship with firm ROA, TDTA had a positive relationship, LTDA had a positive relationship, and STDA had a positive relationship. The model also found that MO, IO, and FO of the sampled ICT firms contributed to their ROA.

Table 4.2 Regression Estimate of the combined effect of capital-ownership structures on ROA of listed ICT firms in Nigeria.

Dependent Variable: ROA						
	Pooled OLS Model		Fixed Effect Model		Random Effect Model	
	Coeff.	t-value	Coeff.	t-value	Coeff.	t-value
DER	-6.095348	-2.067466	-2.797370	-0.880300	-6.095348	-2.067466
TDTA	0.036417	2.457437	0.024334	2.115362	0.036417	2.457437
LTDA	-0.126561	-0.275218	0.738228	2.163249	-0.126561	-0.275218
STDA	0.972262	0.773806	0.991668	0.834804	0.972262	2.773806
MO	0.300454	0.223310	2.247896	2.407518	0.300454	0.223310
IO	0.179080	0.531093	0.453282	2.097134	-0.179080	-0.531093
FO	0.421642	2.880785	0.695853	2.696311	-0.421642	-0.880785
SIZE	0.177667	2.254063	0.438532	2.487560	0.177667	2.254063
C	-0.386383	-1.152431	-2.285772	1.355887	-0.386383	-1.152431
R-squared	0.364804		0.678387		0.564804	
Adjusted R-squared	0.217416		0.571183		0.487416	
F-statistic	9.118167		18.26154		17.18167	
Prob(F-statistic)	0.000000		0.000000		0.000000	
Hausman Test	57.23761, p=0.0000					
Lagrange Multiplier Test	19.7723 P=(0.0000)					
Redundant Fixed Effect Test	20.6171(P=0.0000)					

*Significant at 5% level

This study examines the impact of capital-ownership structures on the Return on Equity (ROE) of Nigerian listed ICT firms. The model specification tests include the Langrage Multiplier Test, Hausman test, and Lagrange Multiplier test. The results show that random effects outperform pooled OLS in capturing the link between dependent and independent variables. The fixed effect model is found to be the most appropriate, with DER having the most significant effect on the firms' ROE. Other significant factors include TDTA, LTDA, STDA, MO, IO, FO, and SIZE. The study also found that SIZE contributed to the firms' ROE, with a coefficient of 0.331710 ($t=3.907048$, $p<0.05$). The model's independent variables accounted for 72.6% of the ROE variance, with an f-statistics of 7.9571 and a p-value less than 0.05, indicating statistical significance.

Table 4.3 Regression Estimate of the combined effect of capital-ownership structure on ROE of listed ICT firms in Nigeria.

Dependent Variable: ROE						
	Pooled OLS Model		Fixed Effect Model		Random Effect Model	
	Coeff.	t-value	Coeff.	t-value	Coeff.	t-value
DER	5.117175	3.034144	4.890855	3.072656	5.724004	3.086399

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TDTA	-0.016770	-0.827142	0.022723	2.233426	-0.008499	-0.841387
LTDA	-0.147951	-0.498738	0.032080	0.094211	-0.197827	-0.507328
STDA	-0.565170	-2.024694	0.729742	2.465906	-0.767641	-2.059564
MO	1.247275	2.070444	0.081976	0.093240	1.454319	2.106102
IO	0.149790	0.894560	0.087344	2.499960	0.176627	0.909966
FO	-0.025770	-0.151678	0.289113	2.092663	-0.040938	-0.154290
SIZE	-0.145340	-4.093560	0.331710	3.907048	-0.309079	-4.164061
C	1.020359	5.705589	2.842490	5.209514	2.732034	5.803853
R-squared	0.439552		0.726205		0.43552	
Adjusted R-squared	0.340649		0.634940		0.340649	
F-statistic	4.444284		7.957116		4.444284	
Prob(F-statistic)	0.000250		0.000000		0.000250	
Hausman Test	39.7482, p=0.0000					
Lagrange Multiplier Test	28.2911 P=(0.0000)					
Redundant Fixed Effect Test	16.2731(p=0.0000)					

The analysis of capital-ownership structures on the Total Operating Cost (TOBQ) of Nigerian listed ICT firms revealed that random effect is better than pooled OLS. Fixed effect is also better than pooled OLS. The study found that DER had a negative relationship with TOBQ, while TDA reduced it. LTDA had a positive relationship with firm value, while MO enhanced it. IO had a positive effect on firm value, while FO had a positive effect. SIZE had a negative relationship with firm value. The variables were statistically significant at a 5% level, with 67.19% of variations accounted for by explanatory variables. The overall significance of the variables indicates that the model is statistically significant at a 5% level.

Table 4.4 Regression Estimate of the combined effect of capital-ownership structures on Tobin's Q of listed ICT firms in Nigeria

Dependent Variable: TOBQ						
	Random Effect Model		Fixed Effect Model		Pooled OLS	
	Coeff.	t-value	Coeff.	t-value	Coeff.	t-value
DER	-0.8102	-2.0426	-0.9430	-2.3675	-0.7357	-0.7453
TDA	0.0035	0.5190	-0.0058	-2.1918	0.0017	0.6036
LTDA	0.1814	2.0420	0.1882	2.3760	0.1020	0.7939
STDA	0.1597	0.7738	0.0249	0.1155	0.0866	0.7313
MO	1.0252	3.2851	1.5483	5.2171	0.7719	2.5329
IO	0.2147	2.1308	0.2980	2.8408	0.1770	1.8873
FO	-0.2049	-2.4860	0.1246	0.8670	-0.1259	-1.3179
SIZE	-0.0825	-3.3135	-0.1308	-5.4516	-0.0446	-1.8983
C	1.1326	6.8060	1.2957	6.3577	0.7221	4.1046
R-squared	0.6543		0.6719		0.2543	
Adjusted R-squared	0.5227		0.5456		0.1227	
F-statistic	19.3324		12.8521		2.9332	
Prob(F- statistic)	0.0000		0.0000		0.0018	

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Hausman Test	40.3526, p=0.0000
Langrage Multiplier Test	36.4872, p=(0.0000)
Redundant Fixed Effect Test	23.74126 (p=0.0000)

V. Discussion of Findings

The study investigates the impact of capital and ownership structures on the financial performance and value of listed ICT firms in Nigeria from 2014 to 2023. The results show that both capital and ownership structures have a significant positive effect on financial performance and firm value. This aligns with previous empirical studies, such as those by Holderness (2016), Al-Thuneibat (2018), Shafiq, Aamir, Shrafat, Alif and Sami (2020), and Mishelle (2021). The study suggests that listed ICT firms with a good optimal capital structure and supportive ownership structure achieve improved financial performance and firm value growth. However, further research is needed to definitively conclude the association between capital and ownership structure and financial performance/value of ICT firms in this specific context. The study recommends encouraging managers to buy and own shares to judiciously utilize debt capital in projects that improve financial performance and value. This research contributes to knowledge in the specific sector of ICT, creating an updated database of capital-ownership structure of listed ICT firms in Nigeria.

Recommendations and Conclusion

For ten (10) years, from 2014 to 2023, the research looked at how ownership and capital structures affected the valuation and financial performance of listed ICT companies in Nigeria. Based on the aforementioned results, the research comes to the conclusion that ownership and capital structures significantly affect the value and financial performance of Nigerian listed ICT companies. This is consistent with well-known theories including agency theory, Pecking Order theory, and other empirical research. Consequently, the study's capital and ownership structure variables have a significant impact on the worth and performance of Nigerian listed ICT companies. Owner-managers may also make better use of borrowed capital to boost the firm's value and financial performance. The report suggests that management of information and communication technology businesses listed in Nigeria need to be encouraged to purchase and hold shares. This will assist them in making prudent use of borrowed cash for initiatives that will increase the company's value and profitability. By using data from 2014 to 2023, this subject will improve our knowledge of the ICT industry and lead to the development of a more current and comprehensive database on the capital-ownership structure of Nigerian listed ICT companies.

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