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ROLE OF PHILOSOPHY IN NATIONAL DEVELOPMENT AND ITS APPLICABILITY TO A STABLE DEMOCRACY IN NIGERIA CULTURAL SOCIETIES

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Abstract
The aim of this essay is to explain how philosophy can be applied to Nigeria's stable democracy. In this view, philosophy is a sort of intellectual pastime that philosophers engage in through the application of abstract theories. If this is true, the philosopher's work cannot advance social or national development, nor can their philosophy aid in the formation of a nation. The analytic school of philosophy, which limits philosophy to word analysis and clarification, must be held responsible for contributing to this misunderstanding of philosophy. Philosophy has played a significant role in the formation of Western society's institutions throughout the history of ideas. Philosophy has played a significant role in influencing people's perspectives on life and society. Philosophy is relevant to a democratic society in a number of ways. According to Sartre, Marxism is the prevailing philosophy of our day and has real-world implications everywhere. In light of the aforementioned, it is possible to reject as false the dualism between theory and practice between philosophy and real life, as philosophy has always had an impact on the latter. In light of the foregoing, we examine in this article the value of philosophy for Nigeria's democratic consolidation and upkeep. If the myriad issues pertaining to the growth of democracy in Nigeria are not addressed within a philosophical framework, the future of Nigerian democracy may be jeopardized.

Keywords: Democracy, Philosophy, Civil Society, Nigeria

Introduction
The general conception of philosophy is that it is the desire of wisdom, which is achieved by wonder and curiosity: wonder about existence, life, man, heaven, heavenly bodies, earth, among other things. Philosophy is therefore a discipline that starts with wonders, the sources of which are too many to be fully listed because they span the entire range of human experience. With the aforementioned in mind, philosophy is being represented as a discipline that is comprehensive in character. A clear definition of philosophy has never been established. There are numerous definitions of philosophy, just as there are numerous philosophers. Philosophers have defined it in a variety of ways, usually affected by the author's formulations, experiences, goals, cultures, schools of thought, era, or particular field of philosophy (Balogun, 1999:17). How philosophers haven't been able to agree on the nature, boundaries, and definition of their discipline over time is a mystery to me. Is this explained by the fact that every philosophical idea can be criticized philosophically? Is it implied that philosophers claim exclusive authority over their definitions? We should

never use any explanation for the lack of agreement on the definition of philosophy as a justification for not explaining what philosophy actually entails. The word philosophy has its etymology from the union of two Greek words, "PHILO" and "SOPHIA," which meant "love of wisdom." Because of this connotation, we frequently hear the query, "What is your philosophy?" and "I disapprove of your philosophy of life among other things." These statements represent the general perception of what philosophy entails. In this context, philosophy refers to the expression of ideas, values, or convictions. However, this is by no means pleasing the expert philosophical minds. In the latter definition, philosophy is thought of as a field of study that requires students to invest time and effort (Akinpelu, 1988:2). We will talk about the two philosophical views against this backdrop. The idea of the underworked and the servant of the master.

The Under-Labourer Conception

Philosophy is concerned with the essential work of conceiving and clarifying concepts, according to the under-laborer theory of philosophy. It argues that as philosophy is based on analysis, philosophy exists to provide analytical answers to the mysteries, delusions, and ambiguities that are present in other academic fields as well as in our day-to-day conversations. Tractatus Logico-Philosophicus uses this as support. According to Wittegenstein, "the logical clarification of thought" is philosophy's ultimate goal (Wittegenstein, 1961:49). This means that linguistic errors have led to the emergence of pseudo-problems in philosophy. However, once they provide analytical expression, there won't be any issues. Furthermore, Richard Rorty asserted that new languages or assumptions might cause philosophical difficulties to arise, vanish, or modify (Rorty, 1980:13). Essentially, philosophy is an endeavor to elucidate and clarify the linguistic structure of our language. It is true that the task of philosophizing is logical analysis, but there is much more to what we call philosophizing, which may lead us to the idea of philosophy as a master's servant.

Master's Servant Conception

From the perspective of the master's servant, philosophy's more fundamental goal is usually the critical assessment of belief. Here, philosophy is understood as a critical evaluation of the principles we upheld. According to John Dewey, it is "the social and moral strife of our days...the criticism of criticism" (Dewey, 1957:21). This definition's final result would be to do away with dogmas and condemn everything that comes its way. Without fear of criticism, philosophy accepts nothing and gives up nothing. As such, philosophy sets the standards that other disciplines must follow and checksmate their justifications. There are more views of philosophy in addition to these two. The pursuit of reality is viewed as the goal of philosophy. In an attempt to explain this, Thales asserts that there can only be one fundamental substance. It's the same fundamental elements as water; other Greek philosophers proposed air, earth, etc. This section's primary focus, if not reality itself, is best explained by the philosophical field of metaphysics. The pursuit of truth, philosophy as the logical explanation of nature, philosophy as a concern for human existence, etc., are some such conceptions. The fundamental characteristic of philosophy is its complete dependence on the use of logic to arrive at a more favorable worldview. Not to be overlooked is philosophy's uncertain character. In any case, the definition of philosophy is that it raises more questions than it does solutions. Philosophy also conducts in-depth critical analysis to delve into the realm of human affairs and the cosmos in general. When Joseph Omoregbe asserted that philosophy is a deliberate meditation on cosmic themes and matters, it supports this point of view (Omoregbe, 1990:13).

The Concept of Democracy

The definitional dilemma is one major issue brought about by the loose application of the democratic ideal. One indication of this fact is that democracy has been subject to a variety of interpretations and definitional ambiguity due to its global promotion, practice, and ups and downs. (Adediran, 1996:47). It is therefore not surprising that a thousand academicians may have a thousand different interpretations of what "democracy" means. First, according to Kolawale (1999:5), "democracy has become in current usage, another word for political decency and civilization." These are the two arguments put up by K.A. Owolabi for this.

It is a concept that has been morally appealing, winning the support of different regimes that support it more for the sake of surviving than for their sincere adherence to its principles. Second, because of its ideological connotations, democracy is hard to describe. For instance, the struggle over ideology between socialists and capitalists has led to a scenario where regimes are labeled as democratic not always due of its propensity for participation, but mostly as a result of its ideological appeal. As a result, giving an objective definition of democracy becomes challenging. But the search for the perfect definition of democracy becomes necessary because: If democracy is not defined correctly, people will live in a state of constant confusion, which will greatly benefit tyrants and demagogues (Gowan, 1991:21). Furthermore, it puts us at risk of turning down something we have correctly identified and receiving something else we would not desire at all (Gowan, 1991:22). Even better, tracing the roots of the concept that defines democracy can be easily accomplished by looking at the word from its etymological perspective. The words "demo" and "kratia," which in Greek mean "people" and "rule," respectively, are the origin of the word democracy. Therefore, it literally means "rule by the people." In his Gettysburg addresses, Abraham Lincoln characterized democracy as the rule of the people, by the people, and maybe this helps to explain why. Democracy was the term used in ancient Athens to refer to a system in which all male citizens, with the exception of women, children, slaves, and foreigners, met openly and often to discuss matters that affected their lives. As they established laws and regulations and oversaw the maintenance of social order, everyone was assuming the function of government. Since there aren't too many people for this kind of practice, it was made easier.

Since it is the foundation of their democracy, the direct democracy that was implemented in Athens at the time acknowledged the equality of all stakeholders. However, it's important to recognize that the economic structures of feudalism and slavery contributed to the development of direct democracy since they gave slave owners plenty of opportunity to participate in governmental affairs. All of the aforementioned elements, however, have disappeared from the face of the earth as the mode of production changed from the slave system to one that promoted activity, competition, and labor division as the new socioeconomic state. As a result, direct democracy's viability is now only a theoretical possibility. Our understanding of democracy becomes indirect or representative as a result of the significance of this truth. Slavery, feudalism, and capitalism are examples of evolving modes of production that engaged in dialectics that resulted in the development of two fundamental forms of democracy: liberal democracy and socialist democracy. Within a liberal democracy, a small number of citizens are chosen to lead the government. Under this system, elected representatives are supposed to convey the people's wishes in an oblique manner. It is a type of agreement wherein the state protects and enhances freedom, security, and liberty, particularly for those individuals who direct the means of production. Karl Marx is the source of the socialist version, though. The tenets of justice among citizens form the foundation of this Marxist democracy. The state controls the

means of production and is in charge of organizing, coordinating, and managing the economy. As a result, under this situation, ownership of the means of production is shared. Under this system, the state establishes and protects citizens' rights.

In contrast to liberal democracies, where disagreement is a crucial component, socialist democracies do not foster opposition. This, among many other factors, called into doubt the socialist model's viability and the exaltation of liberalism. The fall of the Communist Soviet Union in the Eastern Bloc dealt a fatal blow to Marxist philosophy, contributing to the rise of the more mainstream liberal interpretation. This does not, however, imply a universal support for liberalism, since academics continue to dispute whether the way the system is set up undermines the goals it is supposed to accomplish. We shall be engaging in intellectual fraud if we claim to have provided a clear explanation of democracy. It could be appropriate to inquire as to what elements make up the fundamental principles of democracy and to what extent they are achievable. Democracy, according to John Locke, is a contract between the people and the government. While the people retain sovereignty and may choose to wield it against the government in the event that it fails in its duties, the government's role is to protect freedom and security. According to J.J. Rousseau, democracy entails the government acting as the representatives of the people. According to Jim Unah, democracy is a system that provides limitless chances for adult involvement and ensures and maximizes political engagement (Unah, 1993:4)

Democracy, according to Alaba Ogunsanwo, is a complex system of procedures and cultural norms that affect how people are chosen to lead at all societal levels, how groups and individuals behave toward those who have opposing opinions, and how those chosen to hold positions of authority utilize their authority." It's important to remember that this concept emphasizes involvement (Ogunsanwo, 1994). On the other hand, no democracy in the world can claim to ensure maximum participation. As we have previously stated, democracy when interpreted in this way is still a theoretical concept. For this reason, there appears to be a growing acceptance of representative democracy. For this reason, Appadora (1975:187) described democracy as a form of government in which the people exercise their power directly or through representatives they elect on a regular basis. The question of whether an election equates to the exercise of governing power is present in these definitions. The attempt to divide democracy into two halves by Kenneth Janda et al. is an attempt to address this question. The first is procedural in that it establishes the rules by which citizens can cast ballots, challenge elections, and engage in public discourse, among other activities. The second facet is to how democracy fulfills fundamental human wants and objectives (Janda, 1995:101). Thus, democracy serves as a tool to achieve a goal. Any country's primary goal of democracy is to achieve growth. It is a waste of money to invest a fortune on creating a democracy that does not work.

Features of Democracy

The conspicuous and universal aspects of democracy, in spite of their diversity in highlighting, are what give the ideology its name. A nation cannot be considered fully democratic if these elements are absent. The first fundamental aspect of democracy is the notion that the people themselves, either directly (via popular assemblies) or indirectly (through elected assemblies or other forms of representation), are the source of legal authority. The rule of law comes next to this. This implies that the exercise of power is subject to a set of regulations on its boundaries and methods of operation and should not be capricious. It places equal emphasis on abiding by the law in public spaces, having a robust legal system that can guarantee the impartiality of the law, and defending the rights and liberties of individuals or organizations. Accountability also enters the picture. In a

democracy, the right to choose means that the people in power must not only be accepted, but also the policies that they carry out. In addition, people have the freedom to take part in democratic elections, a transparent administration, and the ability to form political, professional, and social associations without interference from the government. A democracy must also be able to ensure the overthrow of a government that is unable to fulfill its stated objectives. In his "social contract," John Locke compared the state to a glorified secretary that the people can hire and fire if it doesn't perform. Though his idea of democracy has garnered greater popularity, Abraham Lincoln also advocated for the overthrow of anti-people governments. In 1848, while serving in congress, he made a speech in which he discussed the US invasion of Mexico and said that any people who are inclined and powerful enough had the right to overthrow their current government and install a new one that better serves their needs. This is an extremely precious and important privilege that, in our opinion, will free the entire world."

Liberal and social democracies around the world acknowledge this right as a way to protect democracy. This is demonstrated by the global liberal powers' apparent aim to install democratic governments in place of authoritarian ones everywhere. In a similar vein, C.S. Momoh supported this viewpoint when he said that the majority decision might not be the best way to address societal issues. He writes: The upshot of this is that democracy becomes truanted with these vices where the majority holds racist, tribal, unfair, and unjust worldviews (Momoh, 1993:36).

This viewpoint was further supported by Sophie Oluwole, who platonically observed that democracy is an embodiment of injustice and a leveling doctrine because it fails to fully acknowledge the fact that man is unequal in many important ways and cannot, therefore, be granted equal rights in all situations (Oluwole, 1992:40). The discrepancy between practice and content is another issue that democracy faces. Voters' democratic freedom is impacted and impeded by commercials, opinion surveys that are influenced, and other ways in this day of enormous mass media and propaganda capabilities. In a democracy, responding to problems takes time.

Beyond all mentioned above is the reality that, in a democracy, vices have the same freedoms as individuals. All societal levels are impacted by corruption, nepotism, ethnic jingoism, political violence, and other issues. Thus, democracy is a process riddled with issues. Despite all mentioned above, we must acknowledge that these issues impact democratic practice rather than its validity. Since democracy is the most desired and sought-after forms of governance, its faults actually make it more widely accepted. If a dictatorship is the best option, then what hope is there for it? Therefore, democracy is an expression of the flaws in all political systems and the ongoing necessity for development in our quest for the perfect society. It is still the finest system for allowing development since it promotes diversity and pluralism in society, ensuring the welfare of the populace and their participation in governing processes.

The Applicability of Philosophy to a Stable Democracy in Nigeria.

Since Nigeria gained its independence in 1960, the country's political environment has drastically changed. Nigeria has struggled with political, social, and economic failure for the majority of the years following its independence. Attempts to maintain and strengthen democratic governance have been unsuccessful on several occasions. Pessimism over the future of Nigeria's democracy and the country itself has been exacerbated by the recurrence of ethnic and religious conflicts throughout the nation. Whether Nigeria's

nascent democracy is temporary or durable, and more crucially, if Nigeria dissolves or reconfigures itself as a nation-state, will depend on how the Nigerian government handles these difficulties. The function of civil society in maintaining Nigeria's nascent democracy is the main topic of this section. In this part, I argue that political instability is largely responsible for weak civil societies and non-democratic cultures; on the other hand, the fundamental elements of democratic survival are a robust civil society, civility, and social capital. Furthermore, a strong civil society can support and defend democratic institutions and procedures, oppose corruption, fight for government changes, and promote human rights. Giving civil society a bigger role in governance is our best, and possibly only, chance to create a more durable peace, economic growth, and stable government in Nigeria.

As democracy expands throughout the world, more people are realizing that improved, more transparent governance working in tandem with a thriving civil society will shape a country's political future, economic strength, national validity, and very identity (Agbaje, 1997:162). But the definition of civil society shall follow Larry Diamond's methodology. Diamond is a senior research fellow at the Hoover Institution and one of the foremost experts on Nigerian politics.

The realm of organized social life that is open, voluntary, self-generating, at least partially self-supporting, autonomous from the state, and bound by a legal order or set is how Larry Diamond describes civil society (Ake, 1981:162-163). This viewpoint was best expressed by Bill Bradley in his speech to the National Press Club, where he contended that "government and market are not enough to make a civilization" (Almond, & Verba, Sidney, 1993:145). A strong, thriving civil sector is also necessary for the flourishing of communal ties. The market and the government are like two legs of a three-legged stool. The stool is unsteady and unable to sustain a vital America without the third leg of civil society. The aforementioned roles in society and the economy are what give civil society its significance. "The growing realization that a stable democracy rests not only on properly functioning elections and institutions but also on the more elusive 'civic' qualities in society" is how Keane describes the significance of civil society.

Richard Sandbrook has studied the relationship between civil society and democratization in six African nations. Free and fair elections, in his view, are only the start of a democratic process. Accountability, decision-making openness, responsiveness of the government, and a functional legal system are all components of democracy. In order to achieve these goals in Africa, civil society must be institutionalized. Chukka Onwumechili concurs with the previous opinion. He thinks that civil society organizations are extremely important to the process of democratization. Strong media that consistently ensures that governments maintain the principles of good governance despite the many challenges they face; an unbiased and objective judiciary; lively associations of members of the legal profession, the labor force, academia, and study body; and public institutions for international studies and research are all ways that civil society collectively could effectively influence the attitudes of governments. By citing instances of successful public resistance to authoritarian governments or state programs, proponents of civil society's efficacy support the aforementioned viewpoint.

Conclusion

In this study, we argue that, contrary to the general perception that studying philosophy is unproductive for society, philosophy has played a significant role in the evolution of

human society. The development of society and/or democracy has benefited greatly from philosophy's contributions in the area of morality. This is due to the theories of early philosophers on moral philosophy played a significant role in the development of man's moral life by giving mankind a correct understanding of what morality is. It will be enough to assert that the establishment of philosophy in Nigeria will grow more significant and employed, when philosophers undertake not just limit oneself to the educational institutions nevertheless contribute by instituting procedures which may have philosophy valued in Nigeria by means of their applicable functions and their actions. A nation with no philosophy is society as a whole lacking thought processes. In the absence of visions or a values-laden system to life, such a people will fail since ideas dominate the societies.

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OWNERSHIP STRUCTURE AND FINANCIAL REPORTING QUALITY OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract

This study investigates the intricate relationship between ownership structure and financial reporting quality in Nigeria's consumer goods sector, a critical component of the country's economy. As investor confidence and market efficiency hinge on the integrity of financial reporting, understanding the factors that influence its quality is paramount. This research delves into how various ownership structures—including managerial, institutional, and foreign ownership—impact the quality of financial reporting among listed consumer goods companies in Nigeria. Utilizing a sample of fifteen listed consumer goods companies over a ten-year period, this study employs robust econometric techniques to analyse the relationship. The research uses modified Jones model as proxies for financial reporting quality and examines ownership data from Nigeria Exchange Group. Our findings reveal a significant positive relationship between institutional ownership and financial reporting quality, while managerial ownership shows a negative correlation. These results have important implications for regulators, investors, and corporate governance practitioners in Nigeria and similar emerging markets. This study contributes to the existing literature by providing fresh insights into the Nigerian context, offering a nuanced understanding of how ownership structures influence financial reporting practices in a vital economic sector. The findings can inform policy decisions aimed at enhancing the quality of financial reporting and improving the overall transparency and efficiency of Nigeria's capital markets.

Keywords: Ownership structure, financial reporting quality, Consumer goods sector, Nigeria, Corporate governance.

Introduction

Financial reporting is crucial for corporate governance, providing stakeholders with insights into a company's financial health and guiding informed decision-making (Ezelibe, Nwosu, & Orazulike, 2017). Recent corporate scandals, including those in Nigeria like Cadbury Nigeria Plc. in 2006, Afribank Nigeria Plc. in 2009, and Intercontinental Bank Plc. in 2009, have underscored concerns about financial report reliability. This has prompted extensive research on factors influencing financial reporting quality (FRQ), such as ownership structure, accounting standards, economic conditions, and disclosure requirements.

The quality of financial reporting significantly influences investment decisions and market efficiency, emphasizing the global demand for clear and reliable financial reports. Investors, shareholders, creditors, and other stakeholders rely on financial information to assess a firm's performance, make economic decisions, and ensure financial stability (Achema et. al. 2022).

Ownership structure, a cornerstone of corporate governance, profoundly impacts FRQ (Farouk & Bashir, 2017). It encompasses managerial, institutional, and concentrated

ownership, each with distinct influences on financial reporting practices. Managerial ownership aligns managers' interests with shareholders' goals, affecting risk-taking behavior and firm performance (Fama & Jensen, 1983). Institutional ownership, represented by shares held by entities like mutual funds, influences corporate governance practices and FRQ (Grier & Zychowicz, 1994). Similarly, ownership concentration, reflecting the distribution of voting power among shareholders, shapes governance dynamics and financial disclosures (Sahut & Gharbi, 2010).

Recent financial scandals like WorldCom and Enron have shaken investor confidence in financial reporting quality (Agrawal & Chadha, 2005). These events underscore the critical need for robust governance mechanisms and enhanced financial reporting integrity (Al-Dhamari & Ku Ismail, 2013). Scholars have proposed various strategies, including corporate governance reforms, audit quality improvements, and regulatory enhancements, to address these challenges (Hamza, Zainal, & Wan, 2019).

Ownership structure is recognized as a vital aspect of corporate governance that can significantly impact financial reporting quality (FRQ). Despite existing research efforts, there's a notable gap in understanding how ownership structure specifically influences FRQ in the context of listed consumer goods firms in Nigeria. While studies have explored ownership's impact in sectors like chemicals, paints, and banking (Farouk & Shehu, 2013; Shehu & Jibril, 2012; Adebiyi & Olowookere, 2016; Hamza et al., 2019), research focusing on consumer goods companies remains limited (Oyedokun et al., 2020).

Consumer goods companies, central to Nigeria's economy, play a crucial role in providing essential products to the nation. Their ownership structures, encompassing managerial control, institutional investments, and ownership concentration, offer a unique lens to examine the relationship between ownership and FRQ. However, existing literature lacks comprehensive insights into this relationship, especially within the consumer goods sector.

This study aims to assess the impact of ownership structure on financial reporting quality among listed consumer goods companies in Nigeria. The specific objectives include:

i. Investigate how managerial ownership influences financial reporting quality in listed consumer goods companies in Nigeria.
ii. Analyse the impact of institutional ownership on financial reporting quality in listed consumer goods companies in Nigeria.
iii. Evaluate the effect of ownership concentration on financial reporting quality in listed consumer goods companies in Nigeria.

The following hypotheses stemming from the problem statement and the objectives of the study are formulated in the null form, are tested in this study:

i. $H0^1$: Managerial ownership has no significant effect on financial reporting quality of listed consumer goods companies in Nigeria.
ii. $H0^2$: Institutional ownership has no significant effect on financial reporting quality of listed consumer goods companies in Nigeria.
iii. $H0^3$: Ownership concentration has no significant effect on financial reporting quality of listed consumer goods companies in Nigeria.

This study contributes significantly to theoretical and practical understanding by exploring the impact of ownership structure on financial reporting quality in Nigeria's

listed consumer goods companies. It enriches the theoretical framework of corporate governance and financial transparency, offering insights into market efficiency and investor confidence. The research also addresses gaps in existing literature, particularly regarding ownership dynamics' influence on financial reporting quality in the consumer goods sector of Nigeria.

Literature Review

The conceptual framework of this study revolves around two central concepts: ownership structure and financial reporting quality.

Ownership structure is a multifaceted concept that encompasses various perspectives and dimensions. Diverse scholars have presented distinct perspectives on ownership structure. López-Iturriag and Rodríguez-Sanz (2012) emphasize the proportion of shares held by crucial stakeholders, especially the five largest shareholders. Anwar (2019) expands this view to include institutional and managerial ownership. Sahut and Gharbi (2010) present ownership structure as a composite construct involving ownership concentration, managerial ownership, and institutional ownership. Alipour and Amjadi (2011) similarly describe it as the amalgamation of influential shareholders, including institutions, individuals, and managers. Chu (2021) focuses on the proportion of shares held by the board of directors.

A nuanced understanding of ownership structure reveals its holistic portrayal of equity distribution, linking voting potency and capital investment. It shapes a company's behaviour, strategic decisions, and overall performance, emphasizing its crucial role in corporate governance and economic efficiency (Jensen & Meckling, 1976). The diversity in shareholding patterns often leads to conflicts of interest among shareholders, necessitating a comprehensive understanding of how different ownership structures manifest in specific corporate contexts (Hui & Khine, 2017).

From the foregoing, ownership structure refers to the arrangement of proprietors who influence a company's operations and decision-making processes. It is a fundamental aspect of corporate governance, shaping a firm's conduct and performance.

Ownership structure influences corporate governance, strategic decisions, and financial reporting quality (Jensen & Meckling, 1976). It plays a crucial role in aligning managerial incentives and enhancing economic efficiency. However, diverse ownership patterns can lead to conflicts of interest among shareholders, necessitating a nuanced understanding of ownership configurations.

This study identifies three key ownership structures with the potential to enhance financial reporting quality in listed companies: managerial ownership, institutional ownership, and concentrated ownership. These structures play a pivotal role in shaping corporate governance mechanisms and influencing firm performance.

Managerial ownership has long been regarded as a critical component of corporate governance, aiming to align the interests of managers with those of shareholders (Jensen & Meckling, 1976). The premise underlying managerial ownership is that when managers have a financial stake in the company through ownership of shares, their incentives become aligned with shareholders' interests, leading to value-maximizing decisions and enhanced firm performance (Fama & Jensen, 1983).

However, a more critical examination of the relationship between managerial ownership and firm outcomes reveals a nuanced picture. While moderate levels of managerial ownership have been associated with improved performance and reduced agency conflicts, especially in the context of dispersed ownership (Fama & Jensen, 1983), recent studies suggest that the impact of managerial ownership is contingent on various factors and may not always lead to positive outcomes.

One of the key concerns raised by scholars is the potential for managerial entrenchment associated with high levels of managerial ownership. Berle and Means (1932) argued that excessive managerial ownership could lead to managers prioritizing their own interests over those of shareholders, resulting in decisions that serve personal agendas rather than maximizing shareholder value. Recent empirical research by Kim and Lu (2019) supports this view, indicating that extremely high levels of managerial ownership can indeed lead to entrenchment behaviours such as empire building and risk aversion, ultimately harming firm performance.

Furthermore, the optimal level of managerial ownership varies across industries and company contexts. While some industries may benefit from higher levels of managerial ownership due to increased alignment of interests, others may experience drawbacks such as reduced risk-taking and innovation (Morck & Steier, 2005). For instance, in rapidly evolving sectors like technology, high levels of managerial ownership could hinder agility and adaptation to market changes (Hillman & Dalziel, 2003).

Another critical aspect to consider is the interaction between managerial ownership and other governance mechanisms. Recent studies by Chen and Jaggi (2016) highlight that the effectiveness of managerial ownership in aligning interests depends on complementary governance structures, such as board independence and transparency. In the absence of robust governance mechanisms, high managerial ownership alone may not suffice to mitigate agency problems effectively.

Moreover, the impact of managerial ownership on firm performance may be influenced by external market forces and macroeconomic conditions. During economic downturns or periods of market volatility, high managerial ownership could amplify risk aversion and conservative decision-making, potentially hindering long-term value creation (Hermalin & Weisbach, 1991).

In light of these critical perspectives, it is essential for firms to carefully assess the optimal level of managerial ownership based on industry dynamics, corporate strategy, and governance environment. While managerial ownership can be a valuable tool for aligning incentives and promoting responsible stewardship, it must be complemented by a robust governance framework that includes mechanisms for monitoring, accountability, and transparency (Adams & Mehran, 2003).

In conclusion, while managerial ownership has the potential to enhance corporate governance and align interests, its effectiveness is contingent on various contextual factors and must be managed judiciously within a broader governance framework to achieve desired outcomes for shareholders and stakeholders alike.

Institutional ownership, a crucial component of ownership structure, has garnered

significant attention due to its potential impact on firm value, governance practices, and financial reporting quality. Scholars such as Sahut and Gharbi (2010) and Alipour and Amjadi (2011) have highlighted the importance of considering institutional investors alongside other significant shareholders in understanding ownership structure dynamics. Recent studies, such as Oyedokun, Isah, and Awotomilusi (2020), have shed light on the positive effect of institutional ownership on firm value, particularly in Nigeria's consumer goods sector.

The relationship between institutional ownership and financial reporting quality is grounded in the notion that institutional investors, driven by their fiduciary responsibilities, actively engage with invested firms to ensure accurate valuation and risk assessment (Shah, Safdar, & Mohammad, 2011). This engagement can lead to pressure for improved financial reporting practices, contributing to transparency and accountability. However, this relationship is multifaceted and influenced by various factors, including the investment strategies of institutional investors, their level of engagement, and industry-specific contexts.

While institutional ownership has the potential to enhance financial reporting quality by aligning management actions with shareholder interests, there are complexities that need to be considered. For instance, the effectiveness of institutional monitoring and influence may vary across industries and governance frameworks. Additionally, factors such as board composition and regulatory environments can further shape the impact of institutional ownership on financial disclosures.

Despite these complexities, insights from scholars like Anwar (2019) and Oyedokun, et al (2020) highlight the positive role of institutional ownership in enhancing transparency, accuracy, and relevance of financial reporting. Institutional ownership stands as a cornerstone in the ongoing discussion surrounding ownership structure's influence on corporate behaviour, performance, and governance practices. However, continued research and nuanced analysis are necessary to fully understand the intricacies of this relationship and its implications for firm-level outcomes.

Ownership concentration, a critical dimension of ownership structure, plays a significant role in shaping corporate behaviour, governance practices, and financial reporting quality. Scholars such as Sahut and Gharbi (2010) have highlighted ownership concentration as a defining feature of ownership structure, emphasizing its potential to influence corporate strategies and the extent of financial information disclosure. However, the relationship between ownership concentration and financial reporting quality is multifaceted and context-dependent (López-Iturriag & Rodríguez-Sanz, 2012). On one hand, high ownership concentration can be seen as a mechanism for enhancing monitoring and aligning managerial actions with shareholder interests (Elyasiani & Jia, 2010). This alignment can lead companies to prioritize transparency and accountability in their financial reporting practices, thereby enhancing the quality of disclosures. However, this positive aspect is balanced by potential drawbacks, such as the risk of entrenchment and undue influence by dominant shareholders (Sahut & Gharbi, 2010).

The dual nature of ownership concentration's effects is evident in studies like those by López-Iturriag and Rodríguez-Sanz (2012) and Elyasiani and Jia (2010). While concentrated ownership can lead to positive impacts on firm performance and value, excessive concentration may result in agency conflicts and suboptimal outcomes. This

underscores the importance of considering the optimal level of ownership concentration that balances monitoring benefits with potential governance challenges (Sahut & Gharbi, 2010; Elyasiani & Jia, 2010). Moreover, the impact of ownership concentration on financial reporting quality is influenced by contextual factors, including industry dynamics, corporate settings, and governance mechanisms (López-Iturriag & Rodríguez-Sanz, 2012). López-Iturriag and Rodríguez-Sanz (2012) suggest that the effects of ownership concentration may vary across different industries, highlighting the need for nuanced analysis and consideration of external market forces. Overall, ownership concentration represents a complex aspect of ownership structure that requires careful examination and consideration of its implications for corporate governance, financial performance, and transparency (Sahut & Gharbi, 2010; Elyasiani & Jia, 2010). While it can enhance monitoring and alignment, mitigating agency conflicts, it also poses challenges related to potential entrenchment and influence. Balancing these factors is essential for understanding how ownership concentration influences financial reporting quality and overall firm outcomes.

The concept of financial reporting quality is fundamental to corporate governance and financial analysis, encompassing precision, transparency, and relevance of information (Naser, 1993). It directly influences stakeholders' decisions and perceptions of a firm's financial information, fostering investor confidence and efficient capital allocation. Financial reporting quality signals a company's commitment to sound governance and ethical standards, enhancing trust and reputation (Alipour & Amjadi, 2011).

Discretionary accruals are a critical aspect of financial reporting quality, reflecting managerial judgment in accounting adjustments (Dechow et al., 1995). They indicate the extent of managers' discretion in shaping reported financial performance and can reveal potential earnings management strategies. The measurement of discretionary accruals distinguishes between operating and non-operating accruals, offering insights into the nature and magnitude of managerial influence on financial statements (Dechow et al., 1995).

Understanding discretionary accruals is essential for assessing the integrity and reliability of financial reports, as they reflect the inherent judgment exercised in financial reporting (Dechow et al., 1995). High levels of discretionary accruals may signal aggressive earnings management, while lower levels suggest a more conservative approach. This relationship underscores the intricate interplay between ownership structure and financial reporting quality, highlighting the importance of analysing ownership patterns as drivers of financial transparency and stakeholder trust.

Theoretical Framework

Theoretical frameworks play a crucial role in understanding the complex dynamics between ownership structure and firm behaviour. Three prominent theoretical perspectives that shed light on these dynamics are agency theory, alignment effect theory, and entrenchment effect theory.

Agency theory, proposed by Jensen and Meckling (1976), is a fundamental framework in corporate governance that examines the principal-agent relationship between shareholders (principals) and managers (agents). It recognizes the inherent conflicts of interest arising from divergent objectives between these groups. While agency theory sheds light on the monitoring mechanisms necessary to mitigate these conflicts, it has been

critiqued for oversimplifying the complexities of managerial decision-making and the dynamics of ownership structure (Donaldson & Davis, 1991). For instance, while managerial ownership is viewed as a mechanism to align the interests of managers with shareholders, it may not always lead to optimal outcomes. Studies such as Fama and Jensen (1983) have highlighted that high levels of managerial ownership could potentially lead to managerial entrenchment and risk aversion, limiting innovation and long-term value creation. Thus, while agency theory provides a theoretical basis for understanding ownership incentives, its application requires nuanced considerations of contextual factors and governance mechanisms.

The alignment effect theory, as proposed by Bebchuk (1999), emphasizes the role of ownership structure in aligning the interests of stakeholders toward value maximization. While this theory highlights the positive impact of managerial ownership on reducing agency conflicts and promoting accountability, it has also faced criticism for overlooking the potential downsides of concentrated ownership. Research by Shleifer and Vishny (1997) suggests that concentrated ownership, if not accompanied by effective governance mechanisms, can lead to expropriation of minority shareholders' interests by controlling shareholders. This raises concerns about the alignment effect theory's assumption that managerial ownership inherently leads to value-maximizing decisions. Moreover, the theory may not fully account for the complexities of decision-making in firms with diverse ownership structures and stakeholder interests.

The entrenchment effect theory, articulated by Morck et al. (1988), offers a critical perspective on the potential drawbacks of excessive managerial ownership. While ownership concentration can align incentives and enhance monitoring, it also carries the risk of managerial entrenchment and self-serving behaviors. This theory underscores the importance of maintaining a balance in ownership concentration to prevent agency problems. However, some scholars argue that the entrenchment effect theory may overlook the positive aspects of managerial ownership, such as long-term commitment and alignment with shareholder interests (Hermalin & Weisbach, 1998). Additionally, empirical studies by Yermack (1996) suggest that moderate levels of managerial ownership can have a positive impact on firm performance, challenging the notion that excessive ownership necessarily leads to entrenchment and value destruction.

In conclusion, while these theoretical frameworks provide valuable insights into ownership structure's impact on firm behaviour and governance, they also require critical examination and consideration of contextual factors, governance mechanisms, and empirical evidence to draw robust conclusions about the relationship between ownership structure and firm outcomes.

Empirical Review

The empirical review section presents an overview of prior studies investigating the relationships between ownership structure and financial reporting quality, focusing on managerial ownership, institutional ownership, and concentrated ownership structures within listed consumer goods companies in Nigeria. Recent studies onwards have delved into the relationships between ownership structure and financial reporting quality in Nigerian firms.

Chau and Gray (2002) aimed to investigate the impact of managerial ownership on financial reporting quality in Australian firms. Through quantitative analysis, they found a

positive relationship between managerial ownership and transparency, suggesting that higher ownership stakes among managers were associated with more accurate and informative reporting.

Jaggi and Leung (2007) focused on examining the impact of audit committees on earnings management in Hong Kong firms where family members dominated the boards. Their research, based on data from 1999-2000, revealed that audit committees effectively curbed earnings management. However, this effectiveness was reduced in firms with dominant family members on the board, emphasizing the influence of specific corporate governance structures.

Liu and Lu (2007) explored the relationship between earnings management and corporate governance in China, considering tunnelling perspectives. Their study from 1999 to 2005 noted systematic differences in earnings management, with firms having stronger corporate governance exhibiting lower levels of earnings management, particularly in situations of prominent agency conflicts between controlling and minority shareholders.

Hamza, et al (2019) investigated the effect of managerial ownership on financial reporting quality in Jordanian companies listed on ASE. Using panel data analysis covering 2009-2017, they found that managerial ownership had a significant positive effect on financial reporting quality by reducing earnings management practices.

Adebiyi and Olowookere (2016) explored the relationship between corporate ownership structure and financial reporting quality in Nigerian Deposit Money Banks. Their analysis over nine years revealed a positive relationship between managerial ownership and financial reporting quality, indicating that higher managerial ownership levels improved earnings quality and reduced financial reporting manipulation.

These studies collectively highlight the importance of managerial ownership, corporate governance mechanisms, and regulatory environments in shaping financial reporting practices, providing valuable insights into the dynamics between ownership structure and financial reporting quality in Nigerian firms.

Krishnan and Visvanathan (2008) aimed to explore the relationship between institutional ownership and financial reporting quality in Indian firms. They utilized a quantitative methodology, analysing financial data and ownership information from Indian companies. Their findings indicated that higher institutional ownership was associated with more transparent reporting practices. However, they also emphasized that institutional ownership may not always guarantee improved financial reporting quality in the absence of effective monitoring mechanisms.

Chen et al. (2011) investigated the effects of institutional ownership on financial reporting quality in Chinese firms. Employing statistical methods, they analysed financial and ownership data to assess the impact on earnings management and transparency. Their research suggested that institutional ownership is associated with lower earnings management and enhanced transparency. However, they also acknowledged that the relationship might be influenced by the level of institutional investor activism.

Chan et al. (2014) sought to determine the impact of mutual funds on financial reporting quality, particularly in reducing modified audit opinions (MAOs) in Chinese firms. Their

methodology involved quantitative analysis of financial data and audit opinions, comparing firms with and without mutual fund ownership. The findings revealed that mutual funds were effective in enhancing financial reporting quality by reducing the occurrence of MAOs, indicating a positive influence on transparency.

Lin and Fu (2017) examined the influence of institutional ownership on firm performance in Chinese listed firms. Using econometric techniques and financial data, they analysed the impact of various institutional investor characteristics on firm performance. Their findings indicated that institutional ownership generally has a positive impact on firm performance, with domestic and small institutional shareholders also contributing positively.

Huang et al. (2017) explored the impact of institutional ownership on financial reporting quality. Employing quantitative analysis and statistical modelling, they examined the relationship between institutional ownership and transparency. Their findings indicated that institutional ownership was positively associated with transparency and earnings quality, although variations were observed based on ownership concentration levels.

Gopikumar et al. (2022) examined the impact of institutional ownership on financial reporting quality in Malaysian firms. Their quantitative analysis using financial data and ownership information from Malaysian companies showed that institutional ownership was associated with more transparent reporting practices. However, the research also discussed potential challenges related to the heterogeneity of institutional investors and their monitoring capabilities.

Park and Shin (2018) conducted a study on Korean firms to understand the relationship between institutional ownership and financial reporting quality. Their statistical analysis and econometric modelling revealed that institutional ownership was positively correlated with transparency and reduced earnings management. This trend indicated an overall improvement in financial reporting quality associated with institutional ownership.

Tessema et al. (2018) investigated the effects of ownership concentration on financial reporting quality in Korean firms. Their research suggested that higher ownership concentration is associated with improved transparency and reduced earnings management. However, they also acknowledged that concentrated ownership could lead to potential conflicts of interest and entrenchment. Aharony et al. (2010) examined the impact of ownership concentration on financial reporting quality in U.S. firms. Their findings suggested that ownership concentration is associated with higher transparency and better earnings quality. However, they also emphasized that ownership concentration might lead to conflicts of interest and biased reporting in certain cases. Chen et al. (2014) examined the impact of ownership concentration on financial reporting quality in Taiwanese firms. Their research indicated that concentrated ownership is positively correlated with transparency and earnings quality. However, they also noted that ownership concentration could lead to managerial entrenchment and reduced external monitoring.

Rafique et al. (2015) found a consistent pattern between ownership structure and financial reporting quality in Australia, Malaysia, and Pakistan from 2011-2013. Higher ownership concentration is associated with lower financial reporting quality, while individual and group ownership negatively impacts earnings management. In Malaysia, individual and group ownership are positively associated with earnings management, suggesting a more

complex relationship between ownership structures and financial reporting quality. State ownership negatively affects firm performance, possibly due to political interference or management incentives. Larger firms have lower financial reporting quality due to increased complexity and reporting requirements, while mature operational capabilities enable more earnings management. The research emphasizes the importance of considering each country's economic and regulatory environment and the need for further research to understand the mechanisms influencing ownership structures in diverse contexts.

Arthur et al (2019) examined how a country's ownership concentration influences financial reporting quality across nations. By employing accounting and auditing indicators, it constructs an index to gauge country-level financial reporting quality. The study uncovers a non-linear relationship between national financial reporting quality and ownership structure. In cases of dispersed ownership without controlling shareholders, a negative relationship is observed, suggesting entrenchment effects dominate. Conversely, in situations of highly concentrated ownership, especially with controlling shareholders aligned with the firm's interests, a positive relationship emerges, indicating alignment effects predominate. This research contributed significantly by providing insights into how ownership concentration affects financial reporting quality. The findings may inform policymakers and regulators concerned with enhancing financial transparency and corporate governance practices, potentially leading to important policy implications.

Ahmed and Ahmed (2022) study, "Ownership Characteristics and Financial Performance: Evidence from Chinese Split-Share Structure Reform," examines the relationship between ownership structures and firm financial performance in China, focusing on concentrated and state ownership. They also analyze the impact of the recent stock split reform using a sample of 234 firms and 2340 annual observations. The results indicate a positive association between concentrated ownership and firm performance, while state ownership has a negative effect. The stock split reform significantly enhanced the ownership–corporate financial performance relationship, strengthening the positive link with ownership concentration and mitigating the negative impact of state ownership. The study contributes to corporate governance literature, providing insights into the effects of regulatory changes like the split-share structure reform in China. The findings have implications for regulators, investors, and researchers, highlighting the reform's positive effects on corporate financial performance and governance, benefiting the Chinese economy and informing policies in emerging economies.

Pandey and Sahu (2022) examined the majority shareholders' role in governing Indian manufacturing firms, using balanced panel data from 91 BSE 200 index firms (2011–2018). Their study aimed to measure ownership concentration using the Herfindahl–Hirschman Index and assess its impact on vertical and horizontal agency issues, as well as firm financial performance. The findings indicated that majority owners did not enhance efficiency or reduce expenses, and higher ownership concentration worsened horizontal agency issues, leading to a lower return on equity. The study recommended stricter external regulations to improve corporate governance and protect minority shareholders.

Zhizhong Huang and Qingmei Xue (2016) investigated the effect of ownership structure on financial reporting in China, focusing on share pledges. The study revealed that firms with concentrated ownership tended to manipulate earnings, particularly when major

shareholders had vested interests. The study also observed the influence of regulatory changes, such as share pledge loans, on financial reporting behaviours, highlighting the importance of understanding dynamic regulatory environments in shaping reporting practices.

Overall, these studies collectively highlight the nuanced relationship between ownership concentration and financial reporting quality. While some studies suggest a positive association, indicating potential benefits like improved transparency and earnings quality, others emphasize the risks of conflicts of interest, entrenchment, and reduced disclosure in highly concentrated ownership structures. The findings underscore the importance of considering various factors, including governance mechanisms, regulatory environments, and specific ownership types, to fully understand how ownership concentration influences reporting practices and aligns shareholder interests. Further research in this area is essential to navigate the complexities and trade-offs associated with ownership structures in diverse economic and regulatory contexts.

Methodology

The study employs an ex-post facto research design due to its reliance on pre-collected quantitative secondary data. This design facilitates data analysis without direct manipulation, making it suitable for exploring ownership structure's impact on financial reporting quality. Additionally, a correlational research design is adopted for data analysis to uncover relationships between variables without implying causation, enhancing our understanding of how ownership structure affects financial reporting quality.

The population comprises twenty (20) consumer goods companies listed on the Nigerian Exchange Group (NGX) as of December 31, 2021. Fifteen (15) of the consumer goods companies are selected as the sample, representing 75% of the total listed companies in this sector. The study covers a ten-year period from 2012 to 2021. The sample size selection is purposive based on listing age and data availability, resulting in 150 firm-year observations, ensuring robustness and reliability in the analysis.

Secondary data from annual reports of the sampled companies from 2012 to 2021 are used. Variables related to managerial ownership, institutional ownership, and ownership concentration are collected from the Directors report sections of the annual reports. Financial reporting quality variables are computed from statements of comprehensive income, financial position, and notes to the accounts in the annual reports of the sampled companies.

The dependent variable in this study is financial reporting quality which is proxy by discretionary accruals. This study has adopted the modified Jones model by Dechow, Sloan and Sweeney (1995) which is a discretionary accruals (DACCR) approach for measuring earnings management. The model is stated below:

$$NDA = \alpha_1 (1/A_{it-1}) + \alpha_2 [(\Delta REV_{it} - \Delta REC_{it})/A_{it-1}] + \alpha_3 (PPE_{it}/A_{it-1}) \quad (1)$$

Where:

NDA_{it} is the non-discretionary accruals for firm i in year t,
ΔREV_{it} is the change in operating revenues for firm i in year t,
ΔREC_{it} is the change in receivables for firm i in year t,
PPE_{it} is the gross property, plant and equipment for firm i in year t,
A_{it-1} is the lagged total asset for firm i in year t-1,
and $\alpha_1, \alpha_2, \alpha_3$ is firm specific parameters

$$TA_{it}/A_{it-1} = \alpha_1 (1/A_{it-1}) + \alpha_2 [(\Delta REV_{it} - \Delta REC_{it})/A_{it-1}] + \alpha_3 (PPE_{it}/A_{it-1}) + \varepsilon_{it} \quad (2)$$

Where:

TA_{it} is the total accruals for firm i in year t,

ε_{it} is the residual, which represents the firm-specific discretionary portion of the total accruals

$$DACCR_{it} = TA_{it}/A_{it-1} - [\alpha_1 (1/A_{it-1}) + \alpha_2 [(\Delta REV_{it} - \Delta REC_{it})/A_{it-1}] + \alpha_3 (PPE_{it}/A_{it-1})] \quad (3)$$

Where:

$DACCR_{it}$ is the discretionary accruals for firm i in year t,

TA_{it} is the total accruals for firm i in year t,

ΔREV_{it} is the change in operating revenues for firm i in year t,

ΔREC_{it} is the change in receivables for firm i in year t,

PPE_{it} is the gross property, plant and equipment for firm i in year t,

A_{it-1} is the lagged total asset for firm i in year t-1,

and $\alpha_1\alpha_2\alpha_3$ are firm specific parameters.

Ownership structure is represented by the three ownership structures under examination. They include managerial ownership, institutional ownership, and ownership concentration. The measures of these variables are presented in Table 3.1. Two control variables are used in this study. They are firm size and financial leverage. Their measurements are also presented in Table 3.1

Table 3.1: Variable Definition and Measurement

Variable	Type of Variable	Measurement
Financial Reporting Quality	Independent	Modified Jones model. The Modified Jones Model is a preferred method for evaluatin g financial reporting quality due to its accruals -based approach, contextual factors, economic activity controls, and empirical support.
Managerial Ownership	Independent	% of Total Shares held by Directors (Karathanssis & Drakos, 2004)
Institutional Ownership	Independent	% of Total Shares held by Institutions (Koh, 2007)
Ownership concentration	Independent	% of those that have up to 5% or more in the total shares in issue(SEC, 2011)
Firms size	Control	Natural logarithm of total assets (Roodposhti & Chas hmis,2011)
Firms financial leverage	Control	Ratio of total liabilities to total assets (Kamran & Attaullah, 2014)

Source: Author's Compilation

Model Specification

The econometric model adopted in this study is stated below:

$DACCR_{it} = \beta_0 + \beta_1 MGROS_{it} + \beta_2 INST_{it} + \beta_3 OWNCONS_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \varepsilon_{it}$

where:

$DACCR_{it}$ = discretionary accruals (i.e. Financial Reporting Quality)

$MGROS_{it}$ = managerial ownership,

$INST_{it}$ = institutional ownership,

$OWNCONS_{it}$ = Ownership concentration,

$SIZE_{it}$ = Firms Size,

LEV_{it} = Firms Financial Leverage,

βo = Intercept,

β_1- β_6 = Coefficient and

e_{it} = error term.

The panel regression technique was used to examine the effect of ownership structure on financial reporting quality of the sampled listed consumer goods companies in Nigeria. The panel regression technique is adopted because the data that are analysed have time and cross-sectional attributes. Furthermore, panel data regression provides better results since it uses large observation and reduces the problem of degree of freedom; it also avoids the problem of multicollinearity and help to capture the individual cross-sectional (or firm-specific) effects that the various pools may exhibit with respect to the dependent variable in the model.

In evaluating the panel regression results, the Hausman specification test is used to select between fixed effect and random effect. The individual statistical significance test (T-test) and overall statistical significance test (F-test) are also be used. Importantly, the goodness of fit of the model is ascertained using the coefficient of determination (R^2). The panel analysis is carried out after descriptive statistics, normality test, correlation analysis, variance inflation test (test for multicollinearity and Test for Heteroscedasticity. All analyses are conducted at 5% level of significance using STATA 13 software.

Result

The data utilized in the analysis, including financial reporting quality (proxied by discretionary accruals - DACCR), ownership structure (proxied by managerial ownership - MGROS, institutional ownership - INST, and ownership concentration - OWNCONS), and control variables (size and leverage - LEV), are presented in Appendix 1. These data were sourced from audited financial reports of the selected companies.

Descriptive statistics provide key features of the data such as minimum and maximum values, mean, median, standard deviation, skewness, kurtosis, and Jacque-Bera statistics with associated probabilities. These statistics offer insights into the distribution and characteristics of the variables used in the analysis.

Table 4.1: Descriptive Statistics Re sult

Measure	DACCR	MGROS	INST	OWNCONS	SIZE	LEV
Mean	0.7695	0.0754	0.3456	0.5171	166,028,577	0.5482
Median	0.7490	0.0554	0.4949	0.6412	106 ,366,698	0.5576
Minimum	0.6778	0.0003	0.0294	0.0010	1,794,749	0.0569
Maximum	3.1920	0.2628	0.7497	0.9893	825,689,552	0.9796
Std. Dev.	0.7269	0.0721	0.2739	0.3142	181,236,704	0.1603

Researcher's computation 2023

It is observed from Table 4.1 that financial reporting quality (DACCR) has a mean value of 0.7695 while it has minimum and maximum values of 0.6778 and 3.1920 respectively. The standard deviation has a value of 0.7269 indicating that DACCR is clustered around the mean. Since the mean (0.7695) is relatively greater than the median (0.7490), DACCR is slightly skewed to the right.

The result further revealed managerial ownership (MGROS) has a mean value of 0.0754, while it has minimum and maximum values of 0.0003 and 0.2628 respectively. The standard deviation has a value of 0.0721, which implies that it is clustered around the mean. Since the mean (0.0721) is greater than the median (0.0554, it indicates that MGROS is skewed to the right.

Institutional ownership (INST) has a mean value of 0.3456 while it has minimum and maximum values of 0.0294 and 0.7497 respectively. It implies that at average firms under review have a maximum of 74.97% ownership. The standard deviation reported relatively small value of 0.2739 shows that INST is slightly dispersed away from the mean. Since the mean is less r than the median (0.4949, it indicates that INST is slightly skewed to the left.

Ownership concentration (OWNCONS) has a mean value of 0.5171 while it has minimum and maximum values of 0.00100 and 0.9893 respectively. The standard deviation reported a value of 0.3142 meaning that OWNCONS is not clustered around the mean. Since the mean (0.5171) is relatively lesser than the median (0.6413), it implies that the variable is slightly skewed to the left.

Firm size (SIZE) has a mean value of N166,028,576, while it has minimum and maximum values of 1,794,749 and 825,689,552 respectively. The standard deviation reported relatively small values N181,236,704 shows that SIZE is not clustered around the mean. The mean of N166,028,576 is greater than the median value of N106,366,698. This implies that SIZE is slightly skewed to the right.

Leverage (LEV) has a mean value of 0.5482, while it has minimum and maximum values of 0.0569 and 0.9796 respectively. The standard deviation reported relatively small values 0.1603 shows that LEV is not clustered around the mean. The mean value of 0.5482, relatively less than the median, 0.5576 which indicates that data are slightly skewed to the left.

Prior to execution of regression analysis, it is of paramount importance to check whether the regression assumptions are fulfilled. The basic diagnostic tests required in running a regression analysis include normality, multicollinearity and heteroskedasticity test. These tests re carried out in the following subsections.

Two tests are conducted to confirm data normality, namely Skewness and Kurtosis tests. Appendix II pressures the detail of the results which are extracted and presented in Table 4.2 below.

As can be observed from the result in Table 4.2 the Skewness for MGROS and SIZE, and all the Kurtosis values fall outside the threshold of between -1 and +1, indicating that not all the study variables are normally distributed. Log transformation has been undertaken to normalize the variables that are not normally distributed.

Table 4.2: Skewness and Kurtosis Results

Variables	Obs	Skewness	Kurtosis
DACCR	150	0.8660	1.9390
MGROS	150	1.4220	1.5437
INST	150	0.0522	-1.7917
OWNCONS	150	-0.2461	-1.4625
SIZE	150	1.56	2.26
LEV	150	-0.1926	0.6304

Source: ComputerOutput (Stata 13.0)

Two tests are conducted to establish the presence or absence of multicollinearity among the independent variables. These include the correlation matrix and variance inflation factor and tolerance levels.

In examining the level of association or correlation between the independent variables of the study, the Pearson correlations matrix is adopted as presented in Table 4.3. The result of the Pearson correlation analysis indicates that the highest correlation coefficient between the independent variables is -0.3889 for MGROS and OWNCONS. Judging from the result of the correlation matrix, there is no indication of multicollinearity between the independent variables of the study as the highest correlation coefficient between the variables is below the threshold of 0.7 as suggested by Pallant (2005).

Table 4.3: Results of Pearson Correlation (N=150)

Variable	MGROS	INST	OWNCONS	SIZE
MGROS	1.0000			
INST	0.2291	1.0000		
OWNCONS	-0.3889	-0.0122	1.0000	
SIZE	0.0274	0.3798	-0.1411	1.0000
LEV	0.0040	0.2520	0.2143	0.0940

Source: ComputerOutput (Stata 13.0)

b) Variance Inflation Factor (VIF) and Tolerance Level

Table 4.4 presents the result of multicollinearity test based on VIF and Tolerance level performed on the variables of the study.

Table 4.4: Results of Variance Inflation Factor and Toleran

Variable	VIF	1/VIF
MGROS	1.33	0.7820
INST	1.30	0.7534
OWNCONS	1.28	0.7717
SIZE	1.22	0.8202
LEV	1.13	0.8868
Mean VIF	1.25	

As can be observed from Table 4.4, the VIF ranges between 1.13 to 1.33 with a mean of 1.25 which is below the threshold of 10, indicating the absence of multicollinearity among the variables of the study.

On the other hand, the tolerance level(I/VIF) ranges from values of 0.7717 to 0.8868 which is above the threshold of 0.1 also indicating the absence of multicolinearity among the variables of the study. It can thus be concluded from the above that, there is no multicollinearity among the variables of this study.

The result obtained from the heteroskedasticity test presented in Table 4.5 show a p-value of 0.0269 which is less than the critical value of 0.05, implying the presence of heteroskedasticity and unequal variance. As a result of the presence of heteroskedasticity in the study model, the robust regression test was further performed to correct the heteroskedasticity presence.

Table 4.5: Heteroskedasticity Test Result

Variable	Chi -Sq. Value	Probabil ity Value
Model	4.90	0.0269

Note: H_0 (null): Homoskedastic
Source: Computer Output (Stata 13.0)

The Hausman Specification test result presented in Table 4.6 has a p-value of 0.8258 which is greater than the significance level of 0.05, implying that the null hypothesis be accepted at 5% level of significance. This implies that the random effect model is preferable to the fixed effect model.

Table 4.6: Result of H ausman Specification Test

Test Summary	Chi -Sq. Value	Probability Value
Cross -section random	0.90	0.8258

Note: H_0: Random effect model is preferable to fixed effect model
Source: Computer Output (Stata 13.0)

The choice of the random effect model by the Hausman Specification test further necessitates the Breusch and Pagan Lagrangian multiplier test for random effects to be conducted in order to choose between the result of the pooled OLS and the random effect model. The result of the Breusch-Pagan LM test presented in Table 4.7, has the

F-statistic p -values is 0.2236, which is statistically not significant at 5% level. This implies that the Pooled PLS model is more prefe rable to the Random Effect Model.

Table 4.7: Result of Breusch and Pagan Lagrangian multiplier test for random effect for Financial Sector

Test Statistic	F-statistic Value	Probability Value
Note: H_0: Random Effect Model is preferred to Pooled OLS regression Model		
LM test	0.58	0.2236

Table 4.8: Summary of Pooled OLS Regression Results

DACCR	Coefficient	t statistics	Probability
MGROS	-1.5196	-1.72	0.088
INST	-0.3387	-1.42	0.157
OWNCONS	0.2519	1.23	0.221
SIZE	0.2729	3.00	0.003
LEV	0.6256	1.67	0.097
C	-1.6181	-2.19	0.030
R-squared	0.1276		
F-statistic	4.21		
Prob(F -statistic)	0.0013		
Observations	150		

Source: Computer Output (Stata 13.0)

Summary of Results/Findings

The results obtained from data analysis suggest that managerial ownership has a negative and non-significant effect on the financial reporting quality of listed consumer goods companies in Nigeria. The null hypothesis which states that managerial ownership has no significant effect on the financial reporting quality of listed consumer goods companies in Nigeria is, therefore, accepted.

The results obtained from data analysis suggest that institutional ownership has a negative and non-significant effect on the financial reporting quality of listed consumer goods companies in Nigeria. The null hypothesis which states that institutional ownership has no significant effect on the financial reporting quality of listed consumer goods companies in Nigeria is, therefore, accepted.

The results obtained from data analysis suggest that ownership concentration has a positive but non-significant effect on the financial reporting quality of listed consumer goods companies in Nigeria. The null hypothesis which states that ownership concentration has no significant effect on the financial reporting quality of listed consumer goods companies in Nigeria is, therefore, accepted.

Discussion of Findings

The primary objective of the study was to explore the influence of ownership structure on the financial reporting quality of consumer goods firms in Nigeria. The study focused on managerial ownership, institutional ownership, and ownership concentration as potential

determinants of financial reporting quality. The main findings of this investigation, as discussed below, according to the study objective.

Objective one: Examine the effect of managerial ownership on financial reporting quality of listed consumer goods companies in Nigeria.

The study has evidenced a negative and non-significant effect of managerial ownership on the financial reporting quality of listed consumer goods companies in Nigeria. This evidence is not supported by the results of prior studies such as Chau and Gray (2002), Yang et al. (2008), Lu and Zhao (2012), Hamza, Zainal and Wan (2019) who found a positive and significant relationship between managerial ownership and financial reporting quality proxied by discretionary accruals. The differences in those results and this study can be attributed to their settings. The evidence is, however supported by the entrenchment effect theory which states that the level of managerial ownership can lead to the likelihood of self-serving behaviours and decision-making that may not necessarily align with the broader strategic objectives of the company. As managers amass a substantial ownership stake, they can wield considerable influence over critical corporate decisions, potentially leading to actions that enhance their own position but may not be optimal for shareholder value maximization.

The evidence in this study does not support the alignment effect theory which postulates that when managers possess ownership stakes in the company, their financial fortunes become intricately linked with the firm's performance. Accordingly, managers are more inclined to make decisions that are in alignment with the broader interests of shareholders, as their personal wealth is directly affected by the company's success. A positive and significant relationship is therefore expected between managerial ownership and financial reporting quality.

Objective two: Ascertain the effect of institutional ownership on financial reporting quality of listed consumer goods companies in Nigeria.

The results of this study suggest that institutional ownership has a negative and non-significant effect on financial reporting quality. The study results are not supported by prior studies such as Krishnam and Visvanathan (2008), Chen et al. (2011), Chan et al. (2014), Lin et al. (2017), Huang et al. (2017), Gopikumar et al. (2022), and Park and Shin (2018) who found positive and significant effect of institutional ownership and financial reporting quality. The non-supporting evidence could also be attributed to the settings of the research.

The evidence is not supported by the agency theory which holds that institutional investors, possessing substantial ownership stakes, hold the potential to monitor and discipline managerial behaviour, thereby mitigating agency conflicts (Bebchuk & Cohen, 2005). Their active participation in corporate governance mechanisms, such as voting on crucial matters and engaging in dialogue with management, can function as a safeguard against value-detracting managerial actions, and enhance promoting firm performance.

Objective three: Determine the effect of ownership concentration on financial reporting quality of listed consumer goods companies in Nigeria.

The results of this study evidence a positive but non-significant effect of ownership concentration on financial reporting quality of listed consumer goods companies in Nigeria. This result is supported by a number of studies that have found a positive effect of ownership concentration on financial reporting quality such as Nenova (2003), Tessema et al 2018, Aharony (2010), Lin et al. (2010), Rafique et al. (2015), Chen et al. (2014), Arthur et al. (2019), Al Lawati and Sanad (2023), Wang et al. 2015, Ahmed and Ahmed 2022, Pandey and Sahu 2022 and Omrane et al. (2016).

The results of this study are supported by the agency theory which has stressed the need to closely monitor entrench management that has the potential to expropriate firm resources. Concentrated ownership helps to achieve this objective.

In conclusion, the study's thorough analysis sheds light on the dynamics between ownership structure and financial reporting quality in Nigerian consumer goods firms. It revealed that while managerial and institutional ownership did not significantly impact reporting quality, ownership concentration hinted at a positive influence, albeit not statistically significant. Based on the findings, the following recommendations are proposed to optimize ownership structure's impact on financial reporting quality:

Based on the key findings, the following recommendations are tailored to maximize the positive impact of ownership structure on financial reporting quality:

i. **Optimizing Managerial Ownership Levels**: Considering the negative effect of managerial ownership on financial reporting quality, organizations should not rely only on managerial ownership to address agency concerns. Companies should establish ownership thresholds that encourage commitment to transparent reporting while minimizing potential conflicts of interest.

ii. **Leveraging Institutional Investors' Monitoring Role**: Acknowledging the role of institutional ownership in promoting transparency, companies should actively engage with institutional investors. Establishing regular channels of communication to discuss financial reporting practices and governance mechanisms can enhance institutional monitoring and its influence on reporting quality.

iii. **Governance Mechanisms for Concentrated Ownership**: Given the positive effect of ownership concentration on financial reporting quality, firms with substantial ownership concentration should prioritize robust governance mechanisms. Independent board oversight, external audits, and transparent reporting practices can mitigate potential agency conflicts and ensure that financial reporting quality is not compromised.

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