

Moderating Effect of Board Size on Ownership Structure and Financial Performance of Quoted Consumer Firms in Nigeria

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Abstract: Ownership concentration is the stake of shares held by the shareholders with the controlling interest in a firm. This study examines the Moderating effect of Board Size on Ownership Structure and Financial Performance of Quoted Consumer firms in Nigeria. The population comprised all the 21 quoted consumer goods manufacturing firms in Nigeria while the filtering technique was used to arrive at a sample size of seventeen (17) consumer goods manufacturing firms in Nigeria. The hypotheses were tested using a robust fixed effect regression model after conducting some diagnostics tests. The results shows that share ownership concentration has a significant negative effect on the return on assets of quoted consumer goods manufacturing firms in Nigeria while Further results based on the second model indicate that board size significantly moderates the relationship between share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria. The study recommends that the board of directors of consumer goods firms should minimize the level of share ownership concentration in their firms to the maximum of 60% to encourage dilution of ownership and enhance the financial performance of their firms in Nigeria.

Keywords: Business Resources; Consumer Firms and Decision-Making.

I. Introduction

making process and effectiveness of the board which in turn affects the financial performance of the firm. As such, board size was moderated in this study. The size of firms determines the level of their exposure to ownership structure and their financial performance; large firms in most cases accommodate various categories of ownership, though depending on their respective management risk appetite. Therefore, the firm size is controlled for in this study. This study is carried out to fill the literature gaps regarding the methodological weaknesses of most previous studies which used the ordinary least square regression method for their panel data technique. Also, these kinds of studies were mostly done in other countries other than Nigeria and to further use the periods of IFRS implementation in Nigeria.

1.1 Statement of Problem

The choice of ownership structure is fundamentally critical to the consumer goods manufacturing sector in Nigeria. The ownership structure decision is crucial, as the decision becomes even more difficult, in times when the economic environment in which firms operate presents a high degree of instability in the case of Nigeria. The firm can issue dozens of distinct shares in countless combinations, but it is difficult to precisely find the particular combination that maximizes its overall market value. The ownership structure to be adopted by consumer goods manufacturing firms is a critical decision to make, the decisions are both critical and crucial because of the need to maximize returns to various organizational

constituencies and the impact such decision has on an organization's ability to deal with its competitive environment and contribute its quota to the Nigerian economy. The separation of ownership and control facilitates managers' incentives and opportunities to exploit firm resources to satisfy their interests rather than that of owners. This problem is commonly known as the agency problem. In a highly dispersed ownership structure, owners are more likely to lose controlling power over the companies to managers and thus fail to monitor them effectively, and managers may have more room to act in their self-interest thereby affecting the performance of the firm. Some prior studies showed that the relationship between ownership structure and financial performance of a firm could be significant or not while some showed mixed results depending on the statistical tools used, the data used and the period covered. More so, from the empirical review, no study has introduced the board size to moderate the relationship between ownership structure and financial performance of consumer goods manufacturing firms in Nigeria. The board size is used as a moderator because sufficient board size will be able to provide adequate strategic decisions for the organization to enhance the organizational performance. The above highlighted gaps in the literature calls for further investigation in this area which necessitated this study to update the data up to 2021, covering only the periods of IFRS implementation in Nigeria and adding to the recent literature in this area in Nigeria.

1.2 Objectives of the Study

1. Assess the effect of share ownership concentration on return on asset of quoted consumer goods firms in Nigeria.
2. Find out the moderating effect of board size on the relationship between share ownership concentration and return on asset of quoted consumer goods firms in Nigeria.

1.3 Research Hypotheses

1. Ho: Share ownership concentration has no significant effect on return on asset of quoted consumer goods firms in Nigeria.
2. Ho: Board size has no significant moderating effect on the relationship between share ownership concentration and return on asset of quoted consumer goods firms in Nigeria.

II. Review of literature

2.1 Conceptual Framework

The conceptual framework for this study is made up of ownership structure (proxies by managerial ownership, share ownership concentration, institutional ownership, foreign ownership and government ownership) and the financial performance is proxied by return on assets (ROA). Board size is used as a moderating variable while the firm size is used as a control variable.

a. Share Ownership Concentration and Financial Performance

Lawal, Agbi & Mustapha (2018), defined ownership concentration as an ownership fraction or stake in a firm that is held by shareholders with the controlling interest or with a large stake. Pathirawasam (2013), defined ownership concentration as the ownership share (votes) of the largest owner in percentage. Alhassan & Mamuda (2020), asserted that Ownership concentration shows the ownership portion or stake in a firm that is held by shareholders having the controlling interest or with a large chance. In the context of this study, ownership

concentration is defined as a shareholder who owns at least 5% of a firm's total shares. Ownership concentration affords the shareholders the motivation and ability to monitor and control management decisions. Therefore, concentrated shareholders use their large stake in reducing conflicts between managers and the organization by being more proactive in monitoring and protecting their investments. Khadijat & Rodiat (2018), stated that ownership concentration is measured by the natural logarithm of equity held by block holders as investors in the firm by total shares of the firm. This study adopts the definition of ownership structure which states that share ownership concentration is defined as shareholders who own at least 5% of a firm's total shares. With their largest shareholding, they can control management excesses in order to achieve a good firm's financial performance. Khadijat & Rodiat (2018), is adopted for this study because it takes cognizance of shareholders that own at least 5% of the firm's total shares which is related to this study.

b. Ownership Structure and Financial Performance

Various scholars have different definitions of ownership structure. The ownership structure is the internal organization of a business entity and the rights and duties of the individual holding the legal interest in that firm. Ownership structure is one of the internal mechanisms of corporate governance that facilitate increase in efficiency in a firm for effective financial performance. Stanley (2015), the ownership structure is portrayed by the equity distribution to capital, votes, and the equity owners' identity. Demsetz & Lehn (2001), see ownership structure as the combination of the fraction of shares owned by important shareholding families and the fractions owned by management. Pavel & Alexander (2001), view ownership structure as the composition of the percentage of voting shares in the hands of the top three shareholders without distinguishing between state-controlled holdings and the percentage of voting shares in the hands of the top three private investors. Wang (2003), views ownership structure as the combination of three different groups of ownership namely; managers, control group and institutional investors. Sahut & Gharbi (2010), viewed ownership structure as the combination of ownership concentration, managerial ownership and institutional ownership.

Alipour & Amjadi (2011), defined the ownership structure as the composition of the biggest five shareholders, which includes a combination of institutional shareholders, individual and managerial shareholders. Shah, Butt & Saeed (2011), see ownership structure as the percentage of shares held by directors. Uwalomwa & Olamide (2012), view ownership structure as decisions made by those who own or who would own shares. This study adopts the definition of ownership structure by Alipour & Amjadi (2011), which state that ownership structure is the composition of five shareholders (equity owners). This is because it takes good cognizance of managerial ownership, shares ownership concentration, institutional ownership, foreign ownership and government ownership which is the independent variable of this study.

2.2 Financial Performance

Saidu & Gidado (2018) view financial performance as the scientific evaluation of profitability and financial strength of any business concern as financial statement analysis attempt to unveil the meaning and significance of the items composed in income statements and statement of financial position which will assist management in the formation of sound operating and financial policies. Financial performance refers to those outcomes that can be measured monetarily, especially with figures from the set of financial statements (Obaje, Abdullahi & Ude, 2021). Jensen & Meckling (1976) defined financial performance as a tool that measures how well a company uses its resources in generating profit thus making it a vital tool to several stakeholders in a firm. Performance is used to mean the efforts extended to achieve the targets

efficiently and effectively which involves the integrated use of human, financial and natural resources as well as the presentation of the quality result achieved by the management of the firm (Gleason, 2000). Usman (2019), defines financial performance as a process of measuring the result of a firm's policies and operations in monetary terms. It is used to measure the firm's overall financial health over a given period and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. Financial performance is expressed in one of the measurements as in return on assets (ROA) which measures how much one naira of assets generates the net income. Other measurements could be earning per share, return on investment, and dividend per share among others.

A financial performance evaluation is designed to provide answers to a broad range of important questions, some of which include whether the company has enough cash to meet all its obligations, and whether is it generating a sufficient volume of sales to justify the recent investment. Financial performance can be measured by variables which involve productivity, profitability, growth or, even, customer" satisfaction. There are three determinants of financial performance. The first one is associated with external factors that are beyond the control of the firms. The second refers to internal factors under the direct purview of the firms. These constitute managerial efficiency, governance structure and ownership structure among others that affect the ability of the firms to cope with external factors. Lastly, the other factors that affect financial performance are firm size, leverage, and the type of industry (Kechi, 2011). The definition of financial performance by Saidu & Gidado (2018), is adopted for this study because it takes cognizance of the financial strength and profitability of a firm which is relevant to this study.

2.3 Theoretical Review

a. Agency Theory

Initial ideas of the agency problem were formed in the ground-breaking study of Berle & Means (1932), and were then developed into the agency theory by many other authors, such as Jensen & Meckling (1976), and Fama (1980). The agency theory deals with the principal-agent relationship between owners (the principals) and managers (the agents) of a company. In the simplest form of business organization, i.e. sole proprietorship, ownership and management are identical, as the owner is simultaneously the manager. However, in the early twentieth century, Berle & Means (1932), predicted that the continuing growth of the economy would lead to the rise of large corporations, which would have a significant competitive advantage of economies of scale over small companies. To finance their activities, these large firms require enormous financial resources that one or several owners cannot afford because of financial constraints. This fact has led to the emergence of modern corporate models (for instance, public companies), in which firm equity is contributed by numerous owners. In such companies, managers are no longer sole owners; numerous outside shareholders do not directly operate companies daily. Thus, managers could be considered agents of shareholders; they are paid to act on the shareholders' behalf to operate the firms with the proposed mission of serving the shareholders' interest.

However, because managers' shares in the companies are normally negligible and the interest of owners and managers may conflict, the mission maybe not (and in practice usually is not) fully carried out. According to Jensen & Meckling (1976), the separation of ownership and control facilitates managers' incentives and opportunities to exploit firm resources to satisfy their interests rather than that of owners. This problem is commonly known as the agency problem. In a highly dispersed ownership structure, owners are more likely to lose controlling power over the companies to managers and thus fail to monitor them effectively, and managers may have more room to act in their self-interest. Thus, it is expected that the more dispersed the ownership structure, the more severe the agency problem. The main

presumption of the agency problem is the presence of information asymmetry between firm owners and managers (Myers & Majluf, 1984). Acting as decision-makers in the daily operations of the company, the managers should know more about the firm than outside owners do. Therefore, the managers could utilize this inside information for their benefit at other owners' expense, informing both pecuniary and non-pecuniary. On the other hand, the severity of the information asymmetry increases with the level of dispersion of the ownership structure.

There are four roots and consequences of the agency problem. First, the agent may not work for the principal's paramount interest (Abid, Khan, Rafiq & Ahmed, 2014), thereby leading to poor firm performance (Henry, 2010). These impose higher costs on the principals to monitor (Waweru, 2014). Second, the agents may misuse the power vested to them to the detriment of the stockholders (Abid, Khan, Rafiq & Ahmed, 2014); therefore, implementing specific controls is vital (Waweru, 2014). However, the imposed controls may also have costs, thus compromising the shareholder's wealth maximization goals (Jensen & Meckling, 1976; Clarke, 2004). Third, the agents and principal may not have the same risk appetite (Abid, Khan, Rafiq & Ahmed, 2014). Hence, it is most likely that the agent may not take precautionary risk measures as it would have been made by shareholders (Alexander, 2010; Abid, Khan, Rafiq & Ahmed, 2014). As a result, investment appraisal, decision-making, and risk-bearing functions may hardly reach a consensus and therefore compromises the goal congruence. Fourth, the agents do not own the corporation's resources (Henry, 2010), and therefore and under the worst scenario possible, they only lose their job (L'Huillier, 2014), compared to the shareholders, who bear a significant risk of losing their entire capital invested. Necessarily, therefore, the separation of ownership and management problem gives rise to the concept of corporate governance (board ownership structure) as the critical mechanism for resolution of agency problems between the shareholders and managers thereby enhancing financial performance.

Agency theory offers unique insights into information systems, outcome uncertainty, and incentives as the focal point in aligning the manager-shareholders' interests and ownership structure, which are unique contributions to the organization's goal. Though the agency theory is useful in highlighting the self-interested economic inclination of agents, however, the theory misses the essential basis of trust upon which all human relations are based (L'Huillier, 2014; Mallin, 2016).

2.4 Empirical Review

a. Share Ownership Concentration and Financial Performance

Ali, Riaz & Anis (2021), examined the relationship between individual ownership, institutional ownership and firm performance in Pakistan firms for the period of ten years (2011-2020).

Further, the study made a comparative analysis of the impact of both institutional and individual ownership on firm performance. Data were collected from 64 firms listed on Pakistan Stock Exchange (PSX) and random effects model had been employed to test their research hypotheses. Their study compares the effect of individual and institutional ownership on firm performance. The result of the study shows that both institutional and individual ownership significantly affect firm performance. However, the degree of the effect is different for both individual and institutional investors. Institutional ownership influences the firm performance twice as the individual investors influence the performance. Their results also revealed that firm performance is positively associated with firm size while negatively related to institutional ownership. The study suggested that institutional ownership should be enhanced as institutional investors consistently monitor performance and perform the role of watchdogs in organizations. It is also recommend that policymakers in Pakistan should

develop appropriate governance rules and bring policy reforms to strengthen firm performance. Though the study used an appropriate statistical tool to analyze their panel data, the study was carried out in another environment outside Nigeria in the past and their findings cannot be generalized due to environmental differences.

Amneh, Amneh, Hussam & Mahmoud (2021), examined the impact of the ownership structure on firm performance in Jordan. Their study employed the multiple-regression model and fixed regression effect to analyze the data. Their sample included all Jordanian first market firms listed on the Amman Stock Exchange (ASE) from 2012 to 2018. Their findings reveal a positive and significant relationship between institutional ownership, ownership concentration and financial performance. While managerial ownership shows a negative relationship with financial performance. Their study recommends categorizing markets into financial or non-financial firms which may strengthen the role of agency theory in financial performance. Though the study used an appropriate statistical tool for their data analysis, their study was carried out in another environment outside Nigeria in the past and their findings cannot be generalized due to environmental differences.

Murtaza, Noor-Ud-Din, Aguir & Batool (2020), examined the role of ownership concentration and dividend policy on the firm performance of chemical sector firms in Pakistan for the period 2012-2017. A sample of 26 companies listed on the Karachi Stock Exchange (KSE) was selected for their study and their data were analyzed using Generalized Least Squares Model. The findings of their study reveal that ownership concentration has a significant positive association with firm financial performance. This stated that larger shareholders could attribute to the alignment of managerial incentives with shareholder interests. They also monitor the team very effectively and efficiently. The study also found that dividend policy has a significant positive relationship with ROA. Leverage and tangibility have a significant negative relationship with firm performance. The study recommends more ownership concentration in the firm to enhance financial performance. This study was carried out in another environment outside Nigeria in the past and their findings cannot be generalized due to environmental differences. Also, though their study was carried out in 2020 their data covered only up to 2017 which affect the currency of their study.

Ajao & Ejokehuma (2020), investigated the effect of ownership concentration on financial performance of manufacturing firms in Nigeria during the period 2009-2019. According to their study, they collected data from various financial reports of the one hundred sampled listed manufacturing firms on the Nigerian Stock Exchange. Their study employed the use of a co-integration test and the system-GMM as an analytical technique for their data analysis.

Their results revealed that government ownership concentration, block ownership concentration and institutional ownership concentration all have a significant effect (direct and inverse) on the performance indicators (ROA, TOBIN Q) used in their study. Their results of robustness check also revealed that government ownership concentration has a predominately negative effect on financial performance respective firms. Their finding also stated that the coefficient of block ownership concentration is also largely positive for most of the manufacturing firms, while that of institutional ownership concentration is largely negative. Based on these, their study recommends that the policymakers and government should create favourable policies to encourage balanced investment from all categories of investors and ensure that ownership does not only grow among spread owners but rather among few owners who have the wherewithal to diversify and attract skills and competencies to improve firm performance. They also recommend that Government should retain some ownership in foreign and local firms to enhance shareholders' confidence. The study used appropriate statistical tools of analysis to analyze their panel data but the study combined data from both pre (2009-2011) and post (2012-2019) IFRS implementation in Nigeria which affect the

reliability of their findings.

César, Beatriz, Alba & Sergio (2020), examined the effects of ownership structure and corporate and family governance on dynamic capabilities in family firms. Their research was carried out on a sample of 748 family firms from the Spanish tourism industry and their data were analyzed using multiple linear regression analysis. Their finding shows that the effects of dimensions of family involvement on dynamic capabilities are asymmetric. A concentrated ownership structure with a high degree of family control and a substantial share of family wealth committed to the business is shown to have a negative effect. The study recommends that there should be a management committee that enables the combination of different skills, experiences and knowledge to encourage creativity. Their study also recommends the introduction of family governance mechanisms that foster open debate, which helps to overcome resistance to change and risk aversion. Though the study used an appropriate statistical tool to analyze their data, the study was carried out in another environment outside Nigeria in the past and their findings cannot be generalized due to environmental differences. Yudastio & Usep (2020), examined the effect of family ownership on company performance. Their data were collected from 39 property, real estate, and building construction companies with the observation year of 2011-2013. The data were analyzed using Statistical Package for Social Science (SPSS) with linear regression analysis method multiple. Their results indicated that family ownership has a positive effect on company performance. They recommend that family ownership structure should be encouraged. This study was carried out in another environment outside Nigeria in the past and their findings cannot be generalized due to environmental differences. More so, their study was carried out in 2020 and their data covered only up to 2013 which affect the currency of their study.

Abdulrahman & Musu (2020), investigated the determinants of the financial performance of firms listed in the consumer goods sector of the Nigerian economy. Their study covered the period, 2013 to 2018 using twenty-one firms as the population of study and a sample of nine firms. Their panel data were analyzed using a multiple regression model and an ordinary least square model was employed to test the effect of firm size, liquidity, board size and audit committee size on firm performance proxy by Returns on Assets (ROA). The results of their study show that firm size, liquidity and board size are determinants of firms' performance; however, liquidity is the most determinant of firms' performance in listed consumer goods firms in Nigeria according to their findings. From their findings, the study recommends, among others that, the management of consumer goods firms in Nigeria should maintain or increase the number of their current assets (especially cash) to meet current obligations since liquidity is a good determinant of firms' performance. The study used appropriate statistical tools of analysis to examine their panel data which enhance the reliability of their findings.

Ironkwe & Emefe (2019), investigated corporate ownership structure on financial performance of quoted companies in Nigeria. Their study examines the relationship between ownership concentration and returns on equity, covering the period from 2008-2017. The study used an ordinary least square regression analysis with the aid of an e-view. Their study found that there exist a significant positive relationship between ownership concentration and return on assets. They recommend that shareholders and management must engage each other in making the managerial decision as part of the strategic planning process which is imperative to successful long-term planning. They also recommend that the shareholdings of managers should be encouraged as a good incentive mechanism to help the management and the shareholders become united to promote the interest of both so that the managers will pay attention to the development of the long-term interests of the company contributing to the achievement of the contract objectives. They used a weaker statistical tool of the ordinary least square regression technique to analyze their panel data. Also, the study combined data from

both pre (2008-2011) and post (2012-2017) IFRS implementation in Nigeria which affect the reliability of their findings.

Samuel, Yakubu & Olumuyiwa (2018), investigated the ownership structure and financial performance of quoted building material firms in Nigeria. Ownership structure was viewed from the dimensions of share ownership concentration, managerial ownership and institutional ownership. They sampled four (4) manufacturing firms quoted on the floor of the Nigerian Stock Exchange from 2004 to 2016. They use a fixed effect regression model as a tool for analysis. They found that institutional ownership, managerial ownership and ownership concentration showed a positive significant impact on financial performance of building materials firms in Nigeria. They recommend that Security and Exchange Commission should encourage more potential managers, Institutional shareholders, and concentrated ownership to invest in long-term investment in the building materials industry as both managerial, Institutional shareholders and concentrated ownership enhance the financial performance of building materials firms in Nigeria. The study used appropriate statistical tools of analysis to examine their panel data but the study combined data from both pre (2004-2011) and post (2012-2016) IFRS implementation in Nigeria which affect the reliability of their findings. Also, even though their study was carried out in 2018 their data covered only up to 2016 which affect the currency of their study. More so the study sampled only four quoted manufacturing firms on the Nigerian Stock Exchange; the choice of the sample might not guarantee good findings.

Saseela (2017), investigated the ownership structure and financial performance of listed beverage food and tobacco companies in Sri Lanka from 2010 to 2015. They sampled 10 listed beverage food and tobacco companies in Sri Lanka and Pearson's correlation and pooled ordinary least square regression tools were used to analyze panel data. Their results revealed that ownership concentration structure is positively correlated with financial performance of listed beverage food and tobacco companies while institutional ownership structure is not significantly correlated with financial performance. They recommend that there should be higher ownership concentration in order to ensure higher performance. The study used an appropriate statistical tool to analyze their data. Though, their study was carried out in (2017) their data covered only up to 2015 which affect the currency of their study. More so, their study was carried out in another environment outside Nigeria in the past and their findings cannot be generalized due to environmental differences.

III. Research Methods

The study used an *ex post facto* design and the parameters like return on asset share ownership concentration while board size moderating share ownership concentration and return on asset of firms in the consumer goods sector quoted in Nigeria were used. Data were extracted from the financial statements of the sampled quoted firms from the consumer goods sector for the periods under review. The descriptive statistics and Shapiro-Wilk Normality Test were used while diagnostic tests of Pearson correlation matrix, Variance Inflator Factor test, Heteroskedasticity Breusch-Pagan test, Breusch-Pagan Lagrangian Multiplier test and Hausman Specification Test were used. The model was estimated using a robust fixed effect model.

IV Results and Discussion

4.1 Test of Hypothesis

In examining the Moderating effect of Board Size on the Ownership Structure and Financial Performance of Quoted Consumer firms in Nigeria, the hypothesis was tested using a robust fixed effect regression model.

a. Based on Model One (Without the Moderator)

H0: Share ownership concentration has no significant effect on return on assets of quoted consumer goods manufacturing firms in Nigeria.

The result in table 9 shows that share ownership concentration has a t-value of -3.00 and a beta coefficient of -.36, with a p-value of 0.00 which is significant at 5% level of significance because it is less than 0.05. This means that share ownership concentration has a significant effect on return on assets of quoted consumer goods manufacturing firms in Nigeria and, therefore, null hypothesis two is rejected.

b. Based on Model Two (With the Moderator)

Board size has no significant moderating effect on share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria.

Table 10 also presents the results of the explanatory powers of share ownership concentration in explaining return on asset, when moderated with board size, to see whether share ownership concentration and return on asset of quoted consumer goods manufacturing firms in Nigeria changes when applied with board size. The result reveals a positive beta coefficient value of .08; a t-value of 2.68 with a p-value of 0.009. This implies that share ownership concentration with the interaction of board size has a significant statistically effect in explaining the return on assets of quoted consumer goods manufacturing firms in Nigeria.

As observed from table 9 above, the result of share ownership concentration without moderation is significant negative at 5% level of significance whereas the indirect relationship of share ownership concentration in table 10 as moderated by board size has a significant positive effect on return on assets. This, therefore, implies that board size moderates the relationship and also changes the direction of the relationships between share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria.

This result gives the basis for rejecting the null hypothesis seven which states that board size has no significant moderating effect on share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria.

4.2 Discussion of Results (Without the Moderator)

The study also reveals that share ownership concentration has a significant negative effect on return on assets of quoted consumer goods manufacturing firms. This implies that an increase in share ownership concentration will result in a decrease in return on assets of quoted consumer goods manufacturing firms by -.36

4.3 Discussion of Results (With the Moderator)

The study reveals that share ownership concentration with the interaction of board size has a significant statistical effect in explaining the return on assets of quoted consumer goods manufacturing firms in Nigeria. The result of share ownership concentration without moderation is significantly negative at 5% level of significance whereas the indirect relationship of share ownership concentration as moderated by board size also has a significant but positive effect on return on assets. This, therefore, implies that board size moderates the relationship between share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria.

V. Conclusion

The study established that over-concentration of shares in the hands of a few individuals in consumer goods firms in Nigeria will make them manage the firm in their favour to the detriment of other shareholders which in turn affect the financial performance of consumer good firms in Nigeria.

The board size of the firm is the main moderating factor influencing share ownership concentration and return on assets of quoted consumer goods firms in Nigeria. The board size needs to be considered when making decisions regarding share ownership concentration and return on assets as it moderates the relationship between share ownership concentration and the financial performance of quoted consumer goods firms in Nigeria.

Recommendations

The board of directors of consumer goods firms should minimize the level of share ownership concentration in their firms to the maximum of 60% to encourage dilution of ownership and enhance the financial performance of their firms in Nigeria.

The boards of directors of the consumer goods sector should put their board size into consideration, as the board size of the firm is the main moderating factor influencing share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria.

Contribution to Knowledge

This study established that board size moderates the relationship between share ownership concentration and return on assets of quoted consumer goods manufacturing firms.

Suggestions for Further Studies

1. A study should also be carried out regarding the moderating effect of firm age on ownership structure and financial performance of quoted financial firms in Nigeria.
2. A study should further be carried out regarding the moderating effect of firm leverage on ownership structure and financial performance of quoted non-financial firms in Nigeria.
3. A study should be carried out regarding the moderating effect of firm size on ownership structure and financial performance of quoted foods and beverages firms in Nigeria.

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