

## BOARD INDEPENDENCE, EXPERTISE AND DIVIDEND PAYOUT IN NIGERIAN CONSUMER AND INDUSTRIAL FIRMS: THE MODERATING ROLE OF BOARD OWNERSHIP

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### Abstract

Regular dividends and pay-out are better signals to equity holders. Consequently, this study examined the moderating effect of board ownership on board independence, financial expertise and dividend pay-out of listed consumer and industrial goods firms in Nigeria. The research design adopted was ex post facto research design. The population of the study was 34 listed consumer and industrial firms with sample size of 14 using both filtering techniques and purposive sampling. The data collected was analysed using descriptive techniques, panel multiple regression and binary logistic regression models. The findings revealed that board independence has direct positive and significant effect on dividend pay-out of listed firms. In addition, the moderated and direct logistic regression also revealed that board independence and board financial expertise indicated a positive and significant effect on dividend pay-out. Likewise, results revealed a positive and significant moderating effect of board ownership on board independence, expertise on dividend pay-out. of listed consumer and industrial firms in Nigeria. Consistent with the signalling and upper echelon theories, this study found that this result is more pronounced in companies with many years of listing on the Nigerian exchange. This study concluded a significant and positive moderating effect of board ownership on independence and financial expertise of listed consumer goods and an efficient limit of five percent shareholding enhance dividend pay-out. It was therefore recommended that firms through their managers should promote increased board ownership, independence and expertise to enhance higher dividend pay-outs.

**Keyword:** Board Independence, Board Ownership, Dividend Payout, Financial Expertise, Nigeria.

## 1. Introduction

Corporate boards are responsible for crucial decisions, the effectiveness of which depends on board characteristics like independence and financial expertise. Maximizing shareholder wealth, a primary business objective, is achieved by protecting equity holder interests and ensuring returns. Consequently, the relationship between board characteristics (BC) and dividend payout (DPO) has been a long-standing topic of debate. Dividend policy is complex, and regulations like Nigeria's CAMA (2020), requiring at least three non-executive directors for listed firms (Nwankwo & Mordi, 2024), highlight its link to board effectiveness. Non-executive directors are seen as key monitors ensuring transparency and accountability. Nigerian corporate governance codes emphasize the role of independent Non-executive directors in fostering integrity, skill, and objectivity, thus sustaining investor confidence (Sawar et al., 2018). The global context on board governance is shaped by the need for transparency, accountability among listed firms. As a result, the global financial crisis of 2008, corporate scandals have led to the demand for stronger board governance framework. Nigerian listed firms have experienced various crisis related to the issue of unclaimed dividends, general instability and decline in payout caused by general downturn within the economy.

In Nigeria, investors trust directors to generate adequate earnings for distribution. Studies confirm that BC like independence and expertise can influence DPO (Ahern & Dittma, 2012; Chen et al., 2017). However, ensuring appropriate board independence and financial expertise remains challenging for firms globally and in Nigeria, impacting strategic DPO decisions. DPO signals a firm's health; low or nil payouts often indicate struggles (Ade, 2017 & Al-said, 2021). While dividend irrelevance theory suggests DPO barely affects market value, agency theorists argue it can reduce agency costs via effective governance. Yet, the role of independent directors in this monitoring process is debated (Nharo et al., 2021; Shehu et al., 2015; El-Marghi, et al., 2017). Developing countries like Nigeria increasingly view good BC as crucial for shareholder wealth and investor returns (Farouk, 2018).

Board Characteristics refers to attributes aiding executive monitoring, transparency, and strategic goal achievement (Tahir et al., 2020). This study focuses on board independence and financial expertise, essential components influencing board decisions, though other factors like board composition, diversity, tenure, and size also exist (Amedi & Mustafa, 2021; Mirza & Malik, 2019; Nharo et al., 2021). The critical issue is how board financial expertise and independence impact DPO, a significant challenge noted by various stakeholders. Declining or nil dividend payouts among listed Nigerian industrial and consumer goods firms pose a threat to stakeholder returns (Bello 2018; Bello & Lasisi 2020; Onyekami, 2022; Urhogide & Ojeme, 2016).

Consumer and industrial firms in Nigeria has suffered several challenges that deals with weak board governance structures tailored to transparency issues, gaps in accountability, loss of

investor trust following profits of high scandals. Nigerian industrial and consumer manufacturing firms have revealed a trend of low or nil dividend payouts following the downturns within the economy like 2016 to 2020, COVID-19, high leverage directing managers to earnings to servicing of debt rather than payouts. Studies reported that firms employ dividend pay-out to signal profitability and performance, however this has been less effective as a result of poor board governance and transparency (Omoregi & Ige, 2022).

Data shows a significant number of Nigerian listed firms have not paid dividends recently; 51 out of 156 firms failed to issue dividends in the five years up to 2021, some for much longer (Farooque et al., 2021; Sani and Musa, 2017). Within FMCG firms, only 4 out of 21 quoted companies declared dividends recently. This issue is widely discussed (Eluyela et al., 2019; Mehdi et al., 2017 & Neugebauer et al., 2023) and linked specifically to board independence (Ahmad & Chan, 2021; Awenet et al., 2023; Nharo et al., 2021) and financial expertise (Adams & Jiang, 2020; Ji, 2017; Sawar, et al., 2018). The Nigerian exchange group flags this non-payout as a serious problem for investor returns (Ademolekun, 2022), exacerbated by global events like the COVID-19 pandemic. The independent variables for this study selected are board independence and expertise and the justification is that they play an essential role in shaping dividend payout and other strategic decisions.

Based on these problems, the following research questions are raised: How does board independence affect dividend payout of listed consumer and industrial product firms in Nigeria? To what extent does board financial expertise influence dividend payout of Nigerian listed consumer and industrial goods firms? What influence does board ownership have on dividend payout of listed consumer and industrial product firms in Nigeria? To what extent does board ownership moderate the nexus between board independence, financial expertise and dividend payout of listed industrial and consumer product firms in Nigeria?

The major objective is to examine the moderating effect of board ownership on the nexus between board independence, financial expertise and dividend payout of listed industrial and consumer goods firms in Nigeria. Specific objectives include: Examine the effect of board independence on dividend payout. Assess the influence of board financial expertise on dividend payout. iii. Evaluate the moderating effect of board ownership on dividend payout, and identify the moderating effect of board ownership on the relationship between board independence, financial expertise, and dividend payout.

The following hypotheses were developed in null form: Ho<sub>1</sub>: There is no positive effect of board independence on dividend payout. Ho<sub>2</sub>: There is no positive influence of board financial expertise on dividend payout. Ho<sub>3</sub>: Board ownership has no major moderating significant effect on dividend payout of Nigeria listed industrial and consumer goods firms. Ho<sub>4</sub>: There is no positive moderating effect of board ownership on board independence, financial expertise and dividend payout.

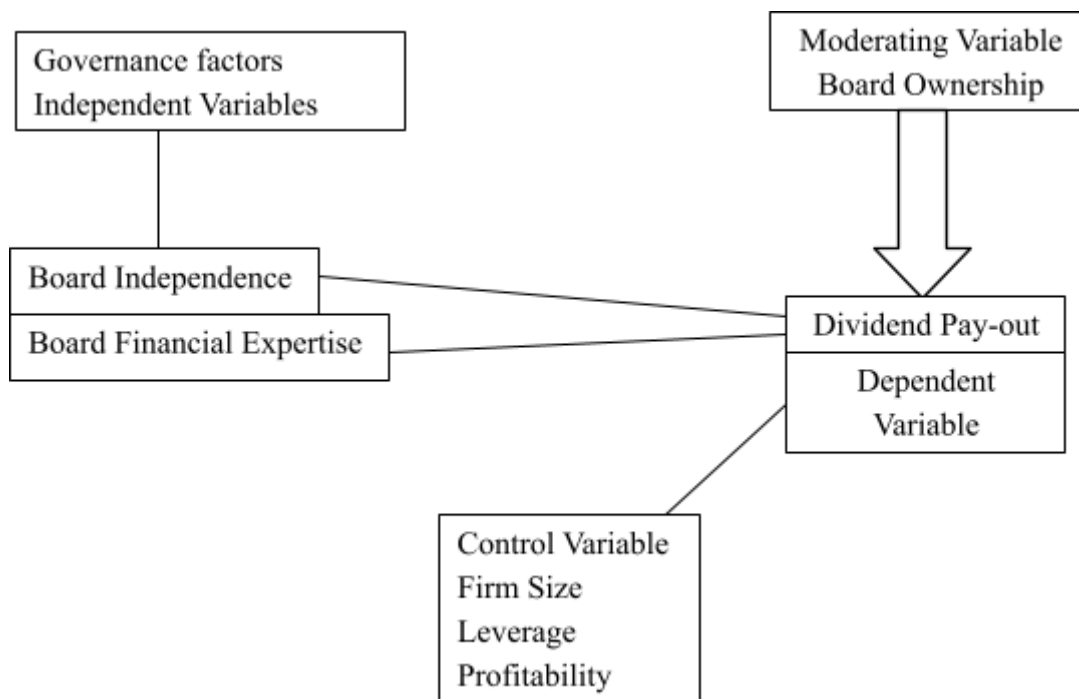
This study benefits shareholders, stakeholders, regulators, government, managers, and researchers. It aids boards in planning profit distribution, enhances managers' investment decisions while curbing self-interest, mitigates agency conflicts, informs management/policy decisions, promotes corporate reporting professionalism, and assists government/regulatory agencies (NGX, CBN, PENCOM etc.) in monitoring dividend payout for financial and economic stability. The study contributes to literature on DPO and BC in Nigeria, offering a reference for developing policies to enhance operations of listed firms. It specifically bridges a research gap by introducing board ownership as a moderator and including control variables like financial leverage and return on average equity (ROAE) for profitability, using data from 2007 to 2023 (17 years). DPO is proxied by the dividend payout ratio.

Furthermore, consistent dividend pay-out indicate a firm’s ability to create profits, attract investors drive, share price stability; equally aid a firm’s governance and management quality, evaluate growth potentials, promote financial stability and encourage equity holders in investment decisions, signaling company performance and helps managers to prioritize equity holders interest.

The study covers seventeen year period from 2007 to 2023. The time frame is considered sufficient due to availability of data to allow for reliable statistical inferences on the population of listed consumer and industrial product enterprises in Nigeria. It also captured the financial realities of the period of global melt down, COVID-19 and downturn within the Nigerian economy.

**2. Literature Review**

**Conceptual Framework Model**



**Source: Researchers Design, 2025**

A dividend is a distribution of profit after tax (PAT) to shareholders. Dividend payout refers to the proportion of earnings distributed. The decision involves balancing distribution (cash/stock) against retained earnings, considering the firm's environment and shareholder expectations (Oladipupo & Okafor, 2017; Omilabu et al., 2018). Regular and higher payouts signal confidence (Joshua, et al., 2019; Mustapha, et al., 2021). Dividend payout ratio (total dividends / total net PAT) is the dependent variable (Sumail 2018).

Board characteristics (BC) are attributes of the governance mechanism (board size, independence, expertise, diversity etc.) that balance stakeholder interests (Gbabayen, 2012; Shehu & Gimba 2021). This study focuses on board independence (BI) and board financial expertise (BFE). Board independence typically refers to the proportion of non-executive/outside directors to total directors (Abdulkarim & Bahamman, 2021; Sani & Musa, 2017). Independent directors are vital for reducing agency costs (Li & Zhang, 2019). CAMA (2020) mandates at least three for listed firms. Board financial expertise (BFE) refers to directors with accounting, finance, or economics knowledge/certification (Naheed & Rizwan, 2022; Abdulrahman and Abdulqadir, 2019). Financial experts (Chartered Accountants, analysts, etc.) contribute essential skills (Gambo et al., 2019).

Board ownership (BOWN) signifies directors' equity interest, including managerial and outside ownership (Ilu, 2021; Muhammed, et al., 2018). It can align owner-executive interests, potentially fostering consistent DPO. Control variables (profitability, financial leverage, firm size) are included to mitigate omitted variable bias and enhance robustness (Gyapong and Afrifra, 2019; Idris et al., 2019).

Signaling theory (Ross, 1977; Miller and Kevin, 1985) posits that directors possess more information than outsiders. Dividend decisions, especially increases, signal positive future prospects to investors, mitigating information asymmetry (Awen et al., 2023; Fuller and Blau, 2010). Upper Echelon theory (Hambrick and Masons, 1984; Cyert and March, 1963) suggests top management teams' (TMT) characteristics (independence, expertise, experience, etc.) influence strategic choices like DPO (Kaibi, 2022). A board with diverse expertise (including financial) can make more effective decisions (Ahmad & Chan, 2021; Eluyela et al., 2019). Upper echelon theory is justified regarding board features as it posit that the background experiences, qualifications and composition of directors and top level executives affect firm strategic decision that has to do with dividend pay-out and decisions. Likewise, signaling theory provides a strong justification as it aid firms to design their board with independent directors with expertise to mitigate agency conflict, information asymmetry and send credible prospect for investors based on protection of equity holders rights and investors returns. This theories are linked to specific hypothesis if rejected to accept the alternative; that board independence, expertise has no significant effect on dividend pay-out of listed consumer and industrial firms in Nigeria. Additionally, that there is no significant moderating effect of board

ownership on independence, financial expertise and dividend pay-out of listed firms in Nigeria.

Studies on board independence (BI) and DPO show mixed results. Some find a negative relationship (Nharo et al., 2021 in South Africa; Benjamin & Zain, 2015; Tahir et al., 2020; Shehu, 2015 in Malaysia; Abu-Afifa, 2022 in emerging markets). Others report a positive link (Abor and Fiador, 2013 in Sub-Saharan Africa; Uwalomwa et al., 2015 in Nigeria; Afzalard and Schrish, 2011 in Pakistan; Shafana and Safeena, 2019 in Sri Lanka; Alshabibi et al (2021); Awen et al (2023) in Nigeria; Naburi and Ndede (2019) in Kenya; Suwaidan and Khalaf (2020) in Jordan; Ahmad & Chan (2021)). This study addresses limitations of prior work like shorter periods (Suwaidan and Khalaf, 2020), geographic differences, and lack of moderation analysis.

Studies on board financial expertise (BFE) and DPO also vary. Benjamin and Kosgei (2018) found no relationship in Kenya. Guiner et al. (2007) found a significant effect, but not always aligned with equity holder interests. Sawar et al. (2018) found mixed results (negative in China, positive in Pakistan). Ji (2017) found a negative association for S&P 1500 firms. Conversely, Abdulquadir (2019) found positive impacts from experienced directors on payouts. Hidayat et al. (2021) found audit committee expertise positively linked to DPO in Muscat. Karunathna and Aberwardhana (2021) found a favorable link in Sri Lanka. This study incorporates BOWN as a moderator, ROAE as a control, and Upper Echelon theory, addressing gaps in these previous studies.

Board ownership (BOWN) studies show varying effects. Isuwajuni et al. (2018) found a negative link between managerial ownership and DPO. Okafor et al. (2016) found positive but insignificant influence of ownership concentration in Nigerian manufacturing. Mehrani et al. (2011) found negative associations for institutional and managerial ownership in Iran. However, Gimba et al. (2022) found positive effects of managerial/ownership concentration in Nigerian oil/gas. Dhuhri and Diantimala (2018) found simultaneous influence of different ownership types in Indonesia. Zatioc et al. (2024) and Shehu et al. (2015) found positive effects of managerial/director ownership. Joshua et al. (2019) explored BI and BFE effects on performance but not DPO or moderation. This study addresses these inconsistencies by focusing on listed consumer/industrial firms in Nigeria and explicitly testing BOWN's moderating role.

### **3. Methodology**

This study used an ex post facto research design. The population comprised all 34 listed industrial and consumer product firms on the Nigerian Exchange Group (NGX) as of Dec 31, 2023. A sample of 14 firms was selected via purposive sampling based on data availability and filters. Fourteen firms is justified based on data availability constraint on listed firms that meet specific inclusion over the study period such as; longer consistent listing status. Meanwhile for methodological justification, the study utilised purposive sampling to select

firms based on group specific features; utilising panel data over several years providing insights into specific relationship among board features and dividend pay-out.

Data is secondary, sourced from NGX and corporate annual reports from 2007 to 2023 (17 years). Binary logistic and multiple regression techniques were used. Sample Filters: i. Listed on NGX 2007–2023, not delisted,  $\geq 25\%$  public ownership. ii. Consistent operation 2007–2023. iii. Complete data availability 2007–2023.

The model specification is described as follows (Adopted from Bappah et al., 2022); Model 1 (Direct Effects):  $DPO_{it} = \alpha_{it} + \beta_1 BI_{it} + \beta_2 BFE_{it} + \beta_3 BOWN_{it} + \beta_4 FS_{it} + \beta_5 FLEV_{it} + \beta_6 PROF_{it} + e_{it}$  (Equation 1)

Model 2 (Moderating Effects):  $DPO_{it} = \alpha_{it} + \beta_1 BI_{it} + \beta_2 BFE_{it} + \beta_3 BOWN_{it} + \beta_4 FS_{it} + \beta_5 FLEV_{it} + \beta_6 PROF_{it} + \beta_7 (BI * BOWN) + \beta_8 (BFE * BOWN) + e_{it}$

Where: DPO=Dividend payout ratio; BI=Board Independence; BFE=Board Financial Expertise; BOWN=Board ownership; FS=Firm size; FLEV=Financial leverage; Prof=Profitability; e=error term; it=firm i, time t indicator.

**Table 1:**

Variables, Definition and Measurements

S/N	Variable Proxy	Nature of Variable	Definition	Measurements	Sources	Aprio Exp.
1	DPO	Dependent Variable	Dividend Pay-out ratio (DPO)	DPO Ratio Dividend/Total net income	Mustapha et al. (2021) Nharo et al. (2021)	+
2	BI	Independent Variable	Board Independence: The number of directors on the board that do not participate in operational activities of the firm	Total number of non-executive directors	Elmarghi et al (2017); Ilu (2021)	+
3	BFE	Independent Variable	Board Financial Expertise: Members of the board that have finance, accounting and economic certification, degree or professional qualification.	Total number of directors with financial qualification, ICAN, ANAN, ACCA	Adam & Jiang (2017), Karunathna & Aberwadhana (2021); Sawar & Hassan (2021)	+

4	BOWN	Moderating Variable	Board Ownership: Interest of directors, executive and non-executive in the equity shareholding of the firm	Ratio of total share owned by directors relative to total equity shareholding using IFRS2 share base concepts. Dummy variable - >5% = 1 <5% = 0	Rasol & Ullah (2020); Omar (2020)	+
5	FS	Control Variable	Firm Size: Firm Size defined as total asset, Total revenue, total number of assets Employees or market value of a firm	Natural logarithm of total assets.	Shehu et al., (2015); Blessed & Fodio (2019)	+,-
6	FLEV	Control Variable	Financial Leverage: Financial leverage described as the ratio of total long term debt to total equity of the firm.	Proportional of long term debt to equity in the capital structure of a firm	Maduka et al., (2023)	+,-
7	PROF	Control Variable	Profitability: Amount of profit generated from firm activities	Profitability measured as Net Profit after Tax divided by return on average equity.	Kindness (2023); Subgyo (2022)	+,-

SOURCE: Compiled by the Researcher, 2025

#### 4. Discussion of Results

The study utilises descriptive statistics, diagnostic tests, multiple regression and logistic regression to analyse the data as follows:

**Table 2**

*Descriptive statistics*

Stats	DPO	BI	BFE	BOWN	FS	FLEV	PROF
Mean	0.472521	6.163067	0.375746	.592437	6.78844	1.35395	11.7348
			6		5		7

SD	0.631778	2.295912	0.139466	.4924116	3.00051	2.44527	31.3966
	3		5	7	6	7	9
Skewness	3.008146	0.852135	0.691557	.3762333	.673858	2.99895	3.93835
		9	3		4	6	9
Kurtosis	15.75738	3.783193	3.880972	1.141552	3.41010	12.3728	23.0415
					6	4	1
Variance	.3991438	5.271212	.0194509	.2424742	9.00309	5.97938	985.752
					6		2
Maximum	4.50	14	81	1	13.45	13.7	246.8
Minimum	0	1	0	0	0	2.25	-55.65

Source: STATA 16 OUTPUT, 2025

The mean DPO was 0.472 (SD 0.6318), ranging from 0 to 4.50, showing significant variation but concentration around the mean. Average profitability (ROAE) was N11.735 (SD N31.397), with a wide range from -N55.65 to N246.8, indicating both loss-making and profitable firms/years. Average firm size (FS) was 6.78 (SD 3.00). Mean board independence (BI) was 6.17 members (SD 2.29), ranging from 1 to 14, confirming compliance with the minimum non-executive director requirement. Board financial expertise (BFE) averaged 0.3758 (SD 0.1395), min 0, max 1, indicating many boards included non-financial professionals like lawyers.

**Table 3:**

*Summary of Regression Results*

Mode	Direct		Model2	Modera		Mode				
11	fixed			ted		1				
	Effect			Fixed		logist				
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	on					regre				
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Variables	Coefficients	t-value	P-value	Variables	Coefficients	t-value	P-value	Coeff	Z-value	P-value
DPO										
BI	0.0621387	2.94	0.004	BIBOWN	0.0154	0.70	0.482	1.78	3.94	0.000
BFE	-0.4385029	-4.05	0.000	BFEBOWN	0.6524	7.00	0.000	4.89	4.17	0.000

FS	0.03276	3.03	0.0	FSBOWN	0.3129	4.1	0.00	0.73	4.31	0.000
	42		03		48	5	0			
FLEV	-0.0115	-2.3	0.0	FINLEVB	-0.2150	-5.5	0.00	0.20	1.58	0.041
V	4895	8	18	OWN	37	2	0			
PROF	0.00452	3.96	0.0	PROFBO	0.0895	4.2	0.00	0.32	7.14	0.000
	19		00	WN	04	0	0			
BOWN	0.12511	2.57	0.0	BOWN	-0.4239	-5.0	0.00	1.22	2.10	0.036
N	07		11		17	1	0			
CONS	0.33419	2.55	0.0	CONS	0.7119	6.8	0.00	2.88	2.74	0.006
S	5		12		58	9	0			
R <sup>2</sup>			0.4	R <sup>2</sup>			0.60			
F-ST			789	F-STATS			17			
ATP			16.	Prob-F			28.7			
			45				6			
			0.0				0.00			
			00				0			

Source: STATA16 OUTPUT, 2025

Hausman tests favored the Fixed Effect model for both Model 1 and 2. Model 1 (Direct Effects - Table 2): Board independence (BI) showed a positive and significant effect on DPO (Coef: 0.062, P=0.004), rejecting null hypothesis Ho<sub>1</sub>; and accepting alternate hypothesis. Board financial expertise (BFE) revealed a negative but significant effect on DPO (Coef: -0.438, P=0.000), contrary to Ho<sub>2</sub>. An increase in independent directors enhances DPO, while increased financial expertise appears associated with lower DPO in this direct model. Control variables (FS, FLEV, PROF) and BOWN also had significant effects. The model R<sup>2</sup> was 47.89%, F-stat 16.45 (P=0.000). In summary, a 1- unit increase in BI increases dividend pay-out by 6.2%.

Model 2 (Moderated Effects - Table 2): Board ownership (BOWN) significantly moderated the relationship between BFE and DPO (BFEBOWN Coef: 0.6524, P=0.000), suggesting BOWN strengthens the positive impact of expertise on payout in the moderated context, rejecting Ho<sub>4</sub> for BFE. However, BOWN's moderation on BI and DPO was positive but non-significant (BIBOWN Coef: 0.0154, P=0.482), failing to support Ho<sub>4</sub> for BI in the fixed-effect model. All interaction terms involving controls were significant. BOWN itself showed a significant negative coefficient (-0.4239, P=0.000) in the moderated model. Model R<sup>2</sup> increased to 60.17% and F-stat to 28.76 (P=0.000), indicating improved explanatory power by 12.18% due to interactions.

**Table 4:**

*Logistic Regression Results*

DPO	Coefficient	Std.err	Z	P>/z/ 95%. interval
BIBOWN	1.7857	0.453002	3.94	0.000 0.897341 2.675145
BFEBOWN	4.8926	1.172430	4.17	0.000 2.593699 7.191535
FSBOWN	0.7302	0.169263	4.31	0.000 0.3985061 .062844
FINLEVBOW	0.20345	0.128476	1.58	0.041 0.031898 0.344996
N				
PROFBOWN	0.3222	0.045122	7.14	0.000 0.233822 0.410539
BOWN	1.22236	0.582932	2.10	0.036 0.080172 2.260001
CONS	2.8898	1.054932	2.74	0.006 0.82244 4.955493
Naldchi				59.34
Prob-chi				0.000
Log-likelihood				-55.06

Source: STATA16 OUTPUT, 2025

Logistic Regression (Table 3): Provided further insight, showing significant positive coefficients for the interaction terms BIBOWN (Coef: 1.78, P=0.000) and BFEBOWN (Coef: 4.89, P=0.000), suggesting BOWN positively moderates the impact of *both* BI and BFE on the likelihood/level of dividend payout. BOWN itself was also positive and significant (Coef: 1.22, P=0.036). This rejects the null hypothesis from Ho<sub>1</sub> to Ho<sub>4</sub> and accepts the alternate hypothesis that supports the effect of independent variables on dividend pay-out and a moderating impact of board ownership on the explanatory variables and dividend pay-out.

The positive BI-DPO finding (Model 1) aligns with agency theory and studies like Uwalomwa et al. (2015) and Awen et al (2023), suggesting independent directors effectively monitor managers to ensure payouts. The negative BFE-DPO result (Model 1) contradicts expectations but might align with studies like Ji (2017), potentially suggesting financially expert directors prioritize retention for investment or are more conservative. The moderation results are key. BOWN significantly strengthening the BFE-DPO link (Model 2 FE & Logistic) suggests that when financially savvy directors also have ownership stakes, their inclination towards payout increases, perhaps aligning their expertise with shareholder return interests. The fixed-effect model's non-significant BI moderation differs from the logistic result; the logistic model robustly indicates BOWN positively enhances BI's impact too. Overall, BOWN plays a significant positive moderating role (Ho<sub>4</sub> largely supported by logistic regression and partially by FE for BFE). These findings align with studies suggesting ownership concentration positively impacts DPO (Gimba et al., 2022). By and large, logistic

regression is utilised for categorical or binary classification problems emanating from the moderator as a dummy variable. The desired output is bounded between zero (0) and one (1).

Diagnostic Tests:

**Table 5:**

*Multi-Collinearity Test*

Variable	VIF	1/VIF
BFEBOWN	3.85	0.260
FSBOWN	3.21	0.312
FLEVBOWN	2.97	0.336
PROFBOWN	2.45	0.408
BOWN	1.89	0.529
BIBOWN	1.34	0.746
Mean VIF	2.62	

SOURCE: STATA 16 OUTPUT, 2025

**Table 6:**

*Heteroskedasticity Test (Modified Wald Test for group wise)*

Source	Chi <sup>2</sup>	p-value
Heteroskedasticity	58.21	0.5000

SOURCE: STATA 16 OUTPUT, 2025

VIF values (Mean VIF 2.62 < 10) indicated no problematic multicollinearity (Table 4). The Modified Wald test suggested heteroskedasticity (P=0.5000 implies *failure to reject* homoskedasticity, contradicting the text's interpretation of 16.45 and prob-f 0.0000 - *Note: Revisiting Table 2 F-stat (16.45, p=0.000) seems confused with Hetero test here. The Wald test p=0.5000 indicates NO heteroskedasticity, simplifying analysis*). The logistic regression confirms findings for the study objectives, aligning with Shafana & Safeena, 2019 and Awen et al., 2023 on BI/BFE impact, and supporting Gimba et al. (2022) on the positive moderating role of ownership. High board ownership strengthens the BI/BFE effect on DPO.

Policy Implication: Findings have practical, theoretical, and regulatory implications. They highlight the importance of board ownership in governance practices promoting dividend payouts and provide insights for investors on how ownership shapes payout decisions. They extend signaling, agency, and Upper Echelon theories by showing ownership level is crucial when examining the BC-DPO nexus in Nigeria, balancing equity holder interests and management decisions. The study emphasizes the role of independent directors and financial

experts in ensuring consistent dividends. Policy makers need regulatory frameworks considering board ownership levels when assessing governance and DPO.

## 5. Conclusion and Recommendations

This study concludes that board ownership significantly moderates the relationship between board financial expertise, board independence, and dividend payout in listed Nigerian consumer and industrial firms, consistent with findings like Dissanayake & Dissabandara (2021) and Abdulquader (2019). Finally, with regard to contribution to knowledge, theoretically, this study explored how board independence and expertise helped to mitigate agency conflict, monitor executives more effectively and strive for protection of equity holders interest, signal better future prospects for investors, which theoretically and practically leads to higher dividend pay-out. This study also proved that directors with higher ownership are aligned to favour higher dividend pay-out and shape company's strategic decisions. As a result, introducing board ownership as a moderator has contributed to explain the link between board and dividend pay-out effectively. This study brought methodological innovations using upper echelon theory to justify the nexus between board leadership and management attributes to generate strategic outcomes which promote dividend pay-out.

Recommendation: This study recommends the following (i) Security and Exchange Commission and regulators should encourage increased board ownership levels to support director activities promoting constant Dividend Pay-out (DPO), (ii) Executives should emphasize board expertise and independence to enhance consistent DPO, (iii) Managers should ensure adequate board ownership to support regular DPO, (iv) Regulators should monitor compliance regarding BI, BFE, and ownership concentration relative to board ownership. (v) Professional bodies/regulators should address increased board ownership regarding IFRS 2 & 10 (share-based payment, control) to mitigate agency conflict, and (vi) Firms must strictly comply with governance codes (CAMA 2020, SEC regulations).

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