

Diverse Ownership Structure and its implications on firms' Cash holding- Evidence from Listed Consumer Goods from Nigeria Stock Exchange NSE.

Ugwu Ikechukwu Virginus

Department of Accountancy Chukwuemeka Odumegwu Ojukwu University (COOU), Igbariam Anambra State, Nigeria
Email: virginusugwu418@gmail.com

ABSTRACT

This study critically observed diverse ownership structure and its implications on firms' cash holding- Evidence from listed consumer goods from Nigeria Stock Exchange NSE. The annual reports of sampled 20 consumer goods firms from 2014 to 2018 were extracted and analyzed using descriptive statistics, correlation, Hausmann test that accepted correlation random effect and regression analysis. Results found that three out of the four explanatory variables of state (STOWNER), family (FAOWNER), and block ownership (BLOWNER) have significant positive impact: while institutional ownership (INSOWNER) has a weak positive insignificant impact on cash holding of consumer goods firm. But, the overall result showed that multiple ownership structure explains about 56.26% of cash holdings in consumer firms in Nigeria. The study recommends that companies' management policy should consider incorporating state, family and block ownership structure since they say that cash is king. Therefore when enough cash is available and properly managed, profitability is always made possible. Moreover, literature of cash holding supports its motives of transaction, preventive, investment opportunities, capital structure, dividends and default.

Keywords: Diverse Ownership, Cash Holding, Institutional Ownership, Family Ownership, Block Ownership

INTRODUCTION

Diverse/multiple ownership is defined by [1] as a system where an object can have more than, one ownership and the resulting ownership structure forms. Diverse ownership involves multiples large shareholding and this was stated by [2] as a way of improving internal monitoring and reducing the risk of appropriating private benefits by the controlling owners through the diversion of firm's cash reserves, which will translate into a higher firm valuation at end. Diverse ownership involves, state ownership, [3]; [4]; [5]; [6]: family ownership, [7]; [8]: Institutional ownership, [9]; [10]: and Block ownership, [11].

Cash holding is defined as the assets that one hold in ready cash, as opposed to

property, shares, bonds etc, (Collins English Dictionary). Firms hold excess cash to ensure that they will be able to keep investing when cash flow is too low, relative to investment needs, and when outside funds are expensive. Cash is regarded as one of the important assets of a firm and it receives much attention from companies, shareholders and other stakeholders. [12], are of the opinion that firm could have enough of other assets on its statement of financial position, but may still run out of cash, resulting in technical bankruptcy or loss of valuable growth opportunities. They further observed that the importance of cash holding in a firm's overall financial health is reflected in a business jargon that "Cash is King". The fact that

companies don't have cash is just like people who don't have blood. Even if they have strong responsibilities, the company is also difficult to sustain, [13]. In every company, the decision of the actual amount of cash to be held by is always a critical matter. There is somehow an incessant conflict between the management and shareholders especially in diverse shareholdings on the amount of cash that is to be reserved by a firm and the amount that should be paid to the owners/shareholders, [14].

The presence of diverse large shareholders may improve internal monitoring and reduce the risk of appropriating private benefits by the controlling shareholders through the diversion of firm's cash reserves, which will translate into higher firm valuation, [15]. One of the focuses of shareholders is managing cash and cash equivalents, for solvency of the firm and also an important decision mechanism for the management as one of the operating activities in any company [16].

The tendency is that the more ownership structure of a company would require the management holding more cash balance to be liquid enough and lower chance of bankruptcy [17]. Therefore, understanding the impact of multiples ownership on cash holding is important. The relationship between diverse ownership and firm's cash holding has been seen as an issue that could bring changes in the ownership structure around the world as an effort to rescue firms in the recent financial crises [18]. In focus on this study: we take, state ownership, family ownership, institutional ownership and block ownership as our explanatory variables for multiples ownership.

One of the past researches like, [19] pointed out that one of the most common things seen in diverse ownership is in establishing family business. So, in terms of corporate decisions, family firms can react differently from non-family firms. Family owned firms and families are less short sighted and have longer

investment horizons, with less emphasis on short-term results that can make a better investment decisions, [20]. Other authors, [21] are of the opinion that Families invest a huge amount of their' private capital into a company, to have more control on the company and also to ensure that the company survives financially.

[22] observed that there has been a development in Institutional Ownership to create anonymous owners that lack insight; whereas others believe that the variety of owners with different backgrounds, financial goals and time horizons is good for companies. Institutional investors have their ownership rights to pressurize management to act in their best interest keeping cash balances, [23]. State/Governmental ownership [24], remains pervasive around the world and it has increased in few years ago; while Block holders is another important aspect of multiple ownership that can impact cash holdings. Shareholders of large blocks ownership of firms shares determines the amount of cash kept by a firm [25].

Some studies on diverse or multiple ownership on cash holding such as [26], found that family ownership has positive and significant effect on cash holding of a firm; while [28] found that family ownership has low, insignificant and negative effect on cash holding of a firm. Then, [29] found that ownership structure on cash holding on government ownership is significant and impacts positively on the amount of cash held by a firm; while [30] also found that state ownership has negative effect on cash holding of a firm. Further, [31]; [32] discovered that institutional ownership and block ownership have significant impact and are positively related to cash holding of the various companies; while [33]; [34] found institutional ownership and block ownership as having both negative impact on cash holding. Conversely, holding cash can positively or negatively affect the level of firm performance due to holding cost

implications. There are few literatures in Nigeria as regards impact of (shareholding structure) i.e. multiple ownership impacts on cash holding especially on listed consumer firms in Nigeria Stock Exchange. Our study then is to find out on how this structures impacts firms policy on amount of cash held.

Statement of the Problem

This study want to observe whether ownership structure, can affect some policy of the firm and bring about diversity in decision making: could diverse ownership on cash holding bring about negative or positive impact on the firm's decision making process. Could the amount of assets held as cash and cash equivalent by firm form part of the policy made by the board. Will any board with directors having high risk volatile hold less cash despite its implications while; board with low proportion of risk averse directors play safe by holding lager cash despite its cost implications. Could decisions of the board affect the cash holding policy of firms?

We observe none agreement in prior studies on diverse ownership on cash holding, [35]; [36]; [37]; [38] found that family ownership is significant and positively related to Cash holdings. The findings of [39]; [40] were that family Ownership has low, insignificant and negative relationship on Firms' Cash holdings.

On state ownership on firms' cash holding, [8]; [9]; [10]; [11]; [12]; [13]; [14]; [15]; [16] found that it has significant and positive effect on the amount of Cash kept by Firm.

But on the state institutional ownership on cash holding, [6]; [7]; [8]; [9]; [10], [11], found that the result is significant and positively related to Firms Cash holdings, while [12] found it to be negative with Cash holdings.

The findings of [23]; [24] was that block ownership has negative impact on corporate cash; while [29] found that block ownership significantly and

positively affects on corporate cash holding. Few researches found in Nigeria on the subject matter were on determinant, [32]; [33] and other findings of the earlier work on impact, effects and relationship were not in agreement. We carry out this study in Nigeria settings with evidence from listed consumer goods firms in Nigeria Stock Exchange NST.

Objective of the Study

The main objective of this study is to determine whether diverse or multiples ownership (DO) has any implication on cash holdings (CH) of firms in Nigeria.

Other specific objectives include:

- To determine the implications of state ownership (STOWNER) on cash holdings (CH) of listed consumer goods firms in Nigeria.
- To determine the implications of family ownership (FOWNER) on cash holding of listed consumer foods firms in Nigeria.
- To determine the implication of institutional ownership (INSOWNER) on cash holding (CH) of listed consumer food firms in Nigeria.
- To determine the implication of block ownership (BOWNER) on cash holding (CH) of listed consumer goods firms in Nigeria.

Hypotheses of the Study

Ho1: State ownership (STOWNER) has no significant positive implication on cash holding of the consumer goods firms.

Ho2: Family ownership (FOWNER) has no significant positive implication on cash holding (CH) of the consumer goods firms.

Ho3: Institutional ownership (INSOWNER) has no significant positive implication on cash holding (CH) of the consumer goods firms.

Ho4: Block ownership (BOWNER) has no significant positive implication on cash holding (CH) of the consumer goods firms.

REVIEW OF RELATED LITERATURE

Conceptual framework

Diverse/Multiple Ownership: Multiples ownership is defined by [5] as a system where an object can have more than, one ownership and the resulting ownership structure forms. It is ownership by group of people or organizations, where property or shares of a company is owned by a group of people or organizations. [16], observed that investors value higher holdings in firms that are multiple ownership and this encourages valuable internal monitoring. In other words, multiple large shareholders improve internal monitoring and reduce the risk of private interests and benefits by the controlling owner through the diversion of firm's cash reserves, which ends higher monetary value. Ownership is nowadays concentrated in the hands of multiple large shareholders, [20]. The explanatory variable we found for multiple ownership are state ownership, family ownership, institutional ownership and block ownership.

Cash Holdings; Cash holding is defined as the assets that you hold in ready cash, as opposed to property, shares, bonds etc, (Collins English Dictionary) It is also the amount of cash and cash equivalents that is kept by an organization at a given period of time. Cash includes cash at hand, cash at bank. Cash means- cash and cash equivalent; cash and other items that are readily convertible to known amounts of cash or that can be converted into known amounts of cash within a short period of time [11].

Cash equivalents are seen as asset that can easily be changed into cash, savings account, bonds and money markets. Cash and cash equivalents represents a company's liquidity, [20]. It is the duty of management to determine shareholders wealth and set the firms cash holdings at a level where the marginal benefit of cash holdings equals the marginal cost of those holdings, [26]. There are three motives of holding Cash: transaction, precautionary and speculative motives, [27]. But modern

literature of cash holding theory supports its motives as transaction, preventive, investment opportunities, capital structure, dividends and default, [31]; [32]. Cash holding is cash at hand that is available for purchase of other physical assets and payment of dividends to shareholders [4]. The level of cash holding of a firm may be affected by the availability of other liquid asset which can easily be converted when there is shortage of cash [37]. [40], showed that the reduction of cash holding contributes to increasing the firm value and the change of excess cash react differently in determining firm value. Cash ratio is calculated as the cash and marketable cash and marketable securities divided by total assets. Cash holding is measured with cash and cash equivalents to total assets, [39].

State Ownership: State ownership is a legal entity that is created by government in order to partake in commercial activities on government behalf. This can either be wholly or partially owned. This is the number or percentage of shares held by government. It is also in the firm in which government maintains control (ie, the government holds more than 50% of the firm's shares) following partial privatization, [5]. State ownership is associated with implicit government guarantees, preferential access to credit and soft budget constraints, particularly during the times of financial distress, [36]; [37]. State ownership has an impact on the cash holding level as well as other factors such as leverage policy, profitability and dividend policy and others [21]. The opinion of [6] is that state ownership brings a helping hand which assumes that the higher proportion of ownership in a firm is the more capital subsidy provided by the government. State ownership is related with more agency problems such that corporation are typically entrenched bureaucrats who pursue political goals instead of maximization of shareholder's wealth, [35]. One of measurement of

state ownership is by the percentage of shares held by government [6]; [7]; [8].

Family ownership: One of the most common and significant pattern of ownership structure is establishing family ownership, [10]. Family ownership is the number of shares held by family members; family of directors, their spouses and children. Family businesses are among the oldest and most prevalent institutions in the world today. They are an important source of economics development and growth in any country today. [3], observed that family ownership of firms includes when particular family members are working in one business and hold key positions. Businesses with family ruled are usually concerned with family interest, or try to pass the business to the coming children, [6]. Firm might be forced by family- controlled shareholders to approve those issues that suit their personal interest, as compared to minor shareowners, [8]. Literature, have shown that the highest cost of equity arising from information asymmetries, considerations of value of control, and wealth expropriation suggest that family firms are less likely to issue equity than none family firms. Family ownership is measured by the percentage of shares held by various families, family of directors, their spouses and children [11], [12].

Institutional ownership: Institutional ownership is when a company's majority shareholder or sole owner is an institutional investor such as a mutual fund, insurance company, closed end Investment Company, [25]. This is the number of firm shares held by another companies. Institutional ownership represent the percentage of the firm ownership held by financial institutions including Banks, Insurance firms etc to that of the total share capital of the firm [27]. A group of intuitional investors base their trading strategies on the livelihood of short-tem trading profits. Institutional investors are always and able to monitor management more effectively and efficiently than dispersed investors [31].

If institutions are able to profit from contracting with the firm, the institution may colludes the firm's management, thereby reducing overall monitoring, in order to encourage management to establish business ties with the institutions' 'private benefit hypothesis' [10]. Institutional ownership is measured by percentage of shares held by other firm including financial institutions [16] [17].

Block Ownership: A shareholder with an exceptionally large amount or value of stock is called block ownership. Literature have observed that the role of block-ownership, has become a subject for empirical analysis and that high block ownership is expected to have a positive effect on agency cost, [2]; while [7] is of the opinion that large block ownership can play a critical role in governance and this can reduce agency cost through active monitoring, or they can exacerbate agency costs by colluding with management to extract private benefits. Block ownership has external mechanism and this was stated by [14] to have such an incentive to monitor and influence management to protect their significant investments. [28], stated that most people using the term (block holder) refering to holding or trading more than 10,000 shares or shares worth more than \$200,000 or 5% of the total shares of the firms. Block ownership is measured by percentage of shares held by individual with up to 5% or more of total shares of the firm [23]; [24].

This work is anchored on shareholders and cash holding theory propounded by [8]; [9]; [10]. The theory says that the only responsibility of business is to use its resources and engage in activities designed to add to earnings within the rules and focus of firms' free competitive activities without deception and fraud and irrelevance activities. Thus, shareholders theory by Friedman states that the management of business should run the business to maximize cash flow to shareholders, which entails maximizing revenue, minimizing cost, reducing risk [31]; [32]. This work also

relate to cash holding theory which suggest that managers hold cash to serve their own interests, thus increasing the conflict between investors and company's managers, [39]; [40], and also that cash holding supports its motives of transaction, preventive, investment opportunities, capital structure, dividends and default, [21]; [22].

Empirical Review

Several studies have been carried out on diverse/multiple ownership on cash holding. One of the study carried out by [6] on multiple large shareholders and the value of cash holdings was analyzed using regression and t-test statistics and the result indicated that the presence of multiple large shareholding enhances the value of firms' cash. [9] investigated institutional ownership and firm cash holding. Pooled ordinary least squares with t-statistic was used for the study and the result showed that institutional ownership is positively related to cash holding of firms. On the other hand, [10] used panel data regression to evaluate the state, institutional and block ownership and found out that they significantly affect the cash holding decisions of non-financial firms. Study on state ownership and corporate cash holdings using descriptive statistics and Pearson correlation matrix by [29] found that there is strong and robust evidence that state ownership is positively related to corporate cash holdings. [11], carried out study on cash holdings, state ownership and firm value: the case of Vietnam using descriptive statistics and Pearson correlation matrix and the result showed statistically insignificant positive relationship between state ownership and firm value which is measured with the amount of cash holdings. In their study of the corporate ownership structure and firm excess cash holding: evidences from emerging markets, [25] applied pooled ordinary least square and found a negative relationship between the cash holding with foreign ownership. [29] studied on the effect of different types of ownership structure on firm performance and discovered that

directors and foreign ownership have negative relationship with the firm performance and [8] who studied the impact of ownership structure on cash holdings of listed manufacturing firms in Sri-lanka established that state and institutional ownership has positive impact on cash holdings. In [21] investigated how holding by different types of institutions affect the value of a firm's cash holdings using panel regression and found that block ownership is negatively related to the marginal value of corporate cash holdings of a firm. The significant influence of family ownership on firm's cash holdings in Indonesia using descriptive statistics analysis and normality test involving Kolmogorov-smirnov test indicated that non-financial firms perform better than family firms and there is no significant influence between family ownership and firm's cash holdings. [18] researched on the state ownership and cash holdings in China's share issued and privatized firm from 2000 to 2012 and found out that state ownership is negatively related to cash holdings in China, while the result of the impact of concentrated ownership on cash holding in firms in the emerging nations of China and India using regression analysis by [33] revealed that Chinese firms with high levels of government ownership have large cash holdings suggesting more opportunities for private benefits and extraction thus leading to lower firm valuation. The relationship between cash holdings and pattern of share, using pooled ordinary least square method of statistics was carried out by [7], and the outcome showed that cash holding is positively associated with family ownership of firms, cash holding is negatively associated with institutional ownership has an independence influence on cash holdings. [23] checked the effect of family control on the value of corporate cash holdings applying pooled ordinary least square method and the result showed that value of cash reserves is lower in family ownership of firms than

in other firms, indicating potential misuse of cash by controlling families. The study on the relationship between institutional ownership and firm cash holdings in Pakistan was carried out by [6] using Durbin -Watson Houseman test and discovered that institutional ownership significantly and positively related to within firm's cash holdings. [15] embarked on the effect of family ownership on cash holdings and the result indicated that family ownership has positive and significant effect on firm cash holdings; while the result of [14], on the role of state ownership on firm performance based on the level of cash holdings using descriptive statistics and correlations was that state ownership is positively associated with firm's cash holdings. Panel data regression was applied in the study of institutional development, state ownership and corporate cash holdings in China by [40] and the findings were that more developed institutions

We used none random quasi-experimental study design based on panel data to analyze the available data to determine the implication of each of the explanatory variables, and the overall on the criterion variable.

To achieve this, the study used secondary data collected from selected firms under the consumer goods sector quoted in the Nigeria Stock Exchange NSE between 2014 and 2018. The study data was collected from annual financial statement of the various firms selected from listed Nigerian stock Exchange published in the yearly Fact-book. The Nigerian Stock Exchange had a total of 170 listed firms (Nigerian Stock Exchange Fact-book, 2018). These listed firms in Nigeria Stock Exchange were grouped into financial and non-financial firms. This study was based on non-financial firms listed in the NSE. The population of the consumer goods was 36 firms which were categorized in nine different sectors from Nigeria Stock Exchange. Availability of comprehensive data determined 20 sampled consumer firms

mitigate the threat of political extraction for non-state controlled firms. [7] studied the impact of ownership structure on cash holdings of Malaysia listed trading and services companies using panel data regression and the result indicated that concentrated managerial ownership enhance the firm's cash holding, while government ownership has negative effect on cash holdings. Determinant of cash holding of listed manufacturing companies in the Indonesian Stock Exchange was carried out by [14] using annual reports were further analyzed using panel regression of generalized least square (GLS) estimation model and the study found that the level growth opportunity has effect, while networking capital has an insignificant effect and financial leverage has a negative effect on cash holdings. A literature review on the cash holding issues was carried out by [25], and the review puts forward the issues that attention should be paid to this field.

METHODOLOGY

from the nine non-financial sectors. The explanatory variables of this study are: family, state, institutional and block ownership.

Method of data Analysis and Measurement of Variables and Model Specification

Descriptive statistics was used to check the normality of the data, while correlation analysis was used to evaluate the relationship between the variables and determine if there is multi-collinearity. Hausmann test was used to check the data homogeneity selecting between fixed and random effect. The multiple regression analysis was used to evaluate the implication of the independent variables on the dependent variable. In the measurement of the variables: Cash holdings (CASH) was measured by the equivalent of cash to total assets as found in [24]; State Ownerships (STOWNER) was measured by the percentage of shares held by the government as in [9]; Family Ownership (FOWNER) was measured by the shares held by family, family directors, their

spouses and children, [23] [24]; while Institutional Ownership, (INSONER) was measured on the percentage of the shares held by other firms including financial institutions as in [6]; Block Ownership (BLOWNER) was measured by the percentage of shares held by the individuals with up to 5% or more of the total shares of the firms as found in [14] [15]

The model adopted the work of Hamid et al (2012):

Ugwu al (2012): CASHR=F(IMO, BLOCK, FORG). We modify this model to suit both the criterion and explanatory variables of this study as follows:

$$CASHR = \beta_0 + \beta_1 FOWNER + \beta_2 STAOWNERS + \beta_3 INSTOW + \beta_4 BLOWNER + e_{it} \dots 1$$

$$CASHR_{it} = \beta_0 + \beta_1 FOWNER_{it} + \beta_2 STAOWNER_{it} + \beta_3 INSTOWNER_{it} + \beta_4 BLOWNER_{it} + e_{it} \dots 2$$

Where, β_0 = Constant; $\beta_1 - \beta_4$ Coefficient of the variables; I = Cross section

T= Time series

DATA PRESENTATION AND ANALYSIS

The financial statement from 2014 to 2018 of the consumer goods was used for this study and they were analyzed using Excel and E-Views data software analysis procedure. The detailed result of the descriptive statistics is presented below in table one

Table1 Descriptive Statistics

	CASH	STAOWNER	FOWNER	INSTOWNER	BLOWNER
Mean	0.166175	6.091495	7.706804	34.81835	42.39546
Maximum	0.336000	34.50000	36.50000	75.00000	82.59000
Minimum	0.090000	0.000000	0.000000	18.41000	14.00000
Std. Dev.	0.126025	11.16552	12.45583	15.50235	21.41302
Jarque-Bera	3.465678	3.011482	1.858471	7.330833	6.554157
Probability	0.176782	0.000000	0.000092	0.000000	0.037738
Observations	97	97	97	97	97

From the descriptive statistics result above, the mean firms' average cash holding amounts to 16.66, while (STAOWNER) is 6.09; (FOWNER) has the mean of 7.70; (INSTOWNER) is 34.81 and (BLOWNER) is 42.39 percent. The minimum value for cash holding is 0.0900 while the maximum is 0.33; STAOWNER has a minimum of 0.00 while the maximum is 34.500; FOWNER has a minimum of 0.000 while the maximum is 36.500; INSTOWNER has a minimum of 0.000 while the maximum is 75.000 and BLOWNER has the minimum of 14.00 while maximum is 82.5900. This result suggest that the large difference between the mean, maximum and minimum value from the sampled firms, indicates on the

average, percent shares of firms under the consumer goods held by each sector. While the minimum value shows that not all firms shares under the consumer goods sector. The highest probability showed 0.176 while the minimum was 0.000 and the Jarque - Bera (JB) test for normality shows that state ownership, family ownership, institutional owners, and block ownership' is normally distributed. The figures showed values greater than 0.05 showing that Cash holding is normally distributed. The result is an indication that all the explanatory variables are normally distributed, hence no presence of outlier in the distributions of the data.

Correlation Matrix: Table 2

	CASH	STAOWNER	FOWNER	INSTOWNER	BLOWNER
CASH	1.000000				
STAOWNER	-0.211078	1.000000			
FOWNER	-0.282136	-0.145651	1.000000		
INSTOW	0.097123	0.100016	-0.310316	1.000000	
BLOWNER	0.003675	0.345046	-0.302528	-0.438022	1.000000

The correlation analysis table showed

(1.00) that firm cash holding has a

positive relationship with all the independent variables. The figures showing negative relationship indicate that low amount of share of state ownership and family ownership might influence higher cash holding of firms under the consumer goods. At the same vein the positive figures on cash holding, institutional ownership and block ownership indicates that the higher the institutional ownership and block ownership is the higher availability of

cash holding.

The study checked for multi-co linearity of the explanatory variables and the table above indicates the absence of multi-co linearity.

The study used Hausmann effect test to select between fixed and random effect that is best to be adopted in the study. See the result of the Hausmann test table 3, but the detail result is found in the appendix table 4.

Table 3 Correlated Random Effects - Hausmann Test
Equation: Untitled

Test cross-section random effects

Test Summary	Chi - Sq. Statistic	Chi-Sq.d.f	Prob
Cross-section random	6.34722	4	0.1725

Cross-section random effects test comparisons

Variable	Fixed	Random	Var(Diff.)	Prob.
STAWNER	0.051648	0.045774	0.000011	0.1765
FOWNER	0.150914	0.141147	0.000969	0.7537
INSTOW	0.021635	0.040358	0.000117	0.2831
BLOWNER	0.063969	0.049276	0.000123	0.1853

The Hausmann test result shows a chi-square value of 6.34722 and probability value 0.1725, the chi-square value is greater than 10. Based on the result, the

study accept the random effect and rejected the fixed effect, hence we use the random effect from the pool data for the study see table 4 in the appendix.

Hypotheses Testing

Table 4 Regression analysis (OLS)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.367406	0.073946	5.682469	0.0000
STAWNER	0.334746	0.022397	1.954786	0.0636
FOWNER	0.234557	0.002676	2.560368	0.0259
INSTOWNER	0.000668	0.001232	0.403095	0.5853
BLOWNER	0.000452	0.000943	0.390278	0.0471
R-squared	0.562601	Mean dependent var		0.342615
Adjusted R-squared	0.483584	S.D Dependent var		0.127333
S.E of regression	0.124788	Sum squared resid		1.187556
F-statistic	2.829649	Durbin-Watson stat		1.987658
Prob (F-statistic)	0.049326			

From the cash holding model result above, the coefficient of the determination, the R-sq is 0.5626 and Adjusted R-sq figure is 0.4836, respectively. This figure in the result

indicates that multiple ownership variables explains about 56.26% in the coefficient of determination of cash holding and 48.36 percent changes in Cash holding of the consumer firms.

On the other hand, f-statistics value of 2.8296, with corresponding probability value of 0.0493, indicates that multiples ownership structure has significant positive impact on cash holdings of consumer goods at 10% significant levels. The Durbin Watson value reveals 1.987658.

Hypotheses Testing

Hypotheses 1: State ownership (STOWNER) has no significant positive implication on cash holding of the consumer goods firms.

The analyses result indicated a coefficient value of 0.3347 and a P-value of 0.0635. This value is the level of impact that State ownership has on cash holdings. The positive value reveals that State ownership positively impacts the level of cash holding in consumer goods firms. There is the tendency that a higher State ownership can lead to higher cash holding in the firms. The probability value of 0.0525 shows that the impacts of state ownership on cash holding of companies under the consumer goods is statistically significant with a p-value of 0.0525 at 10% significant level. From the analysis result, the study rejects the null hypothesis and accepts the alternate hypothesis that, State ownership has significant positive impact on the cash holding of the consumer goods firms.

Ho2: Family ownership (FOWNER) has no significant positive implication on cash holding (CH) of the consumer goods firms.

Result from table has a coefficient value of 0.23455 and a P-value of 0.0259. The two values indicates that family ownership positively impact the level of cash holding. Conversely, the higher family ownership: the higher the cash holding of manufacturing firms. The probability value shows that family ownership determines the cash holding of the consumer goods firms if compared with the p-value of 0.0259, at 10%

DISCUSSION OF FINDINGS

This study examined the implication of multiple ownership structure on cash holding of listed consumer goods firms

significant level. With the analysis result, the study rejects the null hypothesis and accepts the alternate hypothesis that, family ownership has significant positive impact on the cash holding of the consumer goods firms.

Hypothesis 3: Institutional ownership (INSOWNER) has no significant positive implication on cash holding (CH) of the consumer goods firms.

Our result from the table above has a coefficient value of 0.000668 and a P-value of 0.5853. There is a weak coefficient a positive figure, indicating that institutional ownership has a slight positive impact on the level of cash holding. The probability value indicates that institutional ownership though positive on cash holding of companies under the consumer goods, is not statistically significant with a p-value of 0.5853 on 10% significant level. The study, therefore, reject the alternate hypothesis and accept the null hypothesis and thus establish that institutional ownership has no significant impact on the cash holding of consumer goods firms.

Hypothesis 4: Block ownership (BOWNER) has no significant positive implication on cash holding (CH) of the consumer goods firms.

The coefficient value of the regression is 0.00456 and the corresponding P-value is 0.047. The coefficient figure shows, that block ownership has a positive influence on cash holding of firms. The implication is that any increase in block ownership increases the level of cash holding in consumer goods firms. Probability figure reveals the implication of block ownership on cash holding of the companies, at 10% significant level. The results of the analysis study rejects the null hypothesis and accept the alternate hypothesis and therefore affirm that, block ownership has a significant positive implications on the cash holding of consumer goods firms.

in Nigeria. The outcomes of this work agree with some prior works and disagree with other prior works. For

instance- State ownership STOWNER has positive significant implications on the cash holding of the consumer goods firms in Nigeria. This very findings agrees with the results of [4]; [5]; [6]; [7], but disagrees with the findings of [11] which stated that state ownership negatively impacts cash holdings. The varied result with [13] could be on country economic differences or other issues that may need further research

The result of this study indicated that family ownership has positive significant implications on the cash holding of consumer firms goods in Nigeria. Thus family ownership can determine the level of cash holding of the firms. This finding does not contradict the works of [2]; [3]; [4]; [5]; [6], [7] but disagrees with the findings of [15] which found that family ownership brings about misuse of cash.

The research findings is that institutional ownership has a slight positive implications on cash holding but the extent of the impact is not significant in the cash holdings of the firms.

This finding agrees in positive impact with some of these authors but somehow disagrees because of the insignificant outcome: For instance [21]; [22]; [23], [24]; [25]; [26]; [27]; [28], found positive significant results with cash holding while our result is positive but not significant on cash holdings. On the contrary, these following authors found negative relationship with cash holdings

Multiples ownership determines about 56.26% Cash holdings of firms. In other words, the ability of firms to keep enough cash depends on the ownership structure that exists in the firm. The results indicated that state ownership; family ownership and block ownership have positive and significant impact on

From the study findings, we thus recommend the followings: That multiple ownership structure determines the level of cash holdings of consumer firms; Companies' Board of Directors should encourage state ownership of firms since it has positive and significant impact on

in agreement with our work, [3]; [4]; [5]. Block ownership has positive, significant implications on the level of cash holding in the consumer goods firms. The implication is that any increasing or decrease in the level of block ownership determines the level of cash holding within the firms. This finding that the level of cash holdings in the study company is determined by block ownership agrees with only the work of [34], but disagrees with the findings of [35]; [36], who found block ownership to be negatively related to cash holdings of firms.

Summary of Findings

The study determined the implication of multiples ownership structure on cash holdings: Evidence from consumer goods firm in Nigeria. The summary of the study findings are that: State ownership has positive and significant impact on the cash holding of firms under the consumer goods; Family ownership has positive and significant impact on the cash holding of consumer goods firms; Institutional ownership has positive impact on cash holding but the extent of the impact is not significant in the consumer goods firms and finally, Block ownership has positive, significant impact on cash holding of the consumer goods firms in Nigeria. But, the overall result showed that multiple ownership structure explains about 56.26% of cash holdings in consumer firms in Nigeria.

CONCLUSION

cash holding, while institutional ownership has positive, but insignificant impact on cash holding of consumer goods firms in Nigeria. Relying in the findings, we can conclude that the type of and changes in multiple ownership structure can bring about changes on cash management policy of any firm.

RECOMMENDATIONS

cash holding of companies under the consumer goods in Nigeria; Firms' management policy should tolerate family ownership because it has positive and significant impact on cash holding of the consumer goods firms. The study also recommends that management

should encourage institutional ownership in order to enhance the level of their significance on cash holding of firms in Nigeria; and finally, Companies' management policy should consider incorporating block ownership of firms since they say that cash is king. Therefore when enough cash is available and properly managed, profitability is always made possible. Moreover literature of cash holding supports its motives as transaction, preventive,

Ugwu investment opportunities, capital structure, dividends and default, (Graham and Harvey, 2001; Riddick and Whited, 2009)

This study suggests that further studies should be conducted on banking industries in Nigeria. More investigation should be made on each of the these explanatory variable of multiple ownership structure to ascertain the level of their individual impact on cash holding.

REFERENCES

1. Ardita, B., & Alba, K. (2016). Determinants of firm's cash holdings: Evidence from Shikodra region, Albania. *International Journal of Economics, Commerce and Management*, 4 (4), 41-52.
2. Attig, N., Sadok, E.L., G., Omrane, G., & Sorin, R. (2009). Multiple large shareholders and the value of cash holdings. *International Journal of Management, & Organizational Studies*, (4), 20-30.
3. Benjamin M., & Anete, P. (2005). Multiple large shareholders and firm value *Journal of Banking Finance*, 29, 1813-1834.
4. Brown, C., Yangyang, & Chander, S. (2011). Institutional ownership and firm cash holdings. *International Journal of Business and Finance*, 3, 1-63.
5. Cameron, N. R., Noble, J., & Smirth, M. J. (2007). Multiple ownership. *OOPSLA, 07, Montreal Quebec, Canada. ACM 978-1-59593-786-5/07/0010*.
6. Chuangxia, H., Xin, M., & Qiujun, L. (2014). An empirical study on listed company's value of cash holding: an information asymmetry perspective. *Hindawi Publishing Corporation Discrete Dynamics in Nature and Society Volume, Article ID 897278*.
7. Chen, R., Sadok El, G., Omrane, G., & Robert, N. (2015). State ownership and corporate cash holdings: Evidence from privatization. *International Journal of Business and Finance Research*, 4(4), 49 - 63.
8. Daniel, K., Saint, & Aseem, N. T. (2004). The shareholders and stakeholder theories of corporate purpose. *International Journal of Banking and Finance*, 4, 21-43.
9. Darja, G., & Johansson C. (2009) Institutional ownership. *Journal of Business and Management*, 3 (4), 7-33.
10. Darlene O. L. (2004) Interpreting Friedman's view of business, *Journal of Macrodynamics Analysis* 4, 40-52.
11. Do Thi, T.N., & Pham, H. (2016). Cash holdings, state ownership and firm value: The case of Vietnam. *International Journal of Economic and Financial Issues*, 6 (6), 110-114.
12. Friedman M. (1970). The Social responsibility of business is to increase its profit. *The New York Times magazine*.
13. Graham, J.R and Harvey, C, R. (2001). The theory and practice of corporate finance: evidence from the field, *Journal of Financial Economics*, 61: 187-243.
14. Hamid, U., Shafiq U.R Gouhar S., & Aam, Z. (2010). Corporate ownership structure and firm excess cash holding: Evidence from emerging markets. *Abasyn Journal of Social Sciences*, 7 (2), 228-244.
15. Harvey, J.S. (1999). Owners as managers, extend horizons and family firm. *International Journal of Business and Finance Research*, 4(4), 49 - 63.

- Economics of Business*, 6 (1), 41-55.
16. Hasnah, K., Rohaicha, A. L., & Kamanlm N. T. M. (2016). Ownership structure and firm performance. Evidence from holdings in Malaysia. *International Conference on Accounting Studies*, (ICAS)://<https://www.researchgate.net/publication/319255410>.
 17. Ikuezc, E. N., & Egungwu, N. U. (2017). Corporate governance and cash holdings of manufacturing companies in Nigeria. *American Journal of Accounting*, 1 (5), 116-130.
 18. Jing H., Steve R., Matsunaga, Z., & Jay, W. (2014). How does block ownership by institutions affect corporate governance: Evidence from the valuation of a firm's cash holdings. *International Journal of Business and Management Studies*, 3(2), 41-60.
 19. Keynes, J. M. (1936). *The General Theory of Employment, Interest and Money*. New York, Palgrave Macmillan, 11-31.
 20. Lingesiya, K. (2017). Impact of ownership structure on firms cash holdings in an emerging market: A panel data analysis. *International Journal of Accounting and Financial Reporting*, 7(2), 200-224.
 21. Marcia, M.C., Alan, J. M., Anthony, S., & Hassan, T. (2003). The impact of institutional ownership on corporate operating performance. *Journal of Banking and Finance*, 31, 1771-1794.
 22. Empirical evidence from consumer goods industry in Indonesia. *Journal of Applied Finance and Accounting*, 4(2), 112-131.
 23. Megginson, W. L., Barkat U., & Zuobao, W. (2014). State ownership soft-budget constraints and cash holdings: Evidence from China's privatized firms. *Journal of Banking & Finance*, 48, 276-291.
 24. Muhammad, Z., & Mohammad, A. F. (2014). A review of family ownership firms performance, productivity and profitability. *International Journal of Management & Organizational studies*, 3 (4), 29-33.
 25. Ngo M., Waller, N., & Ann, J. (2014). Government ownership and firm performance. The case of Vietnam. *International Journal of Economics and Financial issue*, 4 (3), 628-650
 26. Nhan D, T.T., & Pham, H. (2016). Cash holding, state ownership and firm value: the case of Vietnam. *International Journal of Economics and Financial Issues*, 2016, 6(56) 110-114.
 27. Ogundipe, S. E., Rafiu, O. S., & Ogundipe, L. O. (2012). The determinants of corporate cash holdings in Nigeria: Evidence from general method of moments (GMM). *World Academy of Science, Engineering and Technology*, 61, 978-984.
 28. Ohannes, G. P., Stephen, B., & Chu, V. N. (2010). The impact of concentrated ownership on cash holdings in firms in the emerging Nations of China and India. *International Journal of Business and finance Research*, 4(4), 59 - 73
 29. Opler, T., Lee, P., Rene, S., & Rohan, W. (1999). The determinants and implications of corporate cash holdings. *Journal of financial Economics*, 52, 3-46.
 30. Pargendler, M. (2012). State ownership and corporate governance. *Fordham law review*, 80 (6), 2917-2973.
 31. Riddick, L. A and T. M. Whited, (2009). The corporate propensity to save. *Journal of Finance*, 64(4): 1729-1766.
 32. Ronald, W. A., & Malika, H. (2009). Large powerful shareholders and cash holdings. *International Journal of Business and finance*

Research, 4(4), 50 - 70

33. Sabri, B., Imen, D., & Malika, H. (2001). Family control and value of cash holdings. *Financial times* (London), 1-21.

34. Safdar, H. T., Muhammad, S., & Humaira, A. (2015). Institutional ownership and corporate cash holdings: Evidence from Karachi Stock Exchange (KSE) 30-index Pakistan. *Pakticini Mendazment*, 6 (1), 41-49.

35. Safdar, M. N., Lin, T., Tachangyan, P., & Amin, S. (2019). Ownership hierarchy and cash holding: a study from Pakistan. *International Journal of Financial Research Vol. 10. No. 6; 2019*.

36. Shehriyar, K., & Liaqat, A. (2015). The effect of family ownership on cash holdings of the firm (Karachi Stock Exchange). *International Journal of Academic Research in Business and Social Sciences*, 5(6), 133-141.

37. Tamlizi, A., Rusmin, John, N., & Greg, T. (2009). The iniquitous influence of family ownership structures on corporate cash holdings. *Journal of Global Business Issue*, 3 (1),41-48.

38. Trien, L., & Amon C. (2011) State ownership and Firm's cash holdings: Evidence from Chinese listed firms. *Organizations and Markets in Emergmg Economies*, 2(4), 72-90.

39. Yuanto, K., Zhifeng, Y., & Yuxiao, Z. (2015). institutional development, state ownership, and corporate cash holdings: Evidence from china. *Journal of Business Research*, 68, 351-359.

40. Zuriawati, Z., Noorfaiz, P., & Yamuna, R. P. (2014). Ownersh.ip structure and firm's cash holdings: Evidence from Malaysia trading services sectors. *European Journal of Business and Social Sciences*, 3 (2), 32-43.

APPENDIX

Table 3 of regression Analysis

Dependent Variable: Cash

Method: Panel Least Squares

Date: 10/02/2020 Time: 10:25

Sample /Periods: 2014-2018; 5

Cross Sections: 20

Total panel (unbalanced) observations: 97

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.367406	0.073946	5.682469	0.0000
STAWNER	0.334746	0.022397	1.954786	0.0636
FOWNER	0.234557	0.002676	2.560368	0.0259
INSTOWNER	0.000668	0.001232	0.403095	0.5853
BOWNER	0.000452	0.000943	0.390278	0.0471
R-squared	0.562601	Mean dependent var		0.342615
Adjusted R-squared	0.483584	S.D Dependent var		0.127333
S.E of regression	0.124788	Sum squared resid		1.187556
F-statistic	2.829649	Durbin-Watson stat		1.987658

Prob (F-statistic) 0.049326

Table 4 Cross- Section Random Effects

Dependent Variable: Cash

Method: Panel Cross-Section Random Effects

Date: 10/02/2020 Time 10:26

Sample: 2014-2018

Periods: 5

Cross-Sections: 20

Total Panel (unbalanced) Observations 97

Estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.367406	0.073946	5.682469	0.0000
STAOWNER	0.334746	0.022397	1.954786	0.0636
FOWNER	0.234557	0.002676	2.560368	0.0259
INSTOWNER	0.000668	0.001232	0.403095	0.5853
BLOWNER	0.000452	0.000943	0.390278	0.0471
R-squared	0.562601	Mean dependent var		0.342615
Adjusted R-squared	0.483584	S.D Dependent var		0.127333
S.E of regression	0.124788	Sum squared resid		1.187556
F-statistic	2.829649	Durbin-Watson stat		1.987658
Prob (F-statistic)	0.049326			
Effects Specification			S.D	Rho
Cross-section random			0.048632	0.12670
Idiosyncratic random			0.124572	0.783034
Weighted Statistics				
R-squared	0.562601	Mean dependent var	0.252615	
Adjusted R-squared	0.474673	S.D dependent var	0.227331	
S.E. of regression	0.124787	Sum squared resid	1.184352	
F-statistic	2.637931	Durbin Watson stat	1.763300	
Prob (F-statistic)	0.036419			
Unweighted Statistics				

www.idosr.org

R-squared	0.157718	Mean dependent var	0.325264
Sum square resid	1.323357	Durbin-Watson stat	1.614882

Ugwu