EFFECT OF OWNERSHIP STRUCTURE ON EARNINGS QUALITY OF LISTED CONSUMER GOODS FIRMS IN NIGERIA

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A LONG ESSAY SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE, COLLEGE OF HUMNITIES MANAGEMENT AND SOCIAL SCIENCES, MOUNTAIN TOP UNIVERSITY, IN PARTIAL FULFILMENT FOR THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF SCIENCE (B.Sc. HONS) IN ACCOUNTING.

AUGUST, 2021

DECLARATION

This project report, which I wrote under the supervision of Mr.Oladipo, S . I is the result of my own study. In the text, information obtained from diverse sources has been properly recognized, and a list of references has been provided. This research project report has never been presented before for the purpose of receiving a degree or certificate.

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AJAYI EMMANUEL KOLAPO **DATE**

CERTIFICATION

This is to confirm that the report on the research project titled “EFFECT OF OWNERSHIP STRUCTURE ON EARNINGS QUALITY OF LISTED CONSUMER GOODS FIRMS IN NIGERIA" was carried out AJAYI EMMANUEL KOLAPO, with matriculation number 17020101040. This project report complies with the regulations governing the award of Bachelor of Science (B.Sc.) Degree in Accounting. Department of Accounting and Finance of the Mountain Top University, Ogun State, Nigeria and is approved for its contribution to knowledge and literary presentation.

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MR.OLADIPO,S.I. **Date**

(Project Supervisor)

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Dr. OMOKEHINDE, J .O **Date**

(Head of Department)

DEDICATION

I dedicate this project to God almighty , my parents, Mr. and Mrs. Ajayi, my siblings, Esther, Busayo , Enoch and all my friends for their unending support.

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I give all the glory to God for he has been good and his unending love towards me. I am sincerely grateful for the successful completion of this project.

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ABSTRACT

Earning is believed to be the most significant item in the financial report because it serves as an indicator of the firm's financial performance and guides investors in evaluating the performance of the firm. However, the quality of financial reporting has remained an issue of major concern among the various users of financial information. As a result, measures are raised to curb this situation among which is ownership structure (distribution of company ownership among its shareholders). The study seeks to examine the effect of ownership structure on earnings quality of listed consumer goods firms in Nigeria. The study formulates four hypotheses and applied Panel Regression Technique to analyse the relationship between dependent variable earnings quality and the independent variable (ownership structure). The dependent variable was measured by the modified Jones model while the independent variable was proxied by, managerial ownership, institutional ownership, ownership concentration and foreign ownership of the sampled Consumer goods firms. ex post facto research design was used in this study. Secondary data was extracted from the annual reports and accounts of ten sampled firms listed under the consumer goods sector of the Nigerian Stock exchange for the period 2011-2020. The study found that: Managerial ownership positively influences earnings quality, Ownership concentration negatively influences earnings quality but Institutional Ownership and Foreign Ownership have positive but insignificant influence on earnings quality. Based on the findings, the study concluded that ownership structure has a great effect on the earnings quality of listed consumer goods firms in Nigeria. The study recommends that Managers should be encouraged to have interest through share ownership in Nigerian Consumer goods firms but concentration of shares in the hands of few shareholders should be discouraged. The limitations of the study are that the results are only applicable to listed consumer goods firms, hence cannot be applied to non-listed firms, other manufacturing firms and other sectors of the economy.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The financial report of a corporate entity has a big influence on the business's operations and helps users of financial data make better decisions. Earnings are a key component of financial reports that allow users of accounting data to assess a company's success. Accounting earnings of high quality is always checked against the accounting quality information. As a result, the validity and dependability of reported data are heavily influenced by earnings quality (Bawa & Isa,2014).

The Enron, WorldCom, Cadbury Nigeria plc, Intercontinental bank, Afribank, and Oceanic bank scandals have placed doubt on the quality of reports and their capacity to meet the demands and expectations of customers. (Uwuigbe, Peter & Oyeniyi, 2014). In order to create effective accounting practice, the issues demanded the evaluation and globalization of accounting standards, the adoption of the International Financial Reporting Standards (IFRS), and the Corporate Governance Code. It also led to the birth of Financial Reporting Council of Nigeria (FRCN) Act No 6 of 2011.

Earnings management and earnings quality are closely related since excessive earnings management can result in low earnings quality, as falsified data can lead to wrong decisions.(Baba , 2016) . However, earnings management isn't the only factor to consider that influences earnings quality. Other factors that has an impact on the earnings quality include capital market and managerial compensation. (Azzoz & Khamees, 2016). Because of the difficulty in evaluating earnings quality, previous research (Ayadi & Boujelbene ,2016) linked earnings quality to the extent of earnings management and established that enterprises employ accounting accruals to manage earnings.

The type of shareholders of a company is referred to as its ownership structure, and it can influence how the company makes decisions that affect its success (Phung, 2015). The structure of a firm is crucial since it determines the economic effectiveness of the companies under management (Owiredu, Oppong & Churchill, 2014). One of the most common sources of agency issues between management and shareholders, particularly between dominant and minority shareholders, is ownership (Kiatapiwat, 2010). Imbalances in ownership, control, and monitoring may allow some parties to take advantage of others. Managers provide services on behalf of shareholders, and their goals and those of the shareholders may not always be in agreement. Separate ownership causes a slew of conflicts and issues among shareholders, stakeholders, and management(Choi, Park, & Hung, 2012). Because different ownership structures exist in different organizations, and thus influence performance, degree, and manner of management control, the ownership structure is also a factor that impacts the quality of accounting data (Namazi & Kermani, 2008).

More stock ownership by managers may drive them to make value-maximizing decisions, resulting in higher earnings quality and a closer alignment of managerial and shareholder interests. On the other hand, strong managerial ownership and a lack of financial market discipline allow managers to engage in opportunistic conduct and try to maximize their profits at the expense of shareholders, and this may encourage managers to become entrenched, which can be costly and lowers the quality of earnings (Owiredu, Oppong & Churchill, 2014).

They are more concerned because the underlying profitability of the companies and are wary of using discretionary accruals to manage earnings when they have long-term investments, institutions with large shareholdings play an active role in monitoring the management of reported earnings. This improves the quality of earnings reported

(Yang,Chun, & Ramadili, 2009). Institutional share ownerships, according to Hashim and Devi,2014), Alves (2012), Koh (2003), and Mashayekh (2008), may have ramifications for earnings quality because they can influence the company. Earnings quality is predicted to improve when institutional investors have more power over firm management than when they are just investors since they are able and motivated to support good quality reports (Velury & Jenkins, 2006).

Large shareholders, often known as block holders, have a significant impact on governance since their large stakes provide incentives for managers to bear the cost of monitoring. Large shareholders are expected to effectively monitor managerial conduct and activities, reducing the opportunity for managers to engage in earnings management. As a result, managers report an increase in the quality of their earnings(Peter & Oyeniyi, 2014). When a considerable amount of a company's equity is held by a small number of people, the company is said to be highly concentrated (Roodposhti & Chasmi, 2010). In concentrated firms, there may be a conflict of interest between majority and minority shareholders because controlling shareholders may be entrenched as a result of their concentrated voting power and hide their personal benefits by reporting low results, decreasing the quality of earnings. On the other hand, controlling shareholders may align their interest with minority shareholders by presenting high quality results (Kiatapiwat, 2010). Empirical studies have revealed mixed relationship, researchers like Shleifer and Vishny,1997), Amador,2012), Anderson & Reeb,2003).

1.2 Statement of the Problem

An organization's financial reports should give relevant and trustworthy data to aid in making informed decisions. Hence, it is important that the financial information show a true and fair view of the organization's financial transactions during a period. Earnings on the financial reports of companies summarizes the performances to various users. Several factors, including the firm's business model, accounting standards, industry, internal controls, macroeconomic conditions, directors' reporting choices, and operating cycle, may influence the quality of earnings reported (Dichev, Graham, Harvey & Rajgopal, 2013). Because of the many variables, there is a large difference between what is reported and the actual status of the company, which can be deceptive to people who rely on such reports for decision making, investor's confidence is damaged, and foreign investment inflows may be reduced. Control mechanisms are being put in place to address these challenges, one of which is the ownership structure of businesses(Namazi & Kermani, 2008).

The accounting scandals that rocked Oando in 2017, the Nigerian banking sector in 2009 and Non-compliance with regulations was blamed for the scandals of some publicly traded companies such as Cadbury Nigeria Plc between 2003 and 2006, Unilever Brothers, African Petroleum, and the Nigerian Stock Exchange (NSE) in 2010, connivance of board of directors with company managers against uninformed minority shareholders and other stakeholders, weak board governance due to lack of or insufficient independence, ability and heterogeneity in board composition, and weak executive monitoring due to lack of active institutional shareholders and unethical shareholders activism by shareholder's association(karuntarat, 2013). As a result of this, the Federal Government of Nigeria through some agencies came up with institutional structures to protect investors of their investments from corrupt practices. (Ugowe, 2016). The Securities and Exchange

Commission (SEC) introduced Code of Corporate Governance in 2003, which was updated in 2011and 2014 respectively, the Nigerian banking industry also introduced Guidelines for Whistle blowing (Mall, 2016). The Asset Management Corporation Act of 2010 was enacted for banks and the Financial Reporting council of Nigeria Act No 6 of 2011 was also established. Despite all this, the quality of financial reports still remains questionable. Several studies have been conducted to examine the relationship between ownership structure and earnings quality in the developed and emerging markets including Nigeria. Some of the studies include; Affan, Rosidi, and Liliki ,(2017), Ayadi,(2014), Hashim and Devi,(2014), Amador,(2012), Karuntarat,(2013), Spinos,(2013), Alves,(2012), Ismail,(2011), Habbash,(2010), Kiatapawat,(2010), Katz ,(2008), which were conducted in other countries while Shehu and Yero,(2012), Muhammad,(2014), Musa (2014), Adebiyi and Olowookere (2016), , AbdulHadi (2016), Lawal and Mohammed,(2014), Ogbonnaya, Ekwe and ihendinihu,2016), Shehu and Ahmed,(2012), Amos, Ibrahim, Ibrahim and Nasidi,(2016) , Baba,(2016), and Uwuigbe, Erin, Uwuigbe, Igbinoba and Jafaru,(2017) were studies conducted in Nigeria. The results of their findings were mixed and there was no general agreement on the relationship between ownership structure and earnings quality.

From the empirical studies reviewed on ownership structure and earnings quality, except for the works of Affan, Rosidi, and Liliki,2017, and Uwuigbe, Erin, Uwuigbe, Igbinoba and Jafaru,2017 whose study ended in 2015. The results obtained during these periods can be regarded as not being too current because a lot of activity has taken place such as changes in corporate governance code of 2003 which has been updated in 2011, 2014,2017 and most currently 2018. The recession that hit the Nigerian economy in 2016 which created a lot of challenges for companies must have also overtaken the position of these companies as at that period (Ibenegbu, 2016). Hence, there is need to conduct a more recent research that will capture the changes. It is to this end, that this study extends its scope of research to 2020.

Because of the importance of the relationship between earnings management and earnings quality, previous studies (AbdulHadi,2016; Musa,2014; Spinos,2013; Alves,2012; Al-Zyoud,2012; Shehu and Abubakar,2012; Yang Chun & Ramadili,2009) have linked ownership structure to earnings management and interpreted earnings management to be the same as earnings quality. Profits management and earnings quality are closely related since poor profits management can result in poor earnings quality, but profits management is not the only factor determining earnings quality. Furthermore, the majority of research on the impact of ownership structure on earnings quality in Nigeria has focused on other sectors of the economy, particularly the banking and manufacturing industries. However, the importance of the Nigerian market, there are few research in the listed consumer products companies. This research aims to close the gap for Nigerian consumer goods companies by looking at the impact of ownership structure on the earnings quality of publicly traded consumer goods companies in Nigeria. As a result, it adds to the expanding corpus of study on this topic, which is currently quite limited.

1.3 Objectives of the Study

The study's major objective is to look into the effect of ownership structure on the earnings quality of listed consumer goods companies in Nigeria. The following are the precise goals:

i. To know how managerial ownership affects the earnings quality of Nigerian consumer goods companies listed on the stock exchange.

ii. To investigate the impact of institutional shareholding on the earnings of Nigerian consumer goods companies listed on the stock exchange.

iii. To assess the impact of ownership concentration on the earnings quality of Nigerian consumer goods companies listed on the stock exchange.

iv. To investigate the impact of foreign ownership on the earnings quality of Nigeria’s publicly traded consumer products companies.

1.4 Research Questions

i.What effect does managerial ownership have on the profits quality of Nigeria's publicly traded consumer goods companies?

ii. How does institutional ownership affect the profits quality of Nigerian consumer goods companies?

iii. Does ownership concentration have an effect on the quality of earnings of Nigeria's publicly traded consumer goods firms?

iv. What impact does foreign ownership have on the quality of the earnings of Nigerian consumer goods companies?

1.5 Statement of Hypotheses

H_{01}: Managerial ownership has no significant effect on the earnings quality of Nigeria's publicly traded consumer goods firms.

H_{02}: Institutional ownership has no significant effect on the earnings quality of Nigeria's publicly traded consumer goods firms.

H_{03}: ownership concentration has no significant effect on the earnings quality of Nigeria's publicly traded consumer goods firms.

H_{04}: Foreign ownership has no significant effect on the earnings quality of Nigeria's publicly traded consumer goods firms.

1.6 Scope of the Study

This study will look at the ownership structure and earnings quality of listed consumer goods companies in Nigeria from 2011 to 2020 (ten years), which are part of the Nigerian capital market's consumer goods sector. Earnings quality is the dependent variable, whereas managerial ownership, institutional ownership, ownership concentration, and foreign ownership are the independent factors.

The choice of the period 2011-2020 is due to the fact that it succeeds the global financial crisis of 2008, it also coincides with the accounting and financial scandals of big companies and banks in Nigeria like the case of African petroleum and five banks. Recent data that reflects the current economic circumstances of the companies can be readily obtained.

1.7 Significance of the Study

The study's significance arises from its value to the study's intended beneficiaries and stakeholders in the consumer products industry. It provides a standard for consumer goods companies listed on the Nigerian Stock Exchange in terms of ownership structure attributes that are effective in improving financial report transparency and thus improving earnings quality. This study will benefits shareholders/investors since it serves as a reference for investment decisions. This study will provide useful evidence for comprehending the notion of ownership structure and how ownership structure affects earnings quality, consequently advising investors on the optimal form of ownership structure that affects earnings quality in the consumer goods industry.

Furthermore, academics and future researchers would have a better grasp of the topic as a result of the juxtaposition of earnings quality with each component of ownership structure, which results in new or changed knowledge on ownership structure for listed consumer goods firms in Nigeria. It will also provide empirical evidence for the variable's relationship. The study will also identify areas in which more research is needed. Finally, the study benefits policymakers and regulatory agencies such as the Securities and Exchange Commission(SEC), Financial Reporting Council of Nigeria(FRCN). The study's findings will provide a solid foundation for regulators and policymakers to develop or amend regulations that would help consumer goods companies improve their performance and support economic stability.

1.8 Operational definition of terms

Ownership Structure: Ownership structure Concerns the internal organization of a business company, as well as the rights and responsibilities of those who have a legal or equitable interest in it.

Earnings Quality: The ability of reported earnings (income) to forecast a company's future earnings is referred to as earnings quality.

Consumer Goods: This are products bought for consumption by the average consumer.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The concept of earnings quality and ownership structure, as well as how they are measured in the literature, are explained in this chapter. There will be a discussion of the empirical literature on the relationship between earnings quality and ownership structure (institutional ownership, managerial ownership, ownership concentration, and foreign ownership). Finally, the theoretical frameworks that support the relationship between the study's variables will be explored.

2.1 Conceptual Review

This has to do with concocting or developing an idea or explanation and mentally structuring it (Shehu, 2013). As a result, this chapter contains explanations of earnings quality, ownership structure, and other relevant concepts.

2.1.1 Control Variables

Firm size as measured by total assets is a control variable relevant to this study, in addition to the ownership structure factors outlined above.

2.1.1.2 Firm Size

Due to it’s complexity, a large corporation can disguise any interaction between management and owners. The agency fees are likely to rise as the size of the company grows, allowing for more managerial freedom and opportunism (Jensen and Meckling, 1976). Larger enterprises, according to Watts and Zimmerman (1986), suffer higher political costs and so have stronger incentives to manage profitability in order to mitigate political risk. Other schools of thought believe that larger companies are under a lot of pressure from regulators to assure the legitimacy of their financial reports, which makes managing earnings difficult. As a result, ownership structure and profits quality are likely to be affected by the firm's size.

2.1.2 Earnings Quality

Academic scholars have established and empirically validated different dimensions of earnings quality constructs using certain features of earnings and their components. Different users of financial statements define the term "earnings quality" in different ways. Earnings quality, according to Dechow and Schrand (2004), is a measure of how well earnings reflect a firm's actual performance. Earnings quality, they claim, is based on the firm's true performance. Financial statement users may also define earnings quality in terms of the “absence of earnings management”. This is because the intentional manipulation of earnings by managers, within the limits possible in accounting standards, may distort the usefulness of earnings to users. In support of this view, Barth and Schipper (2008) define high quality earnings as those that exhibit less earnings management, implying that quality is not an innate characteristic, but rather the absence of manipulation and bias. This definition depicts the relationship between earnings management and earnings quality.

Salawu (2017) defines earnings quality as the ability of current earnings to accurately reflect the company's current status and future viability. This notion suggests that present revenues must be trustworthy in order to lead future decisions.

2.1.2.1 Measures of Earnings Quality

Bernstein and Siegel (1979) as cited in An (2009) divide earnings quality into three categories: conservatism, discretionary costs, and earnings fluctuation due to management actions or the economic cycle. Schipper and Vincent (2003) Persistence, predictability, variability, the ratio of cash from operations to income, changes in total accruals, discretionary accruals, and accruals to cashflow are all suggested as seven metrics of earnings quality. Francis, La Fond, Olsson, Schipper (2004) divides the seven earning attributes into two categories: accounting-based and market-based. Accounting-based attributes include accrual quality, persistence, predictability, and smoothness, which are based on the relationship between accounting earnings and returns, whereas market-based attributes include value relevance, timeliness, and conservatism, which are based on the relationship between accounting earnings and returns.

2.1.2.2 Accrual quality

Accruals are earnings components not depicted in current cashflows, according to Bergstresser and Philippon (2006), and their construction requires a great deal of managerial discretion. The level of earnings management is used as a proxy for

earnings quality in the model. By directly modeling the accrual process, (Dechow, Ge, and Schrand, 2010) distinguishes “abnormal” from “normal” accruals. Normal (non-discretionary) accruals are used to capture modifications that reflect underlying performance, whereas abnormal (discretionary) accruals are used to capture distortions caused by accounting rules or earnings management (i.e., due to an imperfect measurement system). According to them, these measures are particularly relevant to accounting researchers because they attempt to directly capture problems with the accounting measurement system. Abnormal (discretionary) accruals have been used to test predictions in almost all of the determinants and consequences categories as a proxy for earnings quality. It is the most often used indicator of earnings quality, and proponents argue that the fundamental benefit of utilizing discretionary accruals is the ease with which data can be collected and measured.

The model has been proposed by various academics, but it is the foundation for a vast number of other models (De Fond, 2010). The abnormal accruals model of Jones (1991) is defined as the discrepancy between actual and total accruals. However, since its inception, additional academics have looked into it, leading to a number of changes that try to remedy the model's flaws. Total current accruals (TCA), as defined by changes in working capital, are linked to lagged, current, and future cash flows from activities in Dechow and Dichev's (2002) model. To distinguish between unintentional accrual estimation error and purposeful accrual estimation error, McNichols (2002) suggested including change in revenues and property, plant, and equipment (PPE) as additional explanatory variables in the Dechow and Dichev (2002) model. Incorporating the new explanatory variables, however, would necessitate the same assumptions as the Jones (1991) model.

2.1.2.3 Persistence

This strategy is dependent on the firm's performance as well as how things are measured through the accounting system. Persistent earnings are desirable because earnings that can be predicted are more valuable to users because they provide better input to equity valuation models, and thus persistent earnings are of higher quality (Dechow, 2010). Persistence is defined by Richardson, Sloan, Soliman, and Tuna (2001) as the degree to which earnings performance continues into the next period. As a result, persistence or sustainability has become a popular metric for determining the quality of earnings, with durable earnings being regarded to be of higher quality (Francis, La Fond, Olsson and Schipper, 2006). Persistence captures the amount to which current period innovation becomes a permanent component of the earnings series (Schipper and Vincent, 2003), although it does not indicate low volatility (Schipper and Vincent, 2003). The autocorrelation of earnings is a typical metric of persistence, with a strong autocorrelation between current and previous earnings being desirable.The biggest criticism leveled towards persistence as a quality trait stems from the fact that extremely consistent revenues could be a sign of opportunistic income smoothing (Dechow, 2010). According to Schipper and Vincent (2003), very inconsistent results in unpredictable economic contexts can be the result of a neutral application of accounting principles, and hence do not imply poor accounting quality.

2.1.2.4 Predictability

Persistence is closely linked to the concept of earnings predictability as a desirable quality. Predictability, according to Schipper and Vincent (2003), is the

ability of financial statements to improve users' ability to forecast items of interest, i.e., the ability of past earnings to forecast future earnings. Variability reduces predictability, according to this definition, and the term is thus associated with smoothing research. Because it is a similar construct to earnings persistence in that both relate to time-series behavior of earnings, predictability can be measured using the same model that was used to measure persistence.However, Schipper and Vincent (2003) point out that persistence and predictability may not be consistent in some situations. Earnings that fluctuate are high in quality in terms of persistence (they follow a random walk), but low in quality in terms of predictability (the magnitude of a typical shock to earnings is large).

2.1.2.5 Value Relevance

The idea behind value relevance is that accounting data should be able to explain differences in stock returns. The approach measures the relevance and credibility of financial reporting information by looking at the link between stock returns and earnings figures.Value relevance is defined by Collins, Maydew, and Weiss (1997) and Hung (2001) as the ability of financial statements to describe information that influences a firm's value. According to Francis, La Fond, Olsson, and Schipper (2004), the ability of earnings to explain variations in returns is a direct measure of decision usefulness arising from conceptual frameworks, whereas value relevance, according to Barth, Beaver, and Landsman, measures the combination of relevance and reliability (2001).To put it another way, value relevance is a measure of how well accounting statements reflect a company's underlying economics (Barth, Landsman and Lang, 2008).

Value relevance is often quantified empirically as the explanatory power of a regression of stock returns on core earnings, based on the assumption that investors respond to information with value implications. Earnings that have a greater correlation with stock prices reflect fundamental performance better, implying that earnings are of higher quality (Dechow, 2010).Holthausen and Verrecchia (1988) proposed a model in which the stock price response grows as the precision of the information increases. Teoh and Wong (1993) alter this to a model in which investors' reactions to earnings surprises are based on the earnings report's perceived legitimacy.

2.1.2.6 Timeliness

Earnings timeliness is frequently cited as one of the qualities of high-quality financial reporting. Timelier reporting, according to Abdullah (2006), is connected with improved accounting quality because users can use the information for purposes such as valuation and appraisal. For users of financial statements, more current information (including earnings) is more relevant and hence more useful. Timeliness is described by Beekes, Pope, and Young (2004) as the time it takes for information to be reflected in profits.

The Basu model is the most commonly used metric for predicting profits quality based on timely loss recognition. The model's drawbacks include that it is reliant on returns and presupposes market efficiency. The asymmetric timeliness coefficient also reflects all market information, which makes determining effects related to earnings information challenging (Dechow 2010).

2.1.2.7 Conservatism

Conservatism is described as "a prudent approach to ambiguity and an endeavour to guarantee that uncertainty and hazards inherent in business settings are effectively evaluated," according to SFAC No 2. Basu (1997) describes conservatism as the inclination of accountants to seek a higher degree of verification for recognizing good news in the financial statement than for recognizing negative news.

Conservatism results in an asymmetry in the recognition of benefits and losses, with the latter being acknowledged sooner than the former. Conservatism differs from timeliness in that it considers the accounting earnings' capacity to reflect economic losses vs gains (Francise, 2004). Ball, Kothari, and Robin (2000) argue that conservatism is a quality of accounting income that reflects financial statement transparency because the early reporting of economic losses in accounting income may compel managers to decrease investment risk for investors. As a result, conservatism limits management's ability to take advantage of opportunities to increase (decrease) profits (losses).As a result, the quality of profits improves (An, 2009). Basu's (1997) reverse regression stock return model is the most widely used and general model for measuring conservatism, although it is restricted by its inability to capture significant accounting profit changes due to conservatism. It simply represents the stock market's reaction to a company's good and bad news. To address Basu's constraint, Ball and Shivakumar (2005) use the relationship between cash flows from operations and accruals to assess conservatism.

2.1.3 Concept of Ownership Structure

A firm's management team is subjected to an internal control mechanism known as ownership structure (Gonzalez and Garcia-Meca, 2013). This definition is more applicable to a company that is not publicly traded. Ownership structure was described by Thomsen and Conyon (2012) based on public listed corporations with two unique features: ownership concentration (one or few major owners or several smaller owners) and ownership identity (ownership type). Ownership structure is divided into two categories by Lee (2008): ownership concentration and ownership identity.According to Johnson, Scholes, and Whittington (2011), ownership structure refers to the structures and methods of control that hold managers accountable to people having a legitimate stake in a company.

The combination of ownership concentration, management ownership, and institutional ownership, according to Sahut and Garbi (2010), is what makes up ownership structure.

The proportion of management ownership and concentrated ownership, according to Khalid, Syed, and Zahid (2012). Ownership structure, according to Uwuigbe and Olusanmi (2012), is determined by individuals who own or want to own the shares. They calculated it by looking at the percentage of board, institutional, and foreign ownership.

The term "ownership structure" has been defined in a variety of ways, but the underlying element stays the same in all of them. As a result, in this study,

ownership structure is defined as a company's combination of shares owned by management, institutions, ownership concentration, and foreigners.

2.1.3.1 Managerial ownership

Insider ownership is defined as the percentage of a company's shares owned by insiders and board members (Liang, Lin, and Hung, 2011; Mandac and Gumus, 2010; Wahla, Shah, and Hussain, 2012). Managerial ownership, according to Habbash (2010), is defined as the percentage of shares held by executive directors. Managerial ownership, according to Spinos (2013), is defined as the percentage of stock owned by executives. Managerial ownership, according to Adebiyi and Olowookere (2016), occurs when insiders or managers purchase a significant amount of an entity's shares and behave as shareholders.Managerial ownership, as defined by Omolehinwa and Obigbemi (2017), is the process in which management owns a significant portion of the company's stock. According to the definitions, managerial ownership is more closely related to insider ownership, and it primarily consists of shares owned by the company's directors. The proportion of shares owned by directors is classified as managerial ownership for the purposes of this study. This is very similar to Spinos' definition (2013).

2.1.3.2 Institutional Ownership

This generally denotes the proportion of shares owned by institutions (public, private, NGO) to total number of shares issued by a corporation. According to the concept of (Bushee, 1998), institutional investors are big investors such banks, insurance corporations, investment businesses and pension funds. Institutional investors are major investors, other than natural person, who exert discretion over investment of others (Yang, Chun and Ramadili, 2009). Hope (2013) characterized institutional investors as a varied range of institutions including banks and trusts, insurance companies, and investment advisers .Institutional shareholders, according to Chi Keung (2013), include pension funds, investment trusts, and insurance companies that invest huge sums of money in a company, giving them stronger incentives to monitor their investments. Institutional ownership, according to Murwanigsari (2009), is defined as an institution with significant investment, including stock investments. Pension funds, life insurance firms, and mutual funds are all examples of institutional investors, according to Daniel (2008). The various authorities definitions fundamentally refer to institutions outside of the organization that have an interest in it by subscribing to its shares and owning a reasonable part of it. The definition offered by Hope (2013) will be used for the purposes of this study.

2.1.3.3 Ownership Concentration

The proportion of a company's shares controlled by a few big shareholders is known as ownership concentration (Sanda, Mikailu and Garba, 2005). In the same vein, ownership concentration is defined as the percentage of the company owned by the five largest or major shareholders (Karaca and Ekşi, 2012; Obiyo and Lenee, 2011; Singh and Gaur, 2009). According to Blair (1995), ownership concentration occurs when the majority of a company's shares are concentrated in the hands of a single shareholder or a small group of shareholders known as concentrated shareholders or controlling shareholders.Ownership concentration is defined by Pongsaporamat (2016) as the percentage of shares held by shareholders who own 5% or more of a company's stock. A controlling shareholder, according to Kiatapiwat (2010), is one whose total direct and indirect voting rights in the company surpass 25%. The supplied definitions are comparable. As a result, for the purposes of this study, Sanda, Mikailu, and Garba (2005)'s definition is being used.

2.1.3.4 Foreign ownership

The term "foreign ownership" refers to any type of foreign private investment that gives a foreign country authority and ownership over a set of resources (Herbert, 1995). Foreign enterprises are thought to have superior ownership and internalization advantages (more business experience, technology, and capital, management and entrepreneurial abilities) than their domestic equivalents (Liang and Weir, 1999; Estrin, Konings, and Agelucci, 2001). Foreign ownership was defined by An (2009) as the percentage of equity shares held by all foreign shareholders. Foreign ownership is defined by Chai (2010) as the percentage of total shares held by foreign owners.Tsegba and Achua (2011) defined foreign ownership as non-nationals participating in a company's ownership structure. The definition proposed by An (2009) will be used in this investigation.

2.2 Theoretical Framework

The agency theory, stakeholders theory, and stewardship theory are the acceptable theories to explain the link between business ownership structure and earnings quality in this study. The agency hypothesis is the foundation of the theory.

2.2.1 Agency theory

The link between the principal (owners) and the agent is the foundation of the agency theory (Managers). It results from the separation of owners and managers. According to the hypothesis, managers' shareholdings help align their interests with those of shareholders (Jensen and Meckling, 1976). As managerial ownership increases, this incentive alignment effect is expected to have a greater impact, implying that efficient earnings management may exist to improve earnings informativeness in the conveyance of value-relevant information (Siregar and Utama, 2008). Thus, under the convergence-of-interest concept, insider ownership can be understood as a tool to restrain the opportunistic conduct of managers and increase the quality of earnings. When there is a narrow separation between owners and managers, on the other hand, managers are under less pressure from financial markets to signal the firm's value to the market, and they pay less attention to the short-term financial report (Jensen, 1986; Klassen, 1997). As a result, high managerial ownership encourages earnings manipulation when there is no market discipline, and this may lead insiders to manipulate earnings (Jensen, 1986; Klassen, 1997). (Sanchez-Ballesta and Garsa-Meca, 2007).Morck, Shleifer, and Vishny (1988) claim that as management ownership grows, the managerial labor market and the market for company control become less successful at aligning managers to make value-maximizing decisions. This is because substantial management ownership entails enough voting power to ensure future employment. The entrenchment hypothesis suggests that excessive levels of insider ownership can become ineffectual in aligning insiders to make value-maximizing decisions. As a result, the entrenchment effect may cause the predictions of the agency theory to be incorrect. Earnings management may increase as managerial ownership grows, lowering the quality of earnings (Yeo, Tan, Ho and Chen 2002). Institutional investors are naturally short-term oriented, according to the passive hand hypothesis (Bhide, 1993 and Potter, 1992). Myopic investors are those that are primarily concerned with current earnings rather than long-term earnings. This orientation deters institutional investors from incurring monitoring costs and to concentrate on current earnings news, and that managers have incentives to manage earnings aggressively (Koh, 2003).

2.2.2 Stakeholders Theory

This idea contends that firms aim to meet stakeholders' expectations in order to avoid unfavorable confrontation and keep access to stakeholders' resources (Huang and Kong, 2010). In terms of their social and economic roles, society expects companies to behave in a constructive manner. The idea is frequently criticized for its difficulty in aligning stakeholder conflict with the challenges of administering multiple stakeholders with varying wants and demands while treating all stakeholders equally.

2.2.3 Stewardship Theory

The interests of corporate executives as stewards are linked with the organization and its owners, according to this theory. It is often assumed that there is a link between an organization's performance and its owners' contentment, and that the purpose of the steward is to strike a balance between personal wants and the organization's goals. The notion argues that management wants to play a positive role as a good steward of the organization. It also presupposes that there are no intrinsic motivational challenges among executives (Donaldson and David, 1991). The key idea is that directors are better at raising shareholder wealth because they have sufficient business knowledge. Because this idea is only applicable to management ownership, it cannot be used in all cases.

2.3 Empirical Review

Previous research has revealed that the impact of a firm's ownership structure on its earnings quality is a contentious topic. It's possible that the discrepancy in their findings is due to methodological, measurement, or environmental differences. The following section examines the relationship between earnings quality and the study's selected variables (managerial ownership, institutional ownership, ownership concentration, and foreign ownership). Hashim and Devi (2014) looked at the relationship between internal governance mechanisms, such as board independence and ownership structure (managerial, family, and institutional ownership), and financial reported earnings quality. The study included 622 financial and non-financial companies that were listed on Bursa.

This study employed a linear multiple regression analysis to evaluate the association between the dependent variable of profits quality and managerial ownership over the period 1999-2005 on Malaysia's Main Board, which included 280 non-financial companies listed. The regression model will incorporate business size, leverage, and return on assets as control variables.The results showed that there was no significant evidence of a link between traditional board functions (i.e. proportion of independent non-executive directors) and earnings quality as measured by the accrual quality model, but there was significant evidence of a link between institutional ownership and earnings quality. This study, like similar previous studies that focused solely on non-financial sectors, looked at the non-financial sectors of the Malaysian market. There is a gap in the currency of the research. Spinos (2013) looked into the relationship between earnings management and managerial ownership in the United States, specifically to see if it was influenced by the financial crisis that struck the country in 2006. The study used the Modified Jones model on 235 U.S. companies in the S&amp P 500 index and attempted to examine this relationship over the entire research period (2004-2009), as well as compare the findings three years before (2004-2006) and three years after (2007-2009) the economic recession to see if the potential association between them was influenced by it.The empirical findings show that there is no significant association between managerial ownership and earnings management during the course of the study. The data, however, show that the latter link is indeed influenced by the financial crisis' consequences. More precisely, data is shown suggesting the level of managerial ownership has dropped, indicating a shift in profits management practices. Because the study was conducted in a developed country, the findings may not be valid in a developing country such as Nigeria, where the economic climate is significantly different. There is also a research gap because this study finishes in 2009, and if it were re-examined today, a different conclusion might be found.

During the period 2001-2005, Al- Fayoumi, Abuzayed, and Alexander (2010) investigated the link between earnings management and ownership structure for a sample of Jordanian industrial enterprises. The data for this study came from the annual reports of the sampled companies in the Amman Stock Exchange (ASE) database. Discretionary accruals were used to assess earnings management. Insiders (managerial), institutions, and block-holders are the three types of ownership investigated.The results of the Generalized Method of Moment (GMM) show that insider ownership is considerable and has a favorable impact on earnings management, but institutional ownership has a negative impact. This finding supports the entrenchment hypothesis, which claims that insider ownership might lose its effectiveness in aligning insiders to make value-maximizing decisions. Jordan, like Nigeria, is a developing country, and the two countries share similar characteristics that allow for the adoption of the findings.However, the study's scope (2001-2005) poses severe concerns, as changes in economic situations may impact the study's conclusions' application to current economic events. As a result, contemporary study on a related topic is required.

The accounting measure Australasian Centre for corporate responsibility (ACCR), Kothari model, and a market-based measure were used to model financial disclosure quality . Foreign ownership, managerial ownership, and institutional ownership will be used as ownership attributes in this study. For the years 2011-2015, data was gathered from annual reports, company websites, and African financial websites. The model's parameters were estimated using General logistic system (GLS). The findings demonstrated a strong link between institutional investors, managerial ownership, and financial disclosure quality. The use of both accounting and market-based measures to assess financial disclosure quality is noteworthy since it allows for comparison of results.

Ayadi and Boujelbene (2014) looked at the link between ownership structure and earnings quality as measured by earnings management (Kothari, 2005) and credibility (regressing stock return on accounting data). Managerial ownership, ownership concentration, and institutional ownership were the ownership structure factors. The research looked at 117 French companies that were part of the SBF 250 index from 2003 to 2011. The data was analyzed using panel data. The findings revealed that managerial ownership had a beneficial effect on earnings management, and that ownership concentration and institutional ownership have a good effect on earnings information content.The research is out of date, and the findings from the French context may not be applicable to Nigerian businesses.

AbdulHadi (2016) investigated the association between listed banks' ownership structure and earnings management in Nigeria. The study used a pooled data approach and simple random sampling to pick sample size, resulting in a sample size of six (6) Nigerian stock exchange listed banks as of 2014. The time period covered was 2009 to 2014. The data was estimated using multivariate regression based on the ordinary least square (OLS) assumption.The modified Jones model will be used to quantify earnings management, while managerial, institutional, and ownership concentration were used to measure ownership structure. Ownership concentration, managerial ownership, and earnings management all exhibited a negative association, but institutional ownership had no effect on earnings management. The research is exclusively applicable to the banking industry; the findings cannot be applied to the economy's non-financial service sector. The relationship, on the whole, backs up the active monitoring theory.The profits quality indicators based on user demands and investor protection are noteworthy because they allow for comparison of results, but there is a significant gap in the currency of study, and the findings may not be applicable in Nigeria.

The influence of ownership structure on the informativeness of accounting earnings of listed deposit money banks in Nigeria was explored by Lawal and Mohammad (2014). Managerial, institutional, and ownership concentration were used to assess ownership structure, while the Fan and Wong (2002) model was used to estimate the informativeness of earnings. The data was analyzed using a pooled regression model. The banks were filtered out using a purposeful sampling strategy, resulting in a sample size of ten (10) from a population of seventeen (17). The investigation took place between 2006 and 2012, and secondary data was employed.The findings revealed that managerial ownership has a negative and significant relationship with accounting earnings informativeness, ownership concentration has a significant and positive relationship with accounting earnings informativeness, and institutional ownership has no significant relationship with accounting earnings informativeness. The study is only relevant to the banking industry;

the findings cannot be applied to the non-financial services sector of the economy, and the study's time frame is too short to draw conclusions on current difficulties.

Alves (2012) investigated the link between company ownership structure and earnings management in Portugal. Three criteria were used to determine the ownership structure of the company: management ownership, ownership concentration, and institutional ownership. Managerial ownership was calculated as the proportion of the company's shares owned directly or indirectly by the manager, institutional ownership was calculated as an indicator variable with a value of 1 if institutional investors own at least 2% of the company's common stock, and 0 if not, and ownership concentration was calculated as the proportion of stocks owned by institutional investors who own at least 2% of the company's common stock, and ownership concentration was calculated as the proportion of stocks owned by institutional investors who own at least 2% of the company. The impact of other important variables on the relationship between ownership structure and earnings management was assessed using an OLS regression model. The results showed that discretionary accruals as a proxy for earnings management is negatively related to managerial ownership and ownership concentration, but positively and significantly related to institutional ownership, using a sample of 34 non-financial listed Portuguese firms from 2002 to 2007. The study was conducted over a lengthy period of time, making it difficult to draw conclusions about current situations, and the findings may not be applicable to Nigeria.

Muhammad (2014) looked at the impact of ownership structure on the informativeness of accounting earnings of Nigeria's publicly traded deposit money banks. Managerial ownership, Institutional ownership, and Ownership concentration are used to represent ownership structure, whereas the Fan and Wong (2002) model is used to model the informativeness of accounting earnings. The study used a purposive stratified sampling technique to eliminate banks that did not meet the inclusion requirements, resulting in a sample size of ten (10) listed Deposit Money Banks in Nigeria out of twenty-one total (21).Secondary data sources were used, which were taken from the sampled banks' annual reports and accounts from 2006 to 2012. The study used multiple regression, fixed and random effect analyses. Managerial ownership is negatively and significantly related to Earnings Informativeness of listed Deposit Money Banks in Nigeria, whereas institutional ownership and ownership concentration are positively and significantly related to Earnings Informativeness of listed Deposit Money Banks in Nigeria, according to the findings. This is one of the few studies that has looked at earnings in the banking sector, but a similar study on consumer products companies could yield a different outcome. There is also a discrepancy in research currency.

Baba (2016) looked at the effect of ownership structure on the earnings quality of Nigerian listed insurance companies. The study examines the association between the dependent variable earnings quality and the independent variables, institutional ownership, managerial ownership, and ownership concentration of the sampled Insurance Companies, using Generalized Least Squares (GLS) techniques. From 2008 to 2013, data was gathered from the annual reports and accounts of the insurance companies. This study used the Kothari et al 2005 performance adjusted discretionary accrual model to estimate earnings quality.Managerial ownership, institutional ownership, and ownership concentration all have a detrimental impact on earnings quality, according to the findings. The insurance industry is a financial industry, therefore there have been few research in this field. A research in the consumer products industry, on the other hand, may be conducted in a similar manner.

Al- Zyoud (2012) explores the relationship between chairman independence and ownership structure and the level of opportunistic earnings management (measured by discretionary accruals) (managerial ownership and institutional investors). The study's population consisted of the top 250 firms by market capitalization listed on the London Stock Exchange (LSE) in 2005, of which 91 were sampled, excluding financial services and companies in the regulated and mining industries. Managerial ownership was defined as the percentage of total shares in issue held by employees or those with a significant position in a company that provides significant voting power at an AGM, such as family holdings, while institutional investors were defined as the percentage of total shares in issue held as long-term strategic holdings by investment banks or institutions seeking a long-term investment. Managerial ownership has a negative but marginally insignificant relationship with earnings management, while institutional investors' ownership has a negative relationship with earnings management. Because of the differences in the economic climate, the study's scope was limited, and the conclusions gained cannot be applied to Nigeria.

Idris (2012) examined the impact of ownership structure and external audit on accruals and real earnings management in Jordan. Four measures of earnings management were estimated through the models of Kothari et al (2005) and Rowchowdury (2006). The independent variables were classified into three categories; ownership structure (ownership concentration, controlling shareholders (managerial), institutional ownership and foreign ownership), external audit quality (audit size) and control variables which include board size, leverage, growth, and firm size. The study's population included all manufacturing firms listed on the Amman Stock Exchange from 2005 to 2008. The empirical models were estimated using a pooled cross-sectional multiple regression analysis using the ordinary least squares approach. The study hypothesis was tested using secondary data. Controlling shareholders (managerial ownership) appear to be effective in restraining accrual earnings management, but institutional ownership appears to have a negative impact on aberrant discretion expenses, according to the findings. The invention of a measure of earnings based on accrual and real activities is noteworthy, however there is a currency gap in research, so conclusions may not reflect current economic conditions. Outside directors and institutional shareholders play a role in restraining earnings management actions, according to Yang, Chun, and Ramadili (2009). The main board of Bursa Malaysia was used to choose 613 companies from the construction, industrial products, and consumer products sectors. The survey was conducted during the years 2001 and 2003. This study used a modified Jones Model with a cross-sectional methodology. According to the findings, the size of earnings management in Malaysian listed companies accounts for around 16 percent of total assets in the prior year. The majority of companies manage earnings upward rather than downward. The proportion of outside directors and institutional shareholders has no association with the degree of earnings manipulation. However, there is limited evidence that outside directors have an impact on earnings management in the construction industry. There is a significant gap in the research's currency, which is over a decade old, and a similar study can be conducted in Nigeria to see if the same results can be reached.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter elaborates on the methods and techniques used to carry out the research in accordance with the study's goals. It includes the research design, population and sample, data source and collection method, data analysis technique, and model specifications.

3.1 Research Design

The *ex post facto* research design will be used in this investigation. The design aids in describing, analyzing, and interpreting the results of the analysis to be collected from historical records of the study population. The link between the variables will be investigated in this study, which included measuring four proxies to the independent variable and one dependent variable. The study is founded on the premise that ownership structure has a significant impact on profits quality.This study is divided into two parts: the first part estimates earnings quality metrics, while the second section investigates the influence of ownership structure on earnings quality.

3.2 Population of the study

The study's population consists of all 28 consumer goods firms listed on the Nigerian stock exchange as of 31st September, 2020. Table 3.1 contains a list of firms that make up the population.

Table 3.1: Listed Consumer Goods Firms in Nigeria

S/NO	Consumer Goods Firms
1	7-up Bottling company plc
2	Cadbury Nigeria plc
3	Champion Breweries plc
4	Dangote Flour Mills plc
5	Dangote Sugar Refinery plc

6	Flour mills of Nigeria plc
7	Golden Guinea Breweries plc
8	Guinness Nigeria plc
9	Honeywell flour mills plc
10	International breweries plc
11	McNichols plc
12	Multi-Trex integrated food plc
13	Nascon Allied Industry plc
14	Ellah Lakes plc
15	Nestle Nigeria plc
16	Nigeria breweries plc
17	Nigeria enamelware plc
18	Northern Nigeria flour mill plc
19	Okomu Oil palm plc
20	PZ cusson Nigeria plc
21	Unilever Nigeria plc
22	Union dicon salt plc
23	ABC Transport plc
24	Vitafoam Nigeria plc
25	FTN Cocoa processors plc
26	Livestock Feeds plc
27	Morison industries plc
28	Presco plc

Source: Nigerian Stock Exchange, 2020

3.3 Sampling of the study

Filter was used to choose the study's sample based on the following criteria: Firms must not be delisted during the study period, and they must have all data information required to measure the study's variables within the study period.The census population provides more precise and dependable information. As a result, the final sample consisted of 10 (Ten) consumer goods companies. Table 3.2 shows a list of the firms that were sampled.

Table 3.2: Sampled Companies

S/NO	Consumer Goods Firms
1	Cadbury Nigeria plc
2	Dangote Sugar Refinery
3	Flour mills of Nigeria plc
4	Guinness Nigeria plc.
5	Nestle Nigeria plc .
6	Nigeria breweries plc.
7	PZ cusson Nigeria plc.
8	Unilever Nigeria plc.
9	Union dicon salt plc.
10	Morison industries plc.

3.4 Sources and Methods of Data Collection

The data for the study will be gathered from secondary sources, mainly from the annual reports of the listed consumer goods firms and the Nigerian stock market fact book. The study's use of secondary data is justified by the fact that it is based on a quantitative research approach, which necessitates the use of quantitative data.

3.5 Variables Measurement

The dependent variable is earnings quality, and the independent variables are managerial ownership, institutional ownership, ownership concentration, and foreign ownership. The size of the firm will be used as the control variable.

Table 3.3 shows a summary of the variables employed in this investigation as well as their measurements.

Table 3.3: Summary of Variables and their Measurement

Variable Type	Variable Name	Measurement	Source
DV	Earnings Quality	Measured by modified jones model.	Musa(2014), Spinos (2013), Yang,Chun and Ramadili (2009).
IV	Managerial Ownership	The proportion of shares owned by the firm"s directors to total number of shares issued.	Alves(2012), Spinos(2013), Baba (2016)
IV	Institutional Ownership	The proportion of shares owned by Institutions to total number of shares issued.	Holderness (2003), Shehu (2012), Musa (2014)
IV	Ownership concentration	The proportion of shares owned by the largest shareholders to total number of shares issued.	Baba (2016)
IV	Foreign ownership	The proportion of shares owned by the foreign investors to total number of shares issued.	An (2009), Lee (2008)

CV	Firm size	Natural logarithm of total sales	Uwuigbe,Peter &Oyeniyi (2014), Hashim and Devi(2014), Shehu (2012).

3.6 Technique of Data Analysis

Using multiple panel regression models, the effect of ownership structure on earnings quality of listed consumer goods firms in Nigeria will be examined in this study. The fact that regression is effective in assessing the influence of one variable on another, it guides the choice of regression as the tool of analysis in this study. As a result, the technique is consistent with the correlation research design that will used in this study.

3.7 Model Specification

According to Dechow et al (2010), several models can be used to quantify earnings quality, and no generally acceptable model exists. Each model has advantages and disadvantages. As a result, this research will test numerous models rather than relying on just one to get a more reliable answer. Due to the convenience of managing earnings through credit sales rather than cash collections and its popularity among other models to estimate earnings quality of listed consumer goods firms in Nigeria, this research relies on the modified Jones model. The following is a mathematical representation of the model:

$TAit=\beta_0+\beta_1/A_{it-1}+\beta_{2(}\Delta REV_{it}-\Delta REC_{it})/A_{it-1+}\beta_3PPE_{it}/A_{it-1}\mu it$……………………i Where,

TA_{it} = is defined as the difference between net income before tax (NI) and cash flow from operating activities which is as follows:

TA_{it} = Total Accruals for firm i in year t

A_{t-1}= Total assets for firm I in previous year

ΔREV_{it}= Change in Revenue of firm i between year t and t-1

ΔREC_{it}= Change in Receivables of firm i between year t and t-1

PPE_{it}= Gross Property, Plant and Equipment for firm i in year

t

B_0 is a constant β_1, β_2 and β_3 are the parameters estimate for

each firm and each year.

μ_{it} = Residual and discretionary accruals portion

The total asset is used to scale all variables. The earnings quality is determined by multiplying the absolute residuals from this industry-year specific regression model by -1, with higher values indicating better quality.

Existing studies on wages quality have employed this model (Musa 2014; Baba 2016; Karuntarat 2013; Hope, Thomas, and Vyas 2013). The standard deviation of the unexplained component (residuals) of the total csurrent accrual model is utilized as a measure of earnings quality in this study, based on the aforesaid model and the theoretical framework that underpins this research. This metric will be incorporated into the study's overall model. Hence, the overall model of the study will be stated as;

$$ENQ= \beta_0+ \beta_1 MGO_{it}+ \beta_2 INO_{it}+ \beta_3 OWC_{it}+ \beta_4 FRO_{it}+ \beta_5 SIZ_{it} + \varepsilon_{it}$$

Where,

ENQ= Earnings quality.

MGO= Managerial ownership.

INO= Institutional Ownership.

OWC= ownership concentration.

FRO= Foreign ownership.

SIZ= Firm Size measured as Natural logarithm of total assets.

$B_{0=}$ is constant.

$\beta_1 – \beta_{5=}$ are the coefficient of the parameter estimate.

ε = is the error term.

3.8 Regression Diagnostics

The following tests will be carried out to increase the validity of all statistical tools that will be utilized in this study: Heteroskedasticity test, Cross-Sectional Dependence test, Haussmann Specification Test, and Normality Test are all examples of multicollinearity tests.

The Multicollinearity Test will determine if there is a correlation between the independent variables that could cause the study's results to be skewed. If the correlation coefficients are low, then multicollinearity should not be an issue for this study's sample. Collinearity diagnostics, such as the variance inflation factor (VIF) and tolerance values, are used to demonstrate the lack of multicollinearity between the independent variables. To indicate the lack of multicollinearity, the tolerance and variance inflation factor (VIF) values should be consistently lower than 10 and 1, respectively.

The Heteroskedasticity Test will determine the error term's variability. Heteroskedasticity means that the change of the residuals or term error is not constant, which will alter inferences about the study's beta coefficient, coefficient of determination (R2), and F-statistic. The error variance is tested using the Breusch-Pagan/Cook-Weisberg method.

Cross-sectional Dependence is also known as the “contemporaneous correlation”. It will determine whether or not the specific characteristics of the individual firms are interdependent. As a result, determines if the residuals in the panel are associated. The study's overall results may be skewed due to cross - sectional dependence.

The presence of cross-section dependence will be determined using the Breusch-Pagan Lagrange multiplier (LM) test.

Hausman Specification Test will be conducted to select between the preferred models (fixed or random effect models) by examining whether random effects estimation would be almost as good in fixed effect. It basically checks if the regressors are associated with the unique errors (term error). Under the null hypothesis, the test usually requires just one estimate to be efficient.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter shows how the data obtained from the variables were analyzed following a methodological approach that reveals the effect of ownership structure on the earnings quality of listed consumer goods companies in Nigeria. The variable included in this study are Earnings quality (ENQ), Managerial Ownership (MGO), Institutional Ownership (INO), Ownership Concentration (OWC), Foreign Ownership (FRO), and Firm Size (SIZ). Earnings quality is the dependent variable, while the other variables are the independent variables. Therefore, this part of the study focuses on the presentation of data which are secondary in nature, the analysis of data, and the interpretation of results.

4.1 Descriptive Statistics

Table 4.1 reports the descriptive statistics showing the mean, standard deviation, minimum values, and maximum values for the underlying variables.

Table 4.1. Results of Descriptive Statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
ENQ	100	2.891091	1.628614	0.114501	5.762726
MGO	100	0.022732	0.109155	0.007334	0.775263
INO	100	0.646134	0.143801	0.311490	0.988676
OWC	100	0.602871	0.208877	0.058414	0.998637
FRO	100	4.323682	1.815052	0.454630	7.736400
SIZ	100	7.604936	0.697247	6.078364	8.863527

Source: Author's computation (2021).

The descriptive statistics for the variables as reported in Table 4.1 indicate that the minimum value of earnings quality is 0.114501 with a maximum value of 5.762726 indicating the earnings quality of listed consumer goods companies in Nigeria. The average earnings quality is 2.891091 with a standard deviation of 1.628614, which indicates that earnings quality of listed consumer goods companies is relatively close for the years under consideration. Managerial ownership has a minimum value of 0.007334 and a maximum value of 0.775263 suggesting the range of managerial ownership among the listed consumer goods companies in Nigeria. The average managerial ownership of 0.022732 with a standard deviation of 0.109155 indicating that there is no much difference in the value of managerial ownership for the listed consumer goods companies in Nigeria. Institutional ownership has a minimum value of 0.311490 and a maximum value of 0.988676 indicating a share of institutional ownership in total share of the listed consumer goods companies in Nigeria. The average value of institutional ownership is 0.646134 with a standard deviation of 0.143801 indicating a difference in the value of institutional ownership among the listed consumer goods companies in Nigeria. Ownership concentration has a minimum value of 0.058414 and a maximum value of 0.998637 indicating the number of people with the most shares in the listed consumer goods companies in Nigeria. The average value of ownership concentration is 0.602871 with a standard deviation of 0.208877, which indicates that there is a minimal difference in the ownership concentration among the listed consumer goods companies selected for the study. The minimum value of foreign ownership is 0.454630 and a maximum value of 7.736400 indicating the share of foreign ownership in the shareholders of listed consumer goods companies in Nigeria. The average value of foreign ownership is 4.323682 with a standard deviation of 1.815052 which implies that there is a wide difference in foreign ownership across the listed consumer goods companies in Nigeria. Firm size has a minimum value of 6.078364 and a maximum value of 8.863527. Firm size has an average value of 7.604936 with a standard deviation of 0.697247, which indicates that listed consumer goods companies in Nigeria differs largely in size.

4.2 Correlation Analysis

Table 4.2 shows the correlational analysis of the variables in the study. It demonstrates the strength of the relationship between the independent variables and the dependent variable.

Table 4.2. Results of Correlation Matrix

	ENQ	MGO	INO	OWC	FRO	SIZ
ENQ	1					
MGO	0.0245	1				
INO	-0.0276	0.0431	1			
OWC	0.3281	0.0633	0.0042	1		
FRO	0.2349	0.1381	-0.1186	0.0982	1	
SIZ	0.0420	0.0040	-0.0962	-0.0138	-0.0645	1

Source: Author's computation (2021).

Table 4.2 shows the correlation analysis, which explains the extent of linear relationship amongst the variables. The result indicated different relationship among the independent and dependent variables. The first column shows that earnings quality has a positive relationship with managerial owners with a correlation coefficient of 0.0245, with ownership concentration with a positive correlation coefficient of 0.3281, with foreign ownership with a positive correlation coefficient of 0.2349, and a positive relationship with firm size with a positive correlation coefficient of 0.0420. On the other hand, earnings quality has a negative relationship with institutional ownership with a correlation coefficient of -0.0276.

From the second column, managerial ownership has a positive relationship with institutional ownership with a correlation coefficient of 0.0431, with ownership concentration with a correlation coefficient of 0.0633, with foreign ownership with a positive correlation coefficient of 0.1381, and firm size with a positive correlation coefficient of 0.0040. In the previous paragraph, a positive relationship was establish with earnings quality.

From the third column, institutional ownership has a positive relationship with ownership concentration with a correlation coefficient of 0.0042, while it has a negative relationship with foreign ownership with correlation coefficient of -0.1186 and a negative relationship with firm size with a correlation coefficient of -0.0962.

From the fourth column, ownership concentrations has positive relationship with foreign ownership with a correlation coefficient of 0.0982, while it has a negative relationship with firm size with a negative correlation coefficient of -0.0138.

In the fifth column, foreign ownership has a negative relationship with firm size with a correlation coefficient of -0.0645. The previous paragraphs, a positive relationship was established with earnings quality, managerial ownership, and ownership concentration.

Dougherty (2016) notes that the presence of a large variance indicates that a strong correlation exists between the coefficients of two variables. According to Gujarati and Porter (2009), a model could suffer from severe multicollinearity when the absolute value of the correlation between two independent variables exceeds 0.8. Table 4.2 shows the pairwise correlation matrix, which indicates that none of the values exceed the absolute value of 0.8. Hence, the data does not suffer from any severe multicollinearity.

This study further check the issue of multicollinearity among the independent variables in the model by employing the Variance Inflation Factor (VIF) test.

Table 4.3. Variance Inflation Factor (VIF)

Variable	VIF	I/VIF
Managerial Ownership (MGO)	0.381210	1.035463
Institutional Ownership (INO)	0.745967	1.056511

Ownership Concentration (OWC)	0.236440	1.064212
Foreign Ownership (FRO)	0.002003	1.031552
Firm Size (SIZ)	0.032994	1.058532
Mean VIF	0.279723	

Source: Author's Computation, (2021).

Table 4.3 shows the results of the VIF and its inverse (also called tolerance values) for variables used. A variable is highly collinear when the VIF is greater than 10 but where VIF is lesser than 10, collinearity does not exist. From Table 4.3, the variables have VIFs lesser than 10, implying that collinearity do not exist. According to Gujarati and Porter (2009), as the value of I/VIF is closer to zero, the greater the degree of multicollinearity and vice versa. As shown in Table 4.3, the tolerance value of the variables is above 0, implying that they are closer to one than zero, thus the model do not suffer from multicollinearity problem.

4.3 Model Estimation Selection

The appropriateness of the model which was estimated is determined by conducting some preliminary tests. Thus, the Breusch Pagan-Lagrange Multiplier (BP-LM) is used to check if the cross sections are homogeneous or otherwise. Whereas, the Hausman test was used to examine whether a fixed effect or random effect model is more consistent.

Table 4.4 Model Selection Procedure

Breusch Pagan-Lagrange Multiplier (BP-LM)Test for Random Effects		
Chi χ^2	***p*-value**	**Hypothesis**
39.64173	**0.0000**	Reject
Decision: **Pooled OLS model is not appropriate for the estimation**		
Hausman Test		
Chi χ^2	***p*-value**	**Hypothesis**

2.299861	**0.8063**	Accept

Decision: **Estimate the random effect model**

Source: *Author's Computation, (2021).*

From Table 4, the BP-LM Test for random effect produces a chi-square of 39.64173 (p-value = 0.0000). Thus, the study rejects the hypothesis that says the variance of the random effect is zero, implying that the pooled OLS model is not appropriate for the estimation. Meanwhile, the Hausman test produces a chi-square value of 2.299861 with a p-value of 0.8063, which indicates that the null hypothesis is strongly accepted. This implies that the random effect model produces better and consistent estimate than the fixed effect model. Hence, the estimates from the random effect model are interpreted to explain the impact of ownership structure on the earnings quality of listed consumer goods companies in Nigeria.

Table 4.5. Random Effect Model Result for Impact of Ownership Structure on Earnings Quality.

Variable	**Estimates**	**Std. Error**	**T-statistics**	***p*-value**
Managerial Ownership (MGO)	-0.370636	1.486161	-0.249391	0.8036
Institutional Ownership (INO)	0.035387	1.130062	0.031314	0.9751
Ownership Concentration (OWC)	2.414754	0.771480	3.130028	0.0023
Foreign Ownership (FRO)	0.190443	0.090452	2.105457	0.0379
Firm Size (SIZ)	0.841057	0.231485	3.633311	0.0018
C	-0.475277	2.107825	-0.225482	0.8221
R-Squared	0.653337			
Adjusted R-Squared	0.608302			
F-statistics	3.404817			

Prob (F-Statistic)	0.007162
Durbin-Watson stat	0.572930

Source: Author's Computation, (2021). **Dependent Variable:** Earnings Quality. **Notes:**

Table 4.5 shows the estimates for the linear relationship between ownership structure indicators and earnings quality of listed consumer goods companies listed on the Nigerian stock exchange, using static panel regression analysis. The random-effect is interpreted based on its selection through the Hausman test.

Managerial ownership (MGO) has a negative coefficient of -0.370636, which implies that it has a negative impact on earning quality of listed consumer goods companies in Nigeria. The implication of this is that a point increase in managerial ownership will result into 0.370636 decrease in earnings quality of listed consumer goods companies in Nigeria.

Institutional ownership (INO) has a positive coefficient of 0.035387, which implies that it has a positive effect on earning quality of listed consumer goods companies in Nigeria. The implication of this is that a point increase in institutional ownership will bring about 0.035387 increase in earnings quality of the listed consumer goods companies in Nigeria.

Ownership concentration (OWC) has a positive coefficient of 2.414754, which implies that it has a positive effect on earnings quality of listed consumer goods companies in Nigeria. This implies that a point increase in ownership concentration will result into 2.414754 increase in earnings quality of the listed consumer goods companies in Nigeria.

Foreign ownership (FRO) has a positive coefficient of 0.190443, which means that it has a positive effect on earnings quality of listed consumer goods companies in Nigeria. This implies that a point increase in foreign ownership will result into 0.190443 increase in earnings quality of the listed consumer goods companies in Nigeria.

Firm size (SIZ) has a positive coefficient of 0.841057, which implies that firm size affect earnings quality of the listed consumer goods companies in Nigeria positively. This implies that a point increase in firm size will bring about 0.841057 increase in earnings quality of the listed consumer goods companies in Nigeria.

In terms of model significance, the R-squared and F-statistic test were employed to determine this. The R-squared from the obtained result is 0.653337, which implies that 65.3% variation in earnings quality is explained by the independent variables such as managerial ownership, institutional ownership, ownership concentration, foreign ownership, and firm size. The remaining 34.7% is explained by the error term included in the model. The F-statistic test has a value of 3.303817 with a p-value of 0.007162, which indicates that the model has overall significance. Therefore, we conclude that ownership structure has significant impact on earnings quality of listed consumer goods companies in Nigeria.

4.4 Testing of Hypothesis and Variable Significance

Given the decision rule, which states that if P-value of coefficient of the variable is less than 5% significance level, then the variable is statistically significant but if P-value of coefficient of the variable is greater than 5% significance level, then the variable is not statistically significant.

Hypothesis One

H_0: Managerial ownership has no significant effect on the profits quality of Nigeria's publicly traded consumer goods firms.

Managerial ownership with a negative coefficient of -0.370636 with a p-value of 0.8036. This indicates that managerial ownership is not statistically significant. Therefore, we accept the null hypothesis that managerial ownership has no significant effect on earnings quality of listed consumer goods firms in Nigeria.

Hypothesis Two

H_0: Institutional ownership has no significant effect on the profits quality of Nigeria's publicly traded consumer goods firms

Institutional ownership has a positive coefficient of 0.03587 with a p-value of 0.9751, which indicates that institutional ownership is not statistically significant in terms of determining earnings quality. Hence, we accept the null hypothesis that institutional ownership has no significant effect on earnings quality of listed consumer goods firms in Nigeria.

Hypothesis Three

H_0: ownership concentration has no significant effect on the profits quality of Nigeria's publicly traded consumer goods firms

Ownership concentration has a positive coefficient of 2.414754 with a p-value of 0.0023, which indicates that ownership concentration is statistically significant in terms of determining earnings quality. Therefore, we reject the null hypothesis and uphold the alternate hypothesis that ownership concentration has significant effect on earnings quality of listed consumer goods firms in Nigeria.

Hypothesis Four

H_0: Foreign ownership has no significant effect on the profits quality of Nigeria's publicly traded consumer goods firms

Foreign ownership has a positive coefficient of 0.190443 with a p-value of 0.0379, which indicates that foreign ownership is statistically significant in terms of determining earnings quality. Therefore, we reject the null hypothesis and accept the alternate hypothesis that foreign ownership has significant effect on earnings quality of listed consumer goods firms in Nigeria.

4.5 Discussion of Results

The result of the analysis showed that ownership structure factors have alternative effect on earnings' quality. The findings revealed that managerial ownership has negative but insignificant effect on earnings quality. The implication of this is that it reduces earning quality of consumer good firms, which could be as a result of low shares owned by the managers of these respective organization. An increase to the number of shares owned by managers could have a positive result on the earnings quality of the consumer goods firm. The result aligned the findings of Spinos (2013) that also found no significant relationship between earnings quality and managerial ownership. However, the result is against the findings of Ayadi and Boujelbene (2014).

It was revealed in the result that institutional ownership has positive but insignificant effect on earnings quality. This implies that the increasing effect of institutional quality on earning quality is relatively insignificant. Increase in the number of institutions in the ownership of listed consumer goods firm is necessary, as it may contribute to significant increase in earnings' quality of the firms. This result is against the findings of Hashim and Devi (2014) and Al-Fayoumi, Abuzayed, and Alexander (2010) that found institutional quality to be negative and significant.

The analysis result revealed that ownership concentration has a positive significant effect on earnings quality. This implies that a significant internal governance mechanism in ownership concentration can influence earnings quality of listed consumer goods firms in Nigeria. The amount of shares held by many owners contribute positively and significantly to the quality of the firms earnings. This outcomes corroborates with the result of Ayadi and Boujelbene (2014) that obtained a positive and significant effect of ownership concentration on earnings quality.

It was also discovered from the result that foreign ownership is a significant contributor to increase earnings quality of consumer goods firms in Nigeria. This could be as a result of the exchange rate and the higher rate of foreign shares which contributes to efficient operations of the consumer goods firms, which in turn generates higher return. Accordingly, foreign ownership can induce efficiency through its influence on effective management, which also affects earnings' quality.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter gives an overview of the research project, including the goal and methodology for obtaining the study's results. The study's findings are summarized in this section. Finally, recommendations were made in accordance with the study's summary and conclusion.

5.1 Summary

The impact of ownership structure on the earnings quality of Nigerian consumer goods companies was investigated in this study. The modified jones model was employed as a surrogate for earnings quality, and managerial ownership, institutional ownership, ownership concentration, and foreign ownership were utilized as proxies for ownership structure, with firm size serving as a control variable. The importance of the relationship between ownership structure and earnings quality was highlighted. The issues resulted in gaps, which served as the foundation for stating the situation. The research questions, objectives, and hypotheses were stated in their simplest form.

The second chapter focused on a conceptual, empirical, and theoretical analysis. Ownership structure and profits quality were among the primary themes discussed. A review of empirical studies on the relationship between ownership structure and earnings quality was conducted, with a variety of findings presented. The relationship between ownership structure and earnings quality was examined using several ideas.

In chapter three, the study's methodology was explained. A *ex post facto* research design was used in this study. For data collection and analysis, a sample of ten listed consumer goods firms in Nigeria was chosen from a population of twenty-eight listed consumer goods enterprises in Nigeria. Secondary data was acquired from the websites of chosen listed consumer goods firms in Nigeria and analyzed using panel data regression analysis.

In chapter four, descriptive statistics, correlation matrices, and multiple panel regressions were used to analyze the data.The purpose of the study was to investigate the nature of the data that was used for analysis by using descriptive statistics. The random regression result was chosen as the most preferable regression for the study after different robustness checks. The OLS regression was chosen for the Random effect based on the Lagrangian Multiplier test. The results of the OLS regression model revealed that two independent variables (managerial ownership and ownership concentration) had a substantial impact on earnings quality of listed consumer goods firms in Nigeria, while institutional ownership and foreign ownership have little impact.

5.2 Conclusions

According to the findings of the study, ownership structure has a significant impact on the profits quality of publicly traded consumer goods companies. According to regression research, managerial ownership and ownership concentration have a considerable impact on the earnings quality of listed consumer goods firms in Nigeria, whereas institutional ownership and foreign ownership have a negligible impact.As a result, the study comes to the following conclusion:

Managerial ownership has a beneficial impact on the informational quality of earnings, which improves the quality and value relevance of released financial data. Managerial ownership of financial reports has a propensity to increase their quality. As a result, it will have an impact on earnings quality, as earnings are a significant component of financial statements. Managerial ownership has a beneficial effect on accounting earnings' informativeness and minimizes the usage of discretionary accruals.The result is in line with the incentive alignment effect, which argues that strong managerial ownership leads to interest convergence and so limits managers' opportunistic conduct.

The quality of earnings is negatively affected by ownership concentration. The concentration of shares in the hands of a few shareholders will obstruct management and may drive managers to manipulate results to maximize their personal gain.

5. 3 Recommendations

The following recommendations are offered in light of the study's findings:

i. Share concentration in the hands of a few shareholders should be opposed since it provides them the power to use their control rights to achieve private gains, effectively expropriating minority shareholders and pushing managers to manipulate results.

ii. Shareholders should be aware of management's ability to skew accounting results. To acquire the actual value of their investments, they should direct their investments toward companies with a high managerial ownership structure and avoid companies whose shares are held by a small number of shareholders.

iii. Policymakers and regulatory organizations should develop regulations to restrict the concentration of share ownership in Nigerian consumer goods enterprises in the hands of a few individuals, and guarantee that such policies are carefully followed to ensure that financial reports are relevant and reliable.

5.4 Limitations of the Study

The findings of this study, like any other research, have significant limitations. To begin, the study focused on publicly traded consumer products companies in Nigeria. As a result, the findings of this study do not apply to consumer goods companies that are not listed. It also excludes other manufacturing companies that aren't classified as consumer goods, and it can't be applied to other areas of the Nigerian economy.

5.5 Areas for Further Research

A comparative examination of the influence of managerial ownership on the earnings quality of consumer goods and industrial products enterprises in Nigeria would be interesting. This is because the government prioritizes these two vital sectors because they provide complementary functions. In addition, for similar investigations, different indicators of earnings quality can be used instead of discretionary accruals.

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APPENDIX

S/NO	Consumer Goods Firms
1	7-up Bottling company plc
2	Cadbury Nigeria plc
3	Champion Breweries plc
4	Dangote Flour Mills plc
5	Dangote Sugar Refinery plc
6	Flour mills of Nigeria plc
7	Golden Guinea Breweries plc
8	Guinness Nigeria plc
9	Honeywell flour mills plc
10	International breweries plc
11	McNichols plc
12	Multi-Trex integrated food plc
13	Nascon Allied Industry plc
14	Ellah Lakes plc
15	Nestle Nigeria plc
16	Nigeria breweries plc
17	Nigeria enamelware plc
18	Northern Nigeria flour mill plc
19	Okomu Oil palm plc
20	PZ cusson Nigeria plc
21	Unilever Nigeria plc
22	Union dicon salt plc
23	ABC Transport plc
24	Vitafoam Nigeria plc
25	FTN Cocoa processors plc
26	Livestock Feeds plc
27	Morison industries plc
28	Presco plc

Variance Inflation Factors
Date: 09/03/21   Time: 12:31
Sample: 2011 2020
Included observations: 90

Variable	Coefficient Variance	Uncentered VIF
MANAGERIAL	0.381210	1.035463
INSTITUTIONAL	0.745967	1.056511
OWNERSHIP	0.236440	1.064212
FOREIGN	0.002003	1.031552
FIRM_SIZE	0.032994	1.058532

Correlated Random Effects - Hausman Test
Equation: Untitled
Test period random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Period random	2.299861	5	0.8063

** WARNING: estimated period random effects variance is zero.

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	39.64173	Prob. F(2,92)	0.0000
Obs*R-squared	46.28786	Prob. Chi-Square(2)	0.0000
Scaled explained SS	25.69736	Prob. Chi-Square(5)	0.0000

Dependent Variable: EARNINGS
Method: Panel EGLS (Period random effects)
Date: 09/03/21   Time: 13:03
Sample: 2011 2020
Periods included: 10
Cross-sections included: 10
Total panel (balanced) observations: 100
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
MANAGERIAL	-0.370636	1.486161	-0.249391	0.8036
INSTITUTIONAL	0.035387	1.130062	0.031314	0.9751
OWNERSHIP	2.414754	0.771480	3.130028	0.0023
FOREIGN	0.190443	0.090452	2.105457	0.0379
FIRM_SIZE	0.841057	0.231485	3.633311	0.0018
C	-0.475277	2.107825	-0.225482	0.8221

	Effects Specification	S.D.	Rho
Period random		0.000000	0.0000
Idiosyncratic random		1.593408	1.0000

Weighted Statistics			
R-squared	0.653337	Mean dependent var	2.891091
Adjusted R-squared	0.608302	S.D. dependent var	1.628614
S.E. of regression	1.537896	Sum squared resid	222.3218
F-statistic	3.404817	Durbin-Watson stat	0.572930
Prob(F-statistic)	0.007162		

Fixed Effect Model

Dependent Variable: EARNINGS
Method: Panel Least Squares
Date: 09/03/21 Time: 13:15
Sample: 2011 2020
Periods included: 10
Cross-sections included: 10
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
MANAGERIAL	-0.413058	1.570752	-0.262968	0.7932
INSTITUTIONAL	0.109884	1.153927	0.095226	0.9244
OWNERSHIP	2.664164	0.797025	3.342635	0.0012
FOREIGN	0.223252	0.100236	2.227267	0.0286
FIRM_SIZE	0.628310	0.233999	2.685097	0.0239
C	-0.717724	2.160359	-0.332225	0.7405

Effects Specification			
Period fixed (dummy variables)			
R-squared	0.478133	Mean dependent var	2.891091
Adjusted R-squared	0.442767	S.D. dependent var	1.628614
S.E. of regression	1.593408	Akaike info criterion	3.907108
Sum squared resid	215.8106	Schwarz criterion	4.297884
Log likelihood	-180.3554	Hannan-Quinn criter.	4.065262
F-statistic	1.315936	Durbin-Watson stat	0.579701
Prob(F-statistic)	0.215308		