# CORPORATE OWNERSHIP AND CONTROL IN AN EMERGING MARKET: A REVIEW

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## Abstract

The corporate ownership and control literature (Dai & Helfrich, 2016; Aminadav & Papaioannou, 2016) has reported inconsistent findings in varieties of capitalism. The limited scholarship in developing economies has contributed to this problem, as much of the research in this field focus on developed economies. Thus, this paper primarily reviews the corporate ownership and control literature in Africa's largest economy (Nigeria) and identifies future research directions. The article commences by undertaking an overview of corporations in Nigeria, followed by a discussion of corporate ownership in the country. The paper then assesses the market for corporate control in Nigeria, unpacking the major issues that frustrate the protection of minority shareholders' rights in the country. The paper concludes by evaluating the relationship between corporate ownership and firm performance to promote a better understanding of the prevalence of concentrated ownership in the country's corporate environment. In summary, this article recaps past works, integrates contemporary thoughts, and proposes new scholarly and contextual directions that researchers could explore to deepen the existing knowledge about corporate ownership and control.

**Keywords:** Corporate Ownership, Concentrated Ownership, Minority Shareholders, Institutional Environment, Takeover Market, Nigeria

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## 1. INTRODUCTION

The corporate ownership and control concept is an important area of deliberation in corporate literature (Dai & Helfrich, 2016; Nakpodia, 2019). Three primary reasons inform this attention. First, the concept offers an effective governance mechanism to discipline and minimise agency problems (Glendening, Khurana, & Wang, 2016; Stepanov & Suvorov, 2017). Second, there is considerable evidence (Kapopoulos & Lazaretou, 2007; Acheson, Campbell, Turner, & Vanteeva, 2016) uncovering how the concept impacts corporate organisations. Third, corporate ownership and control notion has sizeable implications for firm survival (Zeitun, 2009; Lakshan & Wijekoon, 2012). These contributions were motivated by Adolph Berle and Gardiner Means, in their 1932 classic titled *The Modern Corporation and Private Property*. In that piece, they highlight the attractiveness of dispersed ownership among US corporations, where firm ownership rests with shareholders, but corporate control is vested in the hands of managers. The suppositions in Berle and Means (1932) trigger ideas that facilitate greater understanding of the fundamentals of corporate ownership and control such as agency theory (Jensen & Meckling, 1976), the separation of ownership from control (Fama & Jensen, 1983), managerial ownership (Zondi & Sibanda, 2015; Arowolo & Che-Ahmad, 2016), among others.

Corporate ownership and control scholarship integrates two strands of literature – the determinants of corporate ownership (Aminadav & Papaioannou, 2016; Alnabsha, Abdou, Ntim, & Elamer, 2018), and the operation of the market for corporate control (Glendening, Khurana, &

Wang, 2016). Corporate ownership, on the one hand, embodies the creation of a legal entity that is detached from its owners, emphasising the involvement of any number of owners with the collective goal of converting businesses into corporations (Cheffins, 2010). On the other hand, corporate control implies the authority and ability to make strategic and operational decisions in corporations (Cheffins, 2010; Hedge & Mishra, 2017). Most of these decisions are a response to the failure of internal governance mechanisms, thus providing an incentive for potential acquirers to takeover, i.e., the market for corporate control.

Corporate ownership and control react to a variety of factors, one of which is the institutional environment (La Porta, Lopez-de-Silanes, & Shleifer, 1999; Arslan & Alqatan, 2020). In certain contexts, institutional features contend with a myriad of challenges that often include weak legal systems, low corporate valuations, poorly developed, and illiquid stock markets (Nakpodia & Adegbite, 2018; Nakpodia, 2018). When corporations face these constraints in their domestic markets, a major outcome is that access to capital markets is restricted, thereby limiting the marketability of its equity to potential investors. Though these concerns are widespread in developing and emerging economies (Nakpodia & Adegbite, 2018), the literature (La Porta, Lopez-de-Silanes, & Shleifer, 1999; Alves, 2010) suggests that this development is critical to the interactions between corporate ownership and corporate control. To generate insights regarding the above, this paper adopts one of the largest economies in Sub-Saharan Africa, i.e., Nigeria.

Relying on the institutional attributes of the Nigerian business environment (Adegbite & Nakajima, 2011), this paper addresses three specific objectives. First, the article reviews corporate ownership and control in Nigeria, highlighting how its practice in the country diverges from those of developed economies. Second, it evaluates the market for corporate control in the country, concentrating on factors that impede its performance and its effect on minority shareholder's rights protection. Lastly, this article discusses the relationship between corporate ownership and performance among Nigerian firms.

This review article addresses the above objectives by presenting an overview of corporations in Nigeria, paying attention to the categories of companies in the country. The paper then focuses on the dominant ownership structure among Nigeria corporations, followed by a discussion of the market for corporate control and the factors that impact its performance in the country. Next, the paper examines a critical variable in the market for corporate control, i.e., the protection of minority shareholder rights and identifies practices that frustrate this expectation. The article concludes by reviewing the relationship between corporate ownership and corporate performance and articulating areas for further research.

## 2. OVERVIEW OF CORPORATIONS IN NIGERIA

Like in most developing economies, the emergence and development of corporations in Nigeria benefit from the enactment of various corporate regulations. The origin of corporate law in Nigeria dates to 1874 (during the colonial era) with the adoption of the English company law in the country (Akinpelu, 2011) to support the operations of British firms. Subsequent developments in the Nigerian corporate horizon necessitated amendments to the company laws in 1912, 1922, 1954 and 1968. Yet, the failings of the Companies Act of 1968 oblige the promulgation of the current companies' statute, i.e., the Companies and Allied Matters Act (CAMA) in 1990. The introduction of CAMA strengthened existing company provisions, sanctioned the formation of the Corporate Affairs Commission (CAC), and provided stricter procedures for share capital issues (CAC, 1990, Parts V and VI). Regarding share capital, CAMA provided extensive updates to nature, issue, and allotment, as well as the transfer and forfeiture of shares. CAMA also established two crucial provisions that shaped the corporate landscape in the country.

The first is the categorisation of corporations. Section 21 of CAMA created three types of companies in Nigeria, namely companies limited by shares, companies limited by guarantee, and unlimited companies. Companies limited by shares are companies where members' liability is limited to the amount, if any, unpaid on the shares held by them. In other words, the liability of shareholders is limited to their shareholding in the event of liquidation. Depending on local institutional characteristics, corporate ownership in this form of companies is either concentrated or dispersed. The next type of company is those limited by guarantee. These companies, according to CAMA, shall not be registered with a share capital, and are prohibited from pursuing profit. They are primarily non-profit organisations that desire legal personality. The last category of companies is incorporated companies that have no limit on the liability of its members. CAMA notes that these three forms of companies can be either a private company or a public company. The public companies are listed on the Nigerian Stock Exchange (NSE). As of March 2020, there are 359 listed companies on the NSE with a market capitalisation of USD$66.2billion (NSE, 2020).

The second notable element in CAMA is the introduction of practices that resonate with good corporate governance. Before the introduction of CAMA, there was no corporate governance regulation. However, Ogbuozobe (2009) admits that CAMA provided the foundation for corporate governance in Nigeria, in view of the corporate principles it established, such as accountability, equality, transparency, independence, among others. These provisions are broadly consistent with the main principles (e.g., leadership, effectiveness, accountability, relationship with stakeholders) that embed reputable corporate governance regulations such as the UK Code of Corporate Governance (FRC, 2018), OECD Principles of Corporate Governance (OECD, 2015), among others. Dembo and Rasaratnam (2014) note that the provisions in CAMA were the building blocks for enacting the first corporate governance regulation in Nigeria, i.e., the Securities and Exchange Commission (SEC) Code of Corporate Governance (SEC, 2003).

## 3. OWNERSHIP STRUCTURES OF COMPANIES IN NIGERIA

To extend the evaluation of corporations in Nigeria, it is necessary to examine the dominant corporate ownership structures in the country. Given the variation in corporate ownership models, a review of corporate ownership in Nigeria demands an assessment of critical influences on corporate ownership. The growing literature exploring the determinants of corporate ownership is a reaction to Berle and Means' (1932) proposition, suggesting that corporate law reforms in the US in the 1930s account for the separation of ownership and control in its corporations. Demsetz and Lehn (1985), for example, contend that variations in corporate ownership are consistent with three factors, i.e., the value-maximising size of firms, the profit potential from exercising more effective control (control potential), and systematic regulation (aimed at imposing constraints on shareholder decisions). Whereas Demsetz and Lehn (1985) investigated US firms, a broader study by La Porta, Lopez-de-Silanes, and Shleifer (1999) revealed a more concentrated corporate ownership system, influenced by shareholder protection regulations. A common theme in Demsetz and Lehn (1985), La Porta, Lopez-de-Silanes, and Shleifer (1999) is the role of corporate regulation in individual countries. CAC (1990) provides the regulatory spine for untangling corporate ownership in Nigeria.

The discussion of ownership structure among Nigerian companies draws from a dual perspective, i.e., forms of corporate ownership, and concentration of ownership. The types of corporate ownership in Nigeria links to the categories of companies prescribed in CAMA. Limited companies, unlimited companies, and companies limited by guarantee may be owned by investors (a group of individuals) or the government. Ownership by a group of individuals is widespread in limited companies (investors) and companies limited by guarantee. Government participation in corporate ownership is observed in cases of a failing company, which if allowed to fail, may have severe consequences for a broader spectrum of stakeholders. This ownership intervention is prevalent in the country's banking sector. The government may also assume corporate ownership when it establishes an organisation that provides essential services.

As the Nigerian economy is largely public-sector driven, the government actively participates in the provision of services to the populace. Besides investors and government ownership of corporations, CAC (1990, Chapter 3) also provides for foreign ownership of companies in Nigeria, allowing foreigners either to float a company or to acquire a majority stakeholding in existing corporations. These forms of corporate ownership are not only fundamental to the concentration of ownership among Nigerian companies but also impact the market for corporate control. This is because the contribution of minority shareholders is typically overlooked, as decisions concerning the acquisition and disposal of companies remain the exclusive preserve of large and concentrated equity holders.

Ahunwan (2002) and Adegbite (2015) categorise ownership of Nigerian firms into four groups. These are companies that are wholly owned by the government, joint venture arrangements between the government and foreign crude oil-producing companies, publicly listed companies, and unlisted privately-owned firms. Apart from publicly listed companies, the concentrated ownership model is prevalent in the three other categorisations of corporate ownership in the country. Tsegba, Herbert, and Ene (2014) note that concentrated ownership is rife among listed public firms in Nigeria. Therefore, in agreement with Ahunwan (2002), concentrated ownership is the dominant model of ownership in Nigerian corporations. This is unsurprising, as La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1998) have suggested that countries with a poor record of shareholder protection (e.g., Nigeria) tend to exhibit a concentrated corporate ownership profile, that tolerates the exploitation of minority shareholders. However, this model of corporate ownership, considering the inattention to minority shareholders, unearths significant agency concerns (Aminadav & Papaioannou, 2016). Such agency concerns trigger activity in the market for corporate control.

## 4. THE MARKET FOR CORPORATE CONTROL IN NIGERIA

The market for corporate control (or the takeover market) allows alternative managerial teams to compete for the right to manage corporate resources. In doing so, it reconciles strategic risk-taking and value creation by providing opportunities that alleviate excess risk avoidance, as risk-taking bidders' takeover conservative targets and redeploy their assets to more productive projects (Hegde & Mishra, 2017). Martynova and Renneboog (2011), however, noted that the outcomes of corporate takeovers are affected by large shareholders in the acquiring firm, weak investor protection, and low disclosure concerns. These concerns have been widely reported in developing economies such as Nigeria (Nakpodia, Adegbite, Amaeshi, & Owolabi, 2018).

The market for corporate control in Nigeria responds to the dominant forms of corporate control in the country. Caswell (1987) articulates dual avenues of corporate control, i.e., direct control through stockholding, and network control exercised through the interlocking board of directors. These categorisations substantially reflect the market for corporate control in Nigeria. Concerning the first category, the market for corporate control in Nigeria is limited by its capital markets (Adegbite & Nakajima, 2011) because it is weak at developing aspects of the market such as an active M&A market, minimising hostile takeovers, and promoting equal treatment of shareholders. Accordingly, Okike (2007) notes that the Nigerian Stock Exchange has traditionally persisted as a non-stock exchange-based financial system. This implies that Nigerian firms do not perceive the stock exchange as a vehicle for raising new capital, thus impeding the role of the stock market in strengthening the market for corporate control. The inability of the stock exchange to drive the market for corporate control derives from the illiquidity of the market, low capitalisation (that may not support deals that require significant fund outlay), as well as the weak information architecture of the market.

These preceding concerns explain the narrow M&A activity in Nigeria, with most of the M&A deals in the country consummated in the banking industry. Because of the various governance failures in the banking system (Nworji, Olagunju, & Adeyanju, 2011), the industry regulators implemented a consolidation policy. This intervention offered opportunities for the takeover of underperforming and undervalued companies, triggering many M&As in the sector (Wigwe, 2012). These M&As are consistent with the first category in Caswell (1987), as acquirers sought to gain control in target firms by directly buying shares. Though this development culminated in a northward surge in the market share of acquirers (Adedeji, Babatunde, & Adekanye, 2015), it limited the fierce competitive rivalry that has been the hallmark of the industry.

Following the consolidation programme in the banking industry, scholars have examined the effect of M&A on the performance of banks. Elumilade (2010) reports that M&As, compelled by the consolidation agenda in the banking sector, improved competitiveness and efficiency of the borrowing and lending functions of Nigerian banks. Similarly, Olagunju and Obademi (2012), using published audited accounts of 42% of the banks that emerged from the consolidation programme, conclude that M&As improved the performance of Nigerian banks. This outcome, they claim, is evidenced by the attendant growth in the real sector. Anderibom and Obute (2015) add that M&As had positive, significant effects on the Nigerian bank's performance. However, Ebimobowei and Sophia (2011) suggested otherwise, concluding that M&As among Nigerian banks did not achieve the desired liquidity, capital adequacy, and corporate governance objectives. To this end, they (Ebimobowei & Sophia, 2011) contend that the system remains exposed to wide-ranging corruption and insider abuses. The results in Ebimobowei and Sophia's (2011) study are consistent with prior findings in Somoye's (2008) which clarifies that the consolidation agenda has not improved the overall performances of banks significantly. While the time differences in Ebimobowei and Sophia (2011), Anderibom and Obute (2015) may inform the inconsistent findings, both studies employed similar variables, i.e., capital, liquidity, and management. The scant literature in this area hampers a broader assessment of the variations in results. Therefore, further research is necessary to establish a better understanding of the impact of M&As on the banking industry.

In addition to M&As, markets for corporate control responds to shareholder activism. Letsou (1992) observes that the regulation of publicly listed firms provides shareholders with limited powers, evident in their inability to control corporate decisions. Despite the contentions that shareholder activism is a force for good corporate governance, Adegbite, Amaeshi, and Amao (2012) argue that shareholder activism in Nigeria reflects the country's brand of politics, hence the unethical politicking among shareholders. This argument fits with Caswell's (1987) second conception of the market for corporate control as a form of network control exercised by 'connected' board of directors. The political affiliation of principal shareholders tends to undermine the 'voice' mechanism during corporate engagements, with substantial implications for agentic relationships. Besides, Uche, Adegbite, and Jones (2016) claim that the presence of passive institutional shareholders inhibits shareholder activism in Nigeria. This not only tolerates a non-dialectical approach to accountability by institutional shareholders but also starves minority shareholders of the crucial support needed to influence corporate decisions. The resulting passiveness of institutional shareholders limits the potential of the market for corporate control as organisations adopt a conservative stance to risk-taking. Besides, it affects the wealth maximisation objectives of small investors.

In addition to M&As and shareholder activism, it is imperative to note that the market for corporate control in Nigeria suffers from the stifling effect of a government-driven economy. In many parts of the world, especially in the West, market forces dictate the role of the market for corporate control. However, in markets where the government is a major player in corporate ownership and control, the usefulness of the takeover market as a value creation instrument is destabilised. In Nigeria, and many developing and emerging economies, the government is actively involved in the strategic decisions of corporations. These decisions include M&As, corporate reorganisation, and reforms. The economic behaviour of stakeholders prompts the operations of the takeover market, but when the government can influence the economic conduct and actions of stakeholders, the relevance of the takeover market becomes debatable. The passivity of institutional shareholders and the role of government as regards the takeover market combine to accentuate the challenges that minority shareholders encounter in the Nigerian corporate landscape.

## 5. MINORITY SHAREHOLDER RIGHTS PROTECTION IN NIGERIA

The protection of shareholder rights is not only an essential characteristic for controlling the behaviour and actions of corporate boards, but it also represents a principal driver of good corporate governance (Kirkbride, Letza, & Smallman, 2009; Safiullah, 2016). Indeed, agency theorising has been broadened to acknowledge the principal-principal conundrum which not only investigates the conflict between controlling shareholders and minority shareholders (Li & Qian, 2013) but also exposes the neglect of minority shareholders in the corporate scholarship (Young, Peng, Ahlstrom, Bruton, & Jiang, 2008). However, in the shareholder rights protection literature, there is an increased emphasis on minority shareholders. Aduma and Ibekwe (2017) inform that the protection of minority shareholders is one of the most difficult challenges facing modern corporations. Following this, corporate governance regulations across the globe have stressed the need to pay more attention to the rights of minority shareholders. These are evident in corporate regulation provisions such as voting rights, right to the first refusal, share transfer restrictions, and rights of the first offer. For example, section 22.3 of the SEC (2011) states that it is the responsibility of corporate boards to ensure that minority shareholders are treated fairly and protected from abusive and exploitative actions of controlling shareholders.

Despite the regulatory guidelines, it is not uncommon to find majority shareholders engaging in actions that are not only oppressive but also contradictory to the interests of minority shareholders. Aduma and Ibekwe (2017) state that minority shareholders' protection in Nigeria suffers from the system of voting used in electing directors. They explained that the voting system makes it impracticable for minority shareholders to elect their representatives. The voting procedure, for instance, is designed to restrict the physical attendance of minority shareholders or their nominated proxies. There have been cases where AGMs take place in remote locations that are difficult to access by minority shareholders, whereas the majority of shareholders are incentivised to attend such meetings. Unfortunately, the capacity of minority equity holders to resist such practices is weak. Li and Qian (2013) explain that in regions with more institutional development, minority shareholders' rights are not only better protected, but they are also able to put up a robust resistance to takeover attempts that conflict with their wealth maximisation goals.

Institutional context and the degree of ownership concentration also characterise the extent to which the rights of minority shareholders are protected. Using a sample of large firms from 14 European markets, Kim, Kitsabunnarat-Chatjuthamard, and Nofsinger (2007) find that in countries where the protection of shareholder rights is more robust, the concentration of ownership is typically lower. While this supports La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1998), the reasoning here is that more dispersed ownership minimises the incidence of controlling shareholders. Earlier in this article, it was noted that concentrated ownership dominates the Nigerian corporate space, enabling the emergence of a class of shareholders whose corporate preferences and goals must eclipse those of other shareholding class, i.e., minority shareholders.

Okpara (2010) adds that the lack of minority shareholder rights protection hampers corporate governance in the country, as the provision of section 22.3 of the SEC (2011) is contravened frequently. These problems, often linked to weak shareholder activism, are examined using two constructs. The first strand of challenges relates to those directly triggered by the minority shareholders. In this instance, Ahunwan (2002) observed that the naivety of minority shareholders neutralises the possibility or potency of activism, thereby permitting controlling shareholders to pursue interests that are incongruous with those of minority shareholders. Okpara (2010) also notes that ignorance of shareholder rights and privileges undermines the ability of minority equity holders to maximise their wealth. Besides, Bello (2016) informs that poor attendance at AGMs by minority shareholders have stifled their 'voices', allowing majority shareholders to maximise their influence over corporate decisions.

The second construct of challenges confronting minority shareholders (in Nigeria) is those incited by the institutional characteristics (Li & Qian, 2013; Arslan & Alqatan, 2020). Concerning AGMs, Oyebode (2009) explained that AGMs in Nigeria are perceived as a jamboree rather than an opportunity for stewardship where shareholders examine the performance of boards and management. This perception reinforces the apathy of minority shareholders towards such opportunities for stewardship. This 'opening' provides majority shareholders with access to relevant corporate information that is manipulated to enable them to maximise their wealth at the expense of the information-deficient minority shareholders (Adegbite & Nakajima, 2011). The weak regulatory system also allows tunnelling as the majority shareholders collude among themselves and with their management to expropriate minority shareholders' benefits (Okpara, 2010).

## 6. CORPORATE OWNERSHIP AND COMPANY PERFORMANCE

Despite calls for the protection of minority equity holders' rights, the literature is yet to demonstrate empirically how they affect corporate performance. Given this lacuna, this section employs corporate ownership, to comprehend how it links with corporate performance. The corporate ownership structure is an important variable that affects the health of corporations (Zeitun & Tian, 2007; Alnabsha, Abdou, Ntim, & Elamer, 2018). If the preceding holds, then the ownership structure of a firm can be investigated as a predictor of corporate performance. This view has been adopted widely in the existing literature. Whereas the literature has produced an inconsistent stream of results regarding the relationship between corporate ownership and corporate performance, most studies examining the relationship in emerging and developing economies have reported a positive relationship between both concepts. For instance, Kapopoulos and Lazaretou (2007), Mandaci and Gumus (2010), Maquieira, Espinosa, and Vieito (2011), Manawaduge and De Zoysa (2013), and Kandil and Markovski (2017) show that corporate ownership structure positively impacts corporate performance in Greece, Turkey, Chile, Sri Lanka, and the UAE respectively.

An overarching conclusion emerging from previous studies is that a higher concentration of ownership leads to better corporate performance. This finding opposes the position in Berle and Means (1932) which identifies a more dispersed corporate ownership structure among US companies. While Dai and Helfrich (2016) observe that in contemporary capital markets, over 70% of the top 500 US companies are held by institutional investors, they note that retail ownership still constitutes a substantial investor base in the US capital markets. Similar trends exist in the UK. Abdullah and Page (2009) affirm that there is no relationship between governance variables (which includes equity ownership and extent of ownership by large block holders) and corporate performance among UK companies. Most of the research (Craswell, Taylor, & Saywell, 1997; Iannotta, Nocera, & Sironi, 2007) investigating the connection between corporate ownership and firm performance in developed economies exposes the absence of any relationship or a negative relationship. It is important to note that many of these countries adopt a dispersed corporate ownership model.

Reyna, Vázquez, and Valdés (2012) suggest that the inconsistent result between developing and developed economies derives from the institutional structure prevailing in specific countries. Aguilera, Kabbach-Castro, Lee, and You (2012) allude to the subject of institutional variation, noting that while the concentration of corporate shareholdings remains a common denominator among the emerging countries investigated, the processes and structures governing firms in these countries is remarkably different. These cross-national variations in institutional environments (Nakpodia, Adegbite, Amaeshi, & Owolabi, 2018) hinder the consistency of corporate governance results, especially in countries with weak corporate regulation and ineffective institutions like Nigeria.

In Nigeria, there is limited scholarship exploring the link between corporate ownership and company performance, but findings in many of this scholarship corroborate the literature (Maquieira, Espinosa, & Vieito, 2011; Manawaduge & De Zoysa, 2013; Kandil & Markovski, 2017) that investigates the relationship among other developing economies. Ahunwan (2002) notes that ownership in Nigerian corporations is highly concentrated. Okafor, Ugwuegbe, and Ezeaku (2016) show that ownership concentration produces a positive effect on corporate performance metrics, recommending that concentrated owners should continually increase their interest. Ozili and Uadiale (2017) investigated banks and reported that banks with high concentrated ownership generate a higher return on assets, higher net interest margin, and higher recurring earning power. These results link with practices in communitarian societies such as Germany and Japan. However, Nigeria adopts the Anglo-American model, which encourages a dispersed ownership structure, in its corporate regulation. Okpara (2010) argues that the incidence of concentrated ownership in Nigeria is instigated by a regulatory framework that allows individuals to acquire shares via proxies without proper verification. Furthermore, the business environment is mostly informal, thereby facilitating a high rate of family ownership that reinforces concentrated ownership. These concerns have considerable implications for the market for corporate control in Nigeria.

## 7. SUMMARY, CONCLUSION, AND AREAS FOR FURTHER RESEARCH

The discussion in this review article suggests that the opportunities inherent in deploying corporate ownership and control mechanisms to enhance corporate performance are yet to be harnessed by Nigerian corporations. While arguments and cases have been put forward that explain the dominance of concentrated ownership, it is apparent that the system has denied itself the benefits inherent in protecting the rights of minority shareholders. This stifles the prospects of a sound corporate governance system and denies the country a substantial inflow of foreign investment especially as Khanna and Zyla (2012) note that foreign investors often do not invest in emerging markets with weak corporate governance structures.

The largely inactive market for corporate control in Nigeria is another consequence of poor corporate governance practice. This is because anti-takeover defences such as poison pill, golden parachutes, and supermajority amendments (Ambrose & Megginson, 1992; Stout, 2002) are shut down by the presence of large block-holders. The informal nature of the capital market also undermines the market for corporate control in the country. The market tends to lack the discipline and mettle to implement corporate governance provisions. It is therefore imperative that irrespective of the reported positive relationship between corporate ownership and corporate performance among Nigerian corporations, scholars, and practitioners must continue to seek ways to protect the rights of minority shareholders in corporate decision-making.

In addressing the above, it is essential to identify concerns that should provoke further research. The main thrust of the agency theory is the minimisation of agency costs (Jensen & Meckling, 1976). Scholars (Stepanov & Suvorov, 2017; Bebchuk, Cohen, & Hirst, 2017) indicate that concentrated ownership minimises agency costs. While this suggests that the protection of minority shareholders' rights is of little importance to agency cost, such a position could be hypothesised as minority shareholders' irrelevance proposition. However, an essential concern in this hypothesis is that the literature has paid scant attention to how the protection of the rights of minority equity holders, especially in developing and emerging markets, relates to agency cost. Therefore, this article calls on scholars to investigate the value and contribution of minority shareholders to corporate variables such as agency and performance. In doing this, scholars should initiate research that isolates the role of corporate governance but focus on minority shareholders as an independent variable to study its contribution to organisational performance. This should unpack the ambiguity regarding the influence of minority shareholders, as well as deepen the understanding of the drivers of concentrated and dispersed corporate ownership models.

This review also indicates that the market for control is less effective when the government or the state dominates corporate ownership. This concern is more pronounced in countries dogged by weak institutions. Thus, in this case, scholars are invited to initially identify the nexus between government ownership of corporations and the takeover market. The objective here should be to understand the nature of the relationship between both concepts. Next, scholars may also seek to extend this investigation by examining the motivations for government ownership of companies in varieties of capitalism to help generate insights that reveal how specific motivations affect the operationalisation of the takeover market taking into account the institutional variations in the countries under investigation.

Finally, it is necessary to state that this review article suffers from a significant limitation. Whereas the context of this review is Nigeria, the scarcity of relevant academic and practice literature exploring corporate ownership and control in Nigeria and even in Africa meant that this article relied on insights from studies targeted at other contextual environments. It is anticipated that this article would provoke the emergence of a substantial volume of literature that investigates corporate ownership and control concerns in emerging and developing markets.

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