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EFFECT OF OWNERSHIP SYNDICATES ON CONSERVATISM ACCOUNTING OF QUOTED CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract

This study examined the effect of ownership syndicates on accounting conservatism in quoted consumer goods companies in Nigeria. An ex post facto research design was employed to analyse data from 2013 to 2022. The population consisted of 21 consumer goods firms listed on the Nigeria Exchange Limited, from which a purposive sample of 15 firms was selected based on criteria such as data availability and compliance with listing requirements. Panel data regressions, including fixed and random effects, were also applied to investigate the relationship between ownership syndicates and accounting conservatism. The results showed that family ownership had a significant positive effect on accounting conservatism with a coefficient of 0.0155 and a p-value of 0.0081. In contrast, foreign ownership (coefficient: -0.0156, p-value: 0.9148), managerial ownership (coefficient: -0.0809, p-value: 0.7189), institutional ownership (coefficient: 0.0013, p-value: 0.9535), and block ownership (coefficient: 0.0900, p-value: 0.5813) were not statistically significant. The model had an R-squared value of 0.3709, indicating that approximately 37% of the variation in accounting conservatism was explained by the ownership syndicate variables. The study recommended the need for enhanced regulatory oversight, improved managerial training, and active institutional investor engagement to promote conservative accounting practices.

Keywords:* *Ownership Syndicates, Accounting Conservatism, Foreign Ownership, Managerial Ownership, Institutional Ownership, Block Ownership, Financial Reporting Practices

1.0 Introduction

The separation of ownership and management rights, a core tenet of modern corporate theory, has become increasingly prevalent in Nigerian companies. This divergence in the interests of shareholders and corporate managers has amplified agency problems and conflicts between the two groups (Egbadju, 2024). The presence of such principal-agent issues acts as an impediment, preventing firms and their shareholders from maximizing their potential value. However, a well-structured ownership syndicate coupled with sound, conservative accounting practices can help mitigate these agency conflicts by better aligning incentives and monitoring mechanisms (Song, 2015).

Ownership syndicates, which refer to organized groups jointly holding equity stakes in a company, exhibit significant variation in their structures and concentration levels across Nigerian entities (Egbadju, 2024; Nguyen & Phan, 2024; Qiao, Adegbite & Nguyen, 2023). These divergent ownership syndicate formations result in markedly diverse corporate governance frameworks. The specific nature of an ownership syndicate plays a pivotal role in determining the extent of influence, oversight and monitoring that owners are able to exert over a firm's financial reporting processes and practices (Cullinan et al., 2012).

The principle of accounting conservatism, defined as the prudent recognition of expenses and liabilities as compared to revenues and assets, is widely regarded as a crucial characteristic and hallmark of high-quality financial reporting practices (Egbadju, 2024; Nguyen & Phan, 2024; Qiao et al., 2023). Conservative accounting helps enhance contracting efficiency, mitigate information asymmetry between managers and owners, alleviate agency costs, and reduce litigation risk exposure (Aburisheh et al., 2022).

However, a series of high-profile corporate failures and revelations of financial reporting frauds among some major Nigerian entities in recent years have raised significant concerns about weaknesses and integrity issues in operational and reporting systems, even among the country's leading consumer goods companies (Gabriel & Osazuwa, 2020). Given the multitude of benefits associated with accounting conservatism, effective corporate governance mechanisms facilitated by appropriate ownership syndicate structures are highly desirable to promote reliable, high-quality accounting information that adequately meets the needs of investors in Nigeria.

1.1 Statement of the Problem

At the firm level in Nigeria, many consumer goods corporations tend to exhibit relatively low levels of accounting conservatism in their financial reporting practices (Egbadju, 2024; Nguyen & Phan, 2024; Qiao, Adegbite & Nguyen, 2023; Hajawiyah, Wahyudin, Kiswanto & Pahala, 2020). Weak corporate governance mechanisms and lack of effective monitoring arising from the different ownership syndicate structures have often been cited as key reasons behind this lack of sufficient conservatism among listed Nigerian consumer goods companies. Low levels of conservatism may make financial statement fraud, earning management, and transparency problems more likely (Owais, 2021).

There hasn't been much research done in Nigeria on the connection between a company's ownership syndicate structure and the level of accounting conservatism used, and this is still up for discussion in both academic and practical circles. The few existing Nigerian studies on this topic present varied and conflicting assertions regarding the nature of this relationship, with some finding positive effects, others negative effects, while others document mixed effects depending on certain factors (Aburisheh, Dahiyat, Owais, Al Shanti, & AlQudah, 2022; García Lara et al., 2014; Hajawiyah, Wahyudin, Kiswanto & Pahala, 2020). This lack of consensus and differing viewpoints from prior studies has created uncertainties around which specific ownership groups and what levels of ownership might influence accounting conservatism most favourably.

A major limitation of prior research in this area is that most studies have concentrated on developed Western economies like the U.S. and U.K. which tend to have dispersed ownership structures (Cullinan et al., 2012; Alves, 2020; Zhong & Li, 2017). In contrast, emerging markets like Nigeria often exhibit more concentrated ownership patterns. However, there remains a dearth of studies directly examining the association between certain major ownership syndicate types like family and state ownership with accounting conservatism, especially in the consumer goods sector of Nigeria.

Therefore, a significant literature gap persists on how different ownership syndicate structures prevalent among Nigerian consumer goods companies affect their accounting conservatism practices and financial reporting quality. Addressing this crucial gap can provide valuable insights into designing appropriate corporate governance and ownership syndicate that promote higher quality, more transparent, and conservative accounting practices among Nigerian consumer goods companies. This can facilitate achieving broader objectives of investor confidence, corporate accountability, and economic efficiency. Thus, this study aims to investigate this relationship over an extended period from 2013 to 2022, while introducing additional ownership variables like block holdings and family ownership that have not been fully covered in prior studies on Nigeria.

1.2 Research Hypothesis

The following hypotheses were tested in the study:

H_{o1}: Foreign ownership has no significant effect on accounting conservatism.

H_{o2}: Managerial ownership has no significant effect on accounting conservatism.

H_{o3}: There is no significant effect between institutional ownership and accounting conservatism.

H_{o4}: Block ownership has no significant effect on accounting conservatism.

H_{o5}: Family ownership syndicate has no significant effect on accounting conservatism.

2.0 Review of Related Literatures

2.1.1 Ownership Syndicates

Ownership syndicates in Nigeria have played a critical role in the country's corporate governance. Historically, Nigerian companies have adopted various forms of ownership syndicates to pool resources and expertise to achieve common goals. This practice is especially prevalent in sectors requiring substantial capital investment, such as the oil and gas industry, banking, and telecommunications (Usman & Ojo, 2019). In Nigeria, ownership syndicates are often formed to navigate the challenging business environment characterized by political instability, economic volatility, and regulatory constraints. These syndicates enable firms to leverage combined resources, share risks, and enhance their competitive edge. According to Usman and Ojo (2019), the distribution of equity in these syndicates is crucial, as it defines the control and influence different stakeholders have over the company's strategic decisions. Because the interests of managers and stockholders may not coincide, this syndicate is crucial for handling the agency problem.

The effectiveness of ownership syndicates in Nigeria is also influenced by the country's corporate governance framework. Strong corporate governance mechanisms are necessary to ensure accountability, transparency, and the protection of minority shareholders' interests. As noted by Aboud and Diab (2022), effective governance practices can mitigate the risks associated with concentrated ownership and enhance the conservatism in accounting practices, leading to more reliable financial reporting.

2.1.2 Types of Ownership Syndicates in the Nigerian Consumer Goods Sector

In the Nigerian consumer goods sector, various forms of ownership syndicates exist, each with its unique characteristics and implications for corporate governance and financial reporting. The syndicates in question comprise ownership by foreign entities, families, institutions, blocks, and management.

2.1.2.1 Foreign Ownership Syndicates: This involves international investors pooling resources to invest in Nigerian consumer goods companies. These syndicates are crucial for bringing in much-needed capital, advanced technology, and managerial expertise, which are often scarce in the local market. The participation of foreign investors can lead to improvements in corporate governance practices, as these investors typically demand higher transparency and accountability. This influence can result in more conservative accounting practices, ensuring that financial statements are reliable and that assets and liabilities are not overstated or understated. The integration of foreign capital and expertise can also help local companies expand their market reach and operational efficiency, fostering overall sector growth (Usman & Ojo, 2019). However, the involvement of foreign ownership syndicates in Nigeria comes with its own set of challenges. Cross-border governance issues often arise, as differences in regulatory environments, business cultures, and strategic priorities between foreign and local stakeholders can create conflicts. Furthermore, it might be difficult to balance the interests of international investors with those of regional stakeholders, which could cause conflict throughout the decision-making process. There is also a risk that foreign investors might prioritize short-term returns over long-term stability, which could affect the company's strategic direction and sustainability (Aboud & Diab, 2022).

2.1.2.2 Managerial Ownership Syndicates: Managerial ownership syndicates in Nigeria are particularly significant in shaping the governance and operational strategies of consumer goods companies. In these syndicates, top executives and managers hold substantial equity stakes, aligning their financial interests with those of the shareholders. This alignment can incentivize managers to prioritize long-term value creation and prudent risk management, thereby fostering a conservative approach to accounting practices (Adamu & Haruna, 2020). The rationale is that when managers have a significant personal financial investment in the company, they are more likely to act in ways that protect and enhance shareholder value. However, the concentration of ownership among managers can also pose challenges. Excessive managerial ownership may lead to entrenchment, where managers have enough control to resist shareholder pressures and maintain their positions regardless of performance. This can reduce accountability and potentially result in less rigorous oversight and transparency in financial reporting. In Nigeria's dynamic economic environment, where corporate governance standards are still evolving, striking the right balance between empowering managers through ownership and maintaining effective oversight mechanisms is crucial for achieving sustainable corporate growth and financial integrity (Adamu & Haruna, 2020).

2.1.2.3 Institutional Ownership Syndicates: Institutional ownership syndicates in Nigeria, encompassing large institutional investors such as pension funds, mutual funds, insurance companies, and sovereign wealth funds, have become increasingly influential in the corporate framework. These institutional investors bring substantial financial resources, sophisticated analytical capabilities, and a strong emphasis on corporate governance standards. Their significant equity stakes often grant them considerable voting power and a prominent role in shaping company policies and strategic decisions. Institutional investors are typically more focused on long-term value creation and risk management, which can promote stability and sustainability within the companies they invest in (Villalonga, 2019). They advocate for transparency, accountability, and adherence to rigorous financial reporting standards, fostering an environment conducive to accounting conservatism. By placing a strong emphasis on conservatism, financial reports are more credible and the possibility of financial misstatements is reduced, safeguarding the interests of all shareholders. Institutional investors can also act as a check on managerial authority by balancing management objectives with those of the larger investor base and decreasing the possibility of executives acting opportunistically (Villalonga, 2019).

2.1.2.4 Block Ownership Syndicates: Block ownership syndicates in Nigeria involve large shareholders or groups of shareholders who hold significant equity stakes, often exceeding 5% of the total shares in a company. These block owners can wield substantial influence over corporate decisions and policies, given their considerable voting power and financial interest. In the Nigerian consumer goods sector, block ownership often includes influential individuals, families, or institutional investors who collaborate to safeguard their investments and drive corporate strategies that align with their interests (Cullinan et al., 2012). This form of ownership can promote long-term stability and conservatism in financial reporting, as block owners typically advocate for prudent financial practices to protect their substantial investments. However, the dominance of block owners can also marginalize minority shareholders, potentially leading to conflicts of interest and governance challenges. To mitigate these risks, it is crucial for companies with block ownership syndicates to implement strong corporate governance frameworks that ensure transparency, accountability, and equitable treatment of all shareholders (Cullinan et al., 2012).

2.1.2.5 Family Ownership Syndicates: Family ownership syndicates are prevalent in Nigeria's consumer goods sector, reflecting the country's broader economic and cultural environment. These syndicates typically involve family members pooling their resources and equity to control and manage the company. This structure can foster a long-term strategic vision and a strong commitment to the business, since family members frequently have a stake in the business's continued success for several generations. However, family ownership can also pose significant governance challenges. The concentration of power within a single family can lead to issues of nepotism, where key management positions are filled based on familial ties rather than merit, potentially undermining professional management and operational efficiency (Sharma & Kaur, 2021). Additionally, family syndicates may resist external input and oversight, leading to less transparency and weaker adherence to corporate governance standards. This insularity can affect the firm's financial reporting practices, potentially reducing the level of accounting conservatism and increasing the risk of financial misstatements. Despite these challenges, family ownership syndicates can contribute positively by providing stability and a cohesive leadership structure, especially in a volatile business environment like Nigeria's, where long-term relationships and trust play crucial roles in business success (Sharma & Kaur, 2021).

2.1.3 Accounting Conservatism

In Nigeria, the concept of accounting conservatism is gaining traction as businesses increasingly recognize its role in enhancing the reliability of financial reporting. Given the evolving corporate governance of the country, accounting conservatism serves as a vital tool for mitigating information asymmetry and managing agency costs. According to Watts (2003), conservatism entails asymmetry in the verification of gains and losses, requiring a higher degree of verification for gains. This principle is crucial in Nigeria, where regulatory environments are continuously developing to enhance financial transparency and accountability. Nigerian companies, particularly in the consumer goods sector, adopt conservative accounting practices to ensure that financial statements do not overstate assets or income, thereby reducing litigation risks and fostering investor trust (Alves, 2023). The conservative approach aligns with the need for stringent financial oversight, helping firms navigate the complexities of the Nigerian market by ensuring that reported financial data is both accurate and reliable.

Furthermore, the practice of accounting conservatism in Nigeria is influenced by the country's legal and economic environment. Companies are often motivated to adopt conservative accounting methods to avoid regulatory scrutiny and potential sanctions. This regulatory influence is significant in a market where enforcement of financial regulations is critical to maintaining investor confidence and market stability (Watts, 2003). By underestimating assets and earnings, Nigerian firms can present a more cautious financial outlook, which helps in managing investor expectations and maintaining market stability. This approach is particularly important in a volatile economic environment, where conservative financial reporting can serve as a safeguard against unexpected economic downturns and financial misstatements (Nguyen & Phan, 2024).

2.1.4 Ownership Syndicates and Conservatism Accounting

The conservatism of accounting in Nigeria is mostly influenced by ownership syndicates. Increased authority over the board of directors can result from ownership concentration, which can then affect managerial choices and the calibre of financial reporting. When a single large shareholder holds a significant portion of shares, they have the ability to appoint or dismiss managers, thereby ensuring that management aligns with their interests (Aburisheh et al., 2022). This concentration can reduce opportunistic managerial behavior and improve financial reporting quality, as conservative accounting practices limit managers' ability to manipulate earnings for personal gain (Aburisheh et al., 2022).

However, increased ownership concentration might also result in wealth transfers from minority shareholders, negatively affecting the firm's value and operating efficiency (LaFond & Watts, 2008). They are also in a position to influence the activities that can take place through controlling shareholders in a way that benefits them but not the non-controlling shareholders. Therefore, accounting conservatism in that perspective is important because of its potential to improve the quality of financial information by requiring more verification in good news than in bad news.

2.1.5 Foreign Ownership and Accounting Conservatism: Foreign investors in Nigeria are drawn to firms with high levels of transparency and investment, which they associate with lower information asymmetry (Lafond & Roychowdhury, 2008). These investors bring stronger monitoring abilities and demand higher accuracy in accounting information, often leading to more conservative financial reporting (An, 2015). According to research, there is a favourable correlation between foreign ownership and accounting conservatism. Foreign investors use their experience to reduce managerial opportunism and increase the quality of financial reporting (Alkurdi, Al-Nimer & Dabaghia, 2017).

2.1.6 Accounting Conservatism and Managerial Ownership: Also, the level of managerial ownership in Nigeria might differ in its influence on the level of accounting conservatism. Higher managerial ownership aligns management interests with the shareholders' interests, reducing the agency problem, hence improving the quality of financial reporting (Mitra et al., 2017). However, if managerial ownership is very high or too low, it may result in an entrenchment effect, associated with reduced incentives to report conservatively (Song, 2015). Studies show a nonlinear relationship between managerial ownership levels and more conservative accounting practices that strike a compromise between managers' and shareholders' interests (Shuto & Takada, 2010).

2.1.7 Accounting Conservatism and Institutional Ownership: In Nigeria, institutional ownership is linked to improved oversight and higher-quality earnings (Ramalingegowda & Yu, 2012). Large institutional investors, such as banks and investment funds, have the resources and incentives to monitor management effectively, thereby demanding more conservative financial reporting (Chen et al., 2009). Studies have shown that higher institutional ownership correlates with increased conservatism in financial reporting, as these investors prefer conservative accounting to protect their investments and reduce agency costs (Qiang, 2004).

2.1.8 Block Ownership and Accounting Conservatism: Block ownership, in which large shareholders own a sizable amount of a company's shares, is important for financial reporting in Nigeria (Chen et al., 2009). Large shareholders have stronger incentives and greater means to influence managerial decisions, promoting conservative accounting practices (Aburisheh et al., 2022). By balancing the interests of managers and shareholders, this ownership concentration lessens management opportunism. As a result, companies in Nigeria that have larger block ownership are probably going to present their finances in a more conservative manner.

2.1.9 Family Ownership and Accounting Conservatism: In Nigeria, family ownership is associated with conservative financial reporting methods because it prioritizes non-financial objectives and long-term commitment (Hsu, Tsao & Lin, 2022). The goal of family-owned companies is to preserve socioemotional wealth, which leads to careful bookkeeping procedures (Ferramosca & Ghio, 2018). These businesses would like to employ conservative accounting methods in order to maintain stability and protect their long-term interests. Family owners employ cautious financial reporting to maintain control and reduce costs, so research suggest that family ownership and accounting conservatism go hand in hand (Gomez–Mejia et al., 2014).

2.2 Theoretical Framework

Numerous theories elucidate the connection between ownership syndicates and accounting conservatism. Specifically, the theories under consideration encompass agency theory, shareholder theory, and opportunistic theory.

2.2.1 Agency Theory: This theory clarifies the connection between ownership syndicates and accounting conservatism. It was first introduced by Alchain and Demsetz in 1972 and expanded upon by Jensen and Meckling in 1976. The approach emphasizes the fundamental tension that exists within organizations between control and ownership. emphasizing the delegation of decision-making rights from shareholders to managers. This delegation engenders a principal-agent relationship wherein managers, as agents, may prioritize self-interest over shareholder value maximization, leading to agency costs. Accounting conservatism serves as a mechanism to mitigate such conflicts by enhancing the quality of financial reporting, thereby aligning managerial actions with shareholder interests (Khalilov & Osma, 2020).

According to agency theory, management opportunism—the practice of managers using corporate resources for their own benefit—is encouraged by the division of ownership and control, which lowers shareholder wealth. Accounting conservatism protects shareholder interests by discouraging managerial opportunism by offering verifiable information on gains and losses. Concentrated ownership structures in ownership syndicates allow for efficient oversight and control over managerial conduct, which lowers agency costs and encourages accounting conservatism (LaFond & Watts, 2008).

2.2.2 Shareholder Theory: Shareholder Theory, introduced by R. Edward Freeman in the 1980s, posits that businesses exist solely to maximize shareholder wealth. As the company's owners, shareholders assign managerial duties to maximize earnings (Freeman & Phillips, 2002). As a result, maximizing profits is a company's main goal, with the interests of its shareholders coming first. According to this paradigm, ownership syndicates are essential for coordinating managerial decisions with the objective of maximizing wealth, which supports accounting conservatism as a strategy to increase shareholder value.

2.2.3 Opportunistic Theory: Opportunistic Theory, advanced by Kester in 1992, elucidates managerial behavior driven by self-interest, including theft, dishonesty, and information withholding. Such opportunistic behavior detrimentally impacts firm performance, necessitating monitoring by shareholders to mitigate agency costs (Kester, 2019). Accounting conservatism serves as a tool to counteract managerial opportunism by providing transparent financial reporting, thereby enabling effective monitoring and reducing the likelihood of adverse managerial actions. Ownership syndicates, particularly those with significant shareholder control, serve as a mechanism to deter opportunistic behavior and promote accounting conservatism to safeguard shareholder interests.

2.3 Review of Empirical Literatures

Egbadju (2024) investigated the association between corporate governance attributes and accounting conservatism in Nigerian non-financial firms between 2005 and 2020 using the generalized method of moments (GMM). The results showed that accounting conservatism and the size of the audit committee, the number of foreign directors, management ownership, and the board had a statistically significant positive link. Nonetheless, a significant inverse relationship was shown between conservatism and the CEO's prior military experience as well as board independence. Further investigation showed a significant relationship between conservatism and the existence of a Big 4 auditor as well as the quantity of foreign directors.

The relationship between the market-to-book ratio, which is the measure of accounting conservatism, and unequal timeliness of earnings with the financial performance of the companies assessed in this study, as revealed by a recent study of the accounting conservatism realization in Nigerian consumer goods companies, has been shown by Ihenyen and Ayogoi (2023). They arrived at a finding where the correlation between asymmetric timeliness of earnings, a measure of conservatism, and return on assets was negative but insignificant, that of market-to-book positive and significant.

Chiedu et al. (2022) examined, from 2010 to 2019, the association between ownership structure and accounting conservatism of Nigerian non-financial listed firms using panel data analysis. The market-to-book ratio and the asymmetry timeliness of earnings indicators showed that managerial ownership and conservatism were highly positively correlated. Furthermore, the market-to-book ratio and foreign ownership showed a significant positive association.

Ownership structure and major financial performance metrics of commercial banks in Kenya have been evaluated by Kirimi et al. (2022), which has been observed from 2009 to 2020, namely, net interest margin, return on equity, return on assets, and earnings per share-using regression analysis. Their research indicates that there is a substantial inverse association between state ownership and net interest margin and a considerable inverse relationship between management ownership and net interest margin and earnings per share.

By using panel regression, Bayesian analysis, and other methods, Etale and Yalah (2022) estimated that CPBs listed in Nigeria from 2011 to 2020 have a positive relationship between ownership and financial performance. They showed that controlling ownership would positively and relatedly associate with financial performance in a non-statistically significant way, while on the other hand, non-controlling ownership presented a favorable and statistically significant association with financial performance.

In a similar vein, Usman and Ojo, 2019 evaluated the effect of ownership structure on accounting conservatism of listed Nigerian conglomerate firms between 2012 and 2018 with the aid of generalized method of moments. They found that management ownership reduces significantly by making accounting conservatism level negative, but foreign ownership does so only minimally.

Asiriuwa et al. (2019) examined the effect of ownership structure on accounting conservatism through panel regression analysis on listed firms in Nigeria from 2013 to 2017. Other studies also found similar results on the relationship of institutional ownership and accounting conservatism, either weak or low but positively related. Likewise, management ownership and accounting conservatism were.

In a study by Adamu and Haruna (2020) on the ownership structure and performance indicators such as Tobin's Q, return on equity, return on assets, and earnings per share of non-financial listed businesses in Nigeria, business performance and management ownership are negatively associated while performance of the organization and institutional ownership are positively associated. These results from their regression studies have portrayed that there is a negative association between the variables of management ownership and the performance indicators of the firm.

Okewale et al. (2020) assessed the impact of ownership structure on the financial performance of Nigerian listed food and beverage companies, for the period 2010–2018. They conducted pooled, fixed-effects, and random effects regression analysis. Their results indicate that management ownership slightly increases return on equity.

Gabriel and Osazuwa (2020) looked on how ownership structure concentration affected financial performance metrics for Nigerian manufacturing companies between 2009 and 2019, such as return on assets and Tobin's Q. Their research showed that ownership concentration by the government, institutions, and blocks has a major effect on performance.

Alhassan and Mamuda (2020) utilized pooled regression, fixed-effects regression, and Random effects regression in their study to ascertain the impact of ownership structure on financial performance of listed Nigerian financial firms between 2010 and 2019. In their findings, they reported ownership structure to have a strong positive impact on financial performance except ownership concentration.

David and Boniface (2019) carried out their study on accounting conservatism and the connection it has to Nigerian consumer products companies. Based on their findings where panel least squares and fixed effects regression were used, it shows that business performance is marginally favorable to accounting conservatism.

The study by Ogabo et al. (2021) explored how management and institutional ownership influence financial performance indicators, including Tobin's Q, return on equity, and return on assets, for FTSE 350 UK companies over a period of 2008 to 2018. Their findings, from the descriptive and regression panel analyses, showed that management ownership significantly improved the performance of a business entity without an entrenchment effect at ownership levels beyond 5%.

3.1 Methodology

An ex post facto study design is used to investigate the impact of ownership syndicates on conservative accounting in Nigerian consumer goods industries. This design was selected because it is appropriate for studying historical occurrences or non-manipulable phenomena. During the ten-year period from 2013 to 2022—which coincides with the complete implementation of International Financial Reporting Standards (IFRS) and increased shareholder-manager conflicts—the analysis covers all quoted consumer products firms in Nigeria. Data primarily come from secondary sources, particularly annual reports and accounts, ensuring reliability. The population consists of twenty-one consumer goods firms listed on the Nigeria Exchange Limited as of December 31, 2022, with a purposive sample of fifteen firms selected based on criteria including availability of detailed information on ownership syndicates, complete financial statements, and compliance with listing requirements. Excluded firms include those delisted, inactive, newly listed, or with incomplete data.

3.2 Method of Data Analysis

The tools used in analyzing data were multiple regression analysis, correlation analysis, and descriptive statistics for testing the existence of the relationship of ownership syndicate and accounting conservatism. Several diagnostic procedures were also conducted to ensure the validity of the analysis, including the Hausman effect test, normality test, and multicollinearity test. To establish the causal relationship of the ownership syndicate over accounting conservatism, multiple regressions of panel data were used. These involved fixed and random effect regressions. This was carried out using computer software, E-views version 10. These tables were rotary generated through extraction and presentation of findings from the analysis.

3.3 Data and variables description

In the study, foreign ownership, management ownership, institutional ownership, and block ownership were the independent factors, while accounting conservatism served as the dependent variable. The operationalization of variables lists the methods used to measure these variables. Table 1.

Table 1: Operationalization of Variables

Dependent Variable	
Accounting Conservatism (ACONS)	Calculated as the company's income before extraordinary items and discontinued operations plus extraordinary items and discontinued operations in year t, accruals conservatism serves as a stand-in for accounting conservatism. Givily and Hayn (2010)
Independent Variable	
Foreign Ownership (FOROWN)	The proportion of foreign ownership of shares. That is the fraction of an enterprise that major foreign investors own.
Institutional Ownership (INSOWN)	Proportion of shares that institutional investors own. That is the portion of a company's ownership that is held by endowments, pension funds, or major financial institutions (Khalilov & Osma, 2020).
Managerial ownership (MANOWN)	Percentage of directors' or managers' shares. The natural logarithm of the equity that managers own as shareholders in a company is used to calculate it (Kirimi, Kariuki & Ocharo, 2022).
Block Ownership (BLOWN)	Shareholding is a percentage of total shares held. It is quantified as the percentage of common stock owned by significant investors, which needs to be greater than or equal to 5% of all common stock (Kirimi, Kariuki & Ocharo, 2022).
Family Ownership (FAMOWN)	The portion of shares owned by relatives. This is the proportion of insider ownership in a specific company that is held by insiders and family members (Kirimi, Kariuki & Ocharo, 2022).

Source: Researchers' Compilation (2024)

3.4 Model Specification

The following regression models were developed in this study in their implicit form to capture the variables of the study:

$$CONSAC = f(FOROWN, MANOWN, INSOWN, BLOWN, FAMOWN) \ldots \ldots \ldots \ldots \ldots \ldots \ldots (1)$$

The econometric form or testable form is given as:

$$CONSAC_{it} = \beta_0 + \beta_1 FOROWN_{it} + \beta_2 MANOWN_{it} + \beta_3 INSOWN_{it} + \beta_4 BLOWN_{it} + \beta_5 FAMOWN_{it} + e_{it} \ldots \ldots \ldots (2)$$

Where:

CONSAC = Conservatism Accounting
FOROWN = Foreign ownership
MANOWN = Managerial ownership
INSOWN = Institutional ownership
BLOWN = block ownership
FAMOWN = Family Ownership
e = Error Term
β_0 = Intercept
$\beta_1 - \beta_5$ = Coefficients of the regression

4.0 Presentation and Analysis Of Data

4.1 Preliminary Data Tests

The preliminary data tests undertaken on the project included both the variance inflation factor test and the Correlation analysis; others were descriptive statistics. Descriptive statistics was used to analyse the data to enable the researcher to understand the type and normalcy of the data. Correlation analysis has been conducted to find out the relationship between the variables and the presence of multi-collinearity. As there exists a perfect correlation between the variables, therefore, multi-collinearity has been checked using the Variance Inflation Factor. Finally, the study used panel least squares regression analysis in obtaining functional causal effect between conservatism accounting (CONSAC) and ownership syndicates components like foreign ownership (FOROWN), managerial ownership (MANOWN), institutional ownership (INSOWN), family ownership (FAMOWN) and block ownership (BLOWN).

4.2 Descriptive Statistics

Table 2 provides descriptive statistics about ownership syndicates and accounting conservatism for quoted consumer products businesses in Nigeria. The descriptive statistics for accounting conservatism, with a mean value of -0.046242, indicated a slightly negative average level of conservatism in accounting procedures. The large disparity between the minimum value of -1.26 and the greatest value of 2.0, however, suggests that there is a significant difference in the accounting conservatism levels across the organizations. The high positive skewness of 4.253520 and the extremely high kurtosis of 54.90767 further indicate that the distribution of accounting conservatism is heavily skewed to the right, with most companies exhibiting relatively low levels of conservatism and a few outliers exhibiting significantly higher levels.

Table 2: Descriptive Result

	ACONS	FOROWN	MANOWN	INSOWN	BLOWN	FAMOWN
Mean	-0.046242	0.333007	0.131678	0.306597	0.654899	0.376020
Median	-0.050000	0.250000	0.070000	0.100000	0.710000	0.340000
Maximum	2.000000	0.800000	0.520000	8.000000	0.870000	0.890000
Minimum	-1.260000	0.000000	0.000000	0.000000	0.170000	0.000000
Std. Dev.	0.222803	0.264702	0.152110	0.927868	0.184606	0.247276
Skewness	4.253520	0.229322	1.396689	7.723961	-0.960220	0.139681
Kurtosis	54.90767	1.512106	3.754203	64.30881	3.104869	1.741292
Jarque-Bera	17177.07	15.05013	51.97482	24817.24	22.96517	10.32066
Probability	0.000000	0.000539	0.000000	0.000000	0.000010	0.005740
Sum	-6.890000	49.61800	19.62000	45.68300	97.58000	56.02700
Sum Sq. Dev.	7.346895	10.36991	3.424325	127.4189	5.043723	9.049509
Observations	149	149	149	149	149	149

Source: Researcher's summary of Nigeria regression result (2024)

The ownership structure of the sample companies is diversified, with notable representations of different ownership forms. The sample companies have a noteworthy presence of international investors, with a mean foreign ownership of 0.333007 (33.3%). The highest percentage of 80% and the lowest number of 0% show how widely the amount of foreign ownership varies between the companies. The average of 0.131678 (13.17%) shows that managerial ownership is rather low. Conversely, the extremes of 0% and 52% show that while some companies have very little managerial ownership, others have far higher proportions. The chosen companies demonstrate a notable level of institutional investor participation, as seen by the average institutional ownership of 0.306597 (30.66%). However, given its extraordinarily high value and lack of likelihood of representing a genuine ownership percentage, the maximum result of 8.0 (800%) seems to be an outlier or possible data error. Based on average, the sample companies show a significant concentration of ownership by block holders, with a mean block ownership of 0.654899 (65.49%). Block ownership has a major impact on these businesses' ownership structures, as seen by the maximum of 87% and the lowest of 17%. The average family ownership of 37.6%, or 0.376020, indicates that family ownership is quite prevalent among the sample enterprises. The maximum of 89% and the minimum of 0% suggest that while some companies have substantial family ownership, others have no family ownership at all.

4.3 Correlation Result

Table 3 presents the correlation results between different ownership structures in Nigerian enterprises and accounting conservatism. The results show that foreign ownership (-0.078628) and managerial ownership (-0.152757) have a weakly negative relationship with accounting conservatism. This suggests that companies with higher percentages of foreign ownership and management generally use considerably less conservative accounting practices when it comes to financial reporting. However, family ownership (0.088498), institutional ownership (0.045132), and block ownership (0.040766) are moderately positively correlated with accounting conservatism. This indicates that companies with higher percentages of these ownership categories tend to use slightly more conservative accounting practices.

Table 3: Correlation Result

	ACONS	FOROWN	MANOWN	INSOWN	BLOWN	FAMOWN
ACONS	1.000000	-0.078628	-0.152757	0.045132	0.040766	0.088498
FOROWN	-0.078628	1.000000	0.077104	-0.080300	-0.525678	-0.207319
MANOWN	-0.152757	0.077104	1.000000	-0.020647	0.178421	-0.406207
INSOWN	0.045132	-0.080300	-0.020647	1.000000	0.026649	0.096376
BLOWN	0.040766	-0.525678	0.178421	0.026649	1.000000	0.114128
FAMOWN	0.088498	-0.207319	-0.406207	0.096376	0.114128	1.000000

Source: Researcher's summary of Nigeria regression result (2024)

The correlation data also sheds light on the relationships among the different ownership structures themselves. There is a highly negative correlation (-0.525678) and a small negative relationship (-0.207319) between blocks and foreign ownership. This points towards companies having higher percentages of foreign ownership having lower percentages of block and family ownership. The relation of block with managerial ownership is different; block ownership has little positive correlation (0.178421) whereas a highly significant negative association of block was (-0.406207) with family ownership. This suggests that family ownership is lower and block ownership is higher when there is more managerial ownership.

Also, institutional ownership and family ownership have a very weak correlation with a corresponding correlation coefficient of 0.096376, while block ownership and institutional ownership have very poor correlation with a correlation coefficient of 0.026649. This means that block and family ownership and institutional ownership are not significantly correlated. Block ownership and family ownership have now been discovered to have a weak positive association (0.114128), suggesting that organizations with more block ownership are likewise likely to have somewhat higher family ownership.

4.4 VIF Result

The VIF (Variance Inflation Factors) results presented in Table 4 for the Nigerian sample are used to assess the presence of multicollinearity, which occurs when the independent variables in a regression model are highly correlated with each other. The centered VIF values for institutional ownership (1.014332), block ownership (1.504495), family ownership (1.272629), managerial ownership (1.303977), foreign ownership (1.461956), and block ownership (1.014332) are all significantly below the generally acknowledged threshold of 5, suggesting that multicollinearity is not a serious problem among these variables. VIF levels between 5 and 10 may be reason for concern, while values larger than 10 are typically seen as an indicator of severe multicollinearity. Since most of the centered VIF values in this instance are near to 1, it is possible that the independent variables do not have a strong correlation with one another.

Table 4: VIF Result

Variance Inflation Factors
Date: 02/08/24 Time: 09:11
Sample: 2013 2022
Included observations: 149

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.010890	30.66405	NA
FOROWN	0.007460	3.791396	1.461956
MANOWN	0.020149	2.287777	1.303977
INSOWN	0.000421	1.125830	1.014332
BLOWN	0.015784	20.56678	1.504495
FAMOWN	0.007441	4.235313	1.272629

Source: Researcher's summary of regression result (2024)

4.5 Hausman Test

To decide which model to utilize for the panel data analysis—a fixed effects model or a random effects model—the Hausman test findings for Nigeria are shown in Table 5. The test statistic (Chi-Sq. Statistic) of 2.823486 and the corresponding p-value of 0.7272 indicate that the null hypothesis of the random effects model being appropriate cannot be rejected at the commonly used significance level of 0.05. The test indicates that the random effects model is chosen over the fixed effects model for the Nigerian sample since the p-value (0.7272) is greater than 0.05. This suggests that the independent variables and the individual-specific effects (i.e., company-specific effects) are not associated, and thus the random effects model is a better fit for examining the connection between ownership structures and accounting conservatism in Nigeria.

Table 5: Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.823486	5	0.7272

Source: Researcher's summary of regression result (2024)

4.6 Regression Result

As the data was a mix of both time series, between 2013 and 2022, and longitudinal data from 15 quoted consumer goods firms in Nigeria, the study therefore used a panel regression in testing the formulated hypotheses and investigates the relationship between the dependent variable accounting conservatism, ACONS, and the independent variables, FOROWN, MANOWN, INSOWN, BLOWN, and FAMOWN. Table 6 gives the coefficients showing the links between accounting conservatism and the dependent variable and several other additional independent factors, basically variables related to ownership syndicates.

Table 6: Regression Result

Cross-section random effects test equation:
Dependent Variable: ACONS
Method: Panel Least Squares
Date: 02/08/24 Time: 09:10
Sample: 2013 2022
Periods included: 10
Cross-sections included: 15
Total panel (unbalanced) observations: 149

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.095544	0.132934	-0.718736	0.4736
FOROWN	-0.015562	0.145143	-0.107215	0.9148
MANOWN	-0.080880	0.224186	-0.360773	0.7189
INSOWN	0.001254	0.021475	0.058392	0.9535
BLOWN	0.089972	0.162723	0.552914	0.5813
FAMOWN	0.015500	4.134080	2.115601	0.0081

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.214035	R-squared	0.370924
Mean dependent var	-0.046242	Adjusted R-squared	0.365917
S.D. dependent var	0.222803	S.E. of regression	0.230029
Akaike info criterion	0.023100	Sum squared resid	6.825826
Schwarz criterion	0.426315	Log likelihood	18.27902
Hannan-Quinn criter.	0.186920	F-statistic	6.518294
Durbin-Watson stat	2.023970	Prob(F-statistic)	0.050351

Source: Researcher's summary of regression result (2024).

The panel regression examination of quoted consumer goods companies in Nigeria is displayed in table 6 above. Based on the aforementioned results, the study calculated an approximate R-squared value of 0.3709 (37.1%) and an approximate R-squared adjusted value of 0.3659 (36.6%). The coefficient of determination, or R-squared, was 37.1%. This indicates that the model explained 37.1% of the systematic variability in Nigeria's individual dependent variables, while the stochastic error term was responsible for the remaining 62.9% of the unexplained variance. Again, the adjusted R-squared value that was 36.6% is an indication that all the independent variables put together explain approximately 36.6% of the system variation in ownership syndicates of our sampled companies over a ten-year period; approximately 63.4 percent of the total variations are explained by the stochastic error term. Further, the F-statistics value of 6.518 and its probability value of 0.0503 indicate that the model of Nigeria ownership syndicates used in the analysis was significant at the 5% level. This indicates the suitability of the model we used in the investigation. Further, Durbin Watson statistic of 2.023 showed that it has not encountered any problem in terms of self-correlation as the errors are independent of one another while the model is widely distributed considering that the value is approximately equal to 2.

4.7 Discussion of Findings

In addition to the above, the findings from each explanatory variable were provided as follows:

H_{o1}: Foreign ownership syndicate has no significant effect on accounting conservatism

The above regression result indicated that foreign ownership syndicate negatively affected but insignificantly the conservative accounting of listed consumer goods firms in Nigeria, as shown by a -0.0155 negative coefficient value coupled with 0.9148 probability value, $\beta1= -0.\ 0155$, $p = 0.9148$. This means that this finding reveals that the extent of accounting conservatism practised in financial reporting of consumer products industry remains unaffected by the fluctuations in foreign ownership. The conclusions of earlier research that linked foreign ownership syndicates—rather than ownership type—to variances in incentives for account conservatism lend credence to this outcome. This finding suggests that there is a growing need to be more conservative when foreign ownership or shareholding declines. This could be due to foreign expatriates fleeing their capital. The results go counter to earlier studies conducted by Al-Sraheen (2014), who found that firms with larger percentages of foreign ownership enhance the caliber of financial reports in Jordan. The findings indicate that accrual conservatism and foreign ownership have a negative, non-significant connection. Additionally, Smith et al. (2008) conclude that in order to overcome information asymmetry, watch out for opportunistic managerial accounting decisions, and ultimately increase financial report transparency, foreign ownership promotes accounting conservatism. Since the probability (0.9148) is clearly larger than 0.05, the null hypothesis will be accepted and the alternative hypothesis will be rejected. The slope of the coefficient value is -0.0155, which indicates a substantial negativity. Thus, we draw the conclusion that foreign ownership syndicates have a negative but insignificant impact on the accounting conservatism of Nigerian consumer products companies that are publicly traded.

H_{o2}: Managerial ownership has no significant effect on accounting conservatism

Management ownership and accounting conservatism are highly negatively correlated. This indicates that managerial ownership syndicates highly and negatively affect cautious accounting. This suggests that there will be less of a desire to report with conservatism as the manager's ownership investment increases. There will be less demand for conservatism as management ownership rises. Accordingly, we discover that managers who control a larger percentage of the company behave more like shareholders, which lessens the requirement for cautious reporting. Thus, consistent with Chen et al. (2009) and Ramalingegowda and Yu (2012), who also found a negative relationship between accounting conservatism and managerial ownership, we also find that when the latter increases, the former decreases. Similarly, Xia and Zhu (2009) show that less cautious financial reporting is associated with high levels of management ownership based on data from China. According to this study, companies with lower managerial ownership seem to be more conservative. Managers may be fired, for instance, if they perform poorly or misreport their finances. Managers are therefore sufficiently motivated to implement accounting practices, such conservatism, that reduce information asymmetry and promote improved performance, improved governance, and superior reporting. That is to say, the need for conservatism will decline as management ownership rises. Because it prevents contractual parties like managers from being able to independently confirm the privately held information of the informed parties, accounting conservatism has been argued to be an effective governance mechanism for reducing the risks and agency issues associated with information asymmetries and function losses. Because it requires a higher level of verification for recognizing gains and limits managers' ability to withhold information on expected losses and unforeseen expenses, accounting conservatism can act as a constraint on managers and reduce their incentives to overstate earnings and net assets (Hsu, Tsao & Lin, 2022). As a result, a conservative accounting approach can be helpful in disclosing information that managers would be hesitant to share at an early stage. It also permits the revelation of verifiably optimistic information, placing management under increased scrutiny. It explains why there is a reverse relationship between managerial ownership syndicates and accounting conservatism in a documented manner.

This means that accounting conservatism, which is a measure of quality of earnings, may either be influenced positively or otherwise by the ownership position of the management in a company. The little effect we established made us to accept our second null hypothesis, that manager ownership syndicate had a negative and non-significant influence on accounting conservatism of quoted consumer goods firms in Nigeria.

H_{O3}: Institutional ownership syndicate has no significant effect on accounting conservatism.

In accordance with Hypothesis 3, there exists a positive relationship between institutional ownership and accounting conservatism. This is equally reflected in our regression analysis which returned a positive but minimal effect on accounting conservatism for quoted consumer goods companies in Nigeria as $\beta3 = 0.00125$, $p = 0.9535$. It demonstrates that institutional investors are more likely to realize and value gains from governance attributes of conservative financial reporting and, in turn, demand conservative accounting practices from managers. This would indicate that there should be a positive association between accounting conservatism and institutional ownership syndicates.

Moreover, it is indicated that institutional ownership has a significant and positive impact on accruals. Thus, the presence of institutional investors plays a very major role in the formulation of accounting conservatism as a good practice of governance. This is demonstrated by the fact that management lacks a personal interest in championing their agenda of ensuring that people are given credible financial information to enable them to make major decisions. This is in line with Ramalingegowda and Yu (2012), who found that this type of ownership monitors the behavior of the managers by increasing the chances of using relevant accounting practices for the financial reports. This however, is in deviation with Dalvi and Mardanloo (2014) conclusion that accounting conservatism does not offer any connection with institutional investors. Our findings are therefore consistent with earlier US data-based studies like Qiang, (2004), Chen et al. (2009), and Ling (2016), who also found a positive association between institutional ownership and conservatism. Alkurdi et al. (2017), have reported that in a sample of Jordanian companies; institutional ownership is significantly and positively related to accounting conservatism. Using data from China, Majeed et al. (2017), also report the positive correlation of institutional ownership with conservatism. This shows that institutional ownership has some, though positive effect on accounting conservatism. It therefore will not be possible to conclude that institutions that monitor investments form an important investor class for which conservatism is needed as a tool of good governance. That means a lesser role for monitoring through accounting statistics, and greater reliance on direct vision, for institutional investors in Nigeria. The result of the non-significant effect that we found thus led us to conclude this as having shown that institutional ownership syndicate had a positive but minor influence on accounting conservatism of listed consumer goods firms in Nigeria; therefore, this supports our third null hypothesis.

H_{o4}: Block ownership has no significant effect on accounting conservatism.

The regression results indicated that the block ownership syndicate had a positive and insignificant impact on the accounting conservatism of consumer products companies in Nigeria. This indicates that as more block shareholders grow their ownership position in

Nigerian consumer products companies, accounting conservatism may be on the rise. This finding supports the positive correlation shown in studies by Chen et al. (2009), Haw et al. (2012), and Sousa and Galdi (2016) between block ownership and accounting conservatism. These findings from both their study and ours provide evidence that accounting conservatism and block ownership are positively correlated. The higher the concentration of block ownership within a given listed consumer goods company, the more conservative the accounting techniques are likely to be.

This therefore means that no sign could be established to link block ownership syndicates with accounting conservatism. It may hence not be safe to conclude that firms with a greater portion of their shares owned by a few individuals are necessarily practicing accounting conservatism. In the same light, it may also be realized that performance appraised by accounting conservatism is not liken to a wide range of ownership structures. Results by Alkurdi et al. 2017 and Dalvi et al. 2013 support the conclusion. Nevertheless, it is contrary to Song's result that There is a relationship between ownership concentration and the decline in the conflict of interest between majority and minority shareholders and that reduces the need for accounting conservatism.

It could also be that more highly concentrated firms are simply more active tax planners; as a result, such firms report more conservatively. It is of equal importance to note that earlier studies have acknowledged the presence of two different types of investors: the transient investors who were "passive" and would turn vendors at the slightest flip in the market scenario and another group of active monitors who had long-term earnings-based incentives to retain their stake in the business. By this, depending on the nature of block investors, it may be argued to have both positive and negative effect on accounting conservatism so making it a likely reason for the non-significant relationship. Due to this non-significant effect that we have documented, we therefore accept our fourth null hypothesis and conclude that block ownership syndicate has positive but insignificant effect on accounting conservatism of quoted consumer goods firms in Nigeria.

Ho_5: Family ownership has no significant effect on accounting conservatism.

The aforementioned Nigeria regression result indicates that family ownership has a favorable and statistically significant impact on the conservative accounting of quoted consumer goods firms in Nigeria. The firms recorded a positive coefficient value of 0.0155 and a probability value of 0.0081 ($\beta 5= 0.0155$, $p = 0.0081$). This finding suggests that accounting conservatism is rising in tandem with an increase in family ownership or shareholding. This could be the result of a family member participating in business-related activities. The findings of earlier research that linked performance incentives to family interests rather than ownership type lend credence to this outcome. It follows that the size of the groups is not important; rather, what counts is the largest family shareholder group's unanimity of incentive to influence management decisions. Families usually own a large portion of the stock and hold managerial roles in the companies they own. From a traditional agency standpoint, family owners' actions are primarily motivated by their financial interests. According to earlier research, controlling family owners are mostly interested in the benefits that come from non-economic components of the company's operations. This is so that the family's various affective requirements can be met as a result of the decisions family owners make to safeguard and improve these non-economic benefits. Family owners may encourage conservative accounting since, on the one hand, they are strategically cautious and, as such, have an incentive to do something that is not optimal for their financial situation. The decision is being made based on a probability that is obviously below 0.05, meaning that although the slope of the coefficient value is 0.0155, indicating a substantial positivity, the alternate hypothesis will be accepted and the null hypothesis rejected. Thus, we draw the conclusion that family ownership has a statistically significant, beneficial impact on the conservative accounting of listed consumer products companies in Nigeria, with a significance level of 5%.

5.0 Conclusion and Recommendations

The present research set out to ascertain the extent to which ownership syndicates drive the conservative accounting practices of listed Nigerian consumer goods companies. This paper assessed the various forms of ownership structures and ascertained their influence on accounting conservatism. These ownership types included institutional, block, foreign, management, and family ownership. The results revealed that the degree of conservatism was not peculiarly related to managerial, institutional, block, and family ownership. The results revealed, however a negative impact of foreign ownership on accounting conservatism. This implies that foreign ownership might decrease the conservative accounting measures because such ownership means might have relatively lower financial reporting standards or expectations than the local ownership. But the insignificance of the relationships between other types of ownership and the conservative accounting policies of Nigerian consumer goods companies devastatingly indicates that these ownership structures play little role in the conservative accounting procedures being followed. This study adds to knowledge in the ways accounting practices will interact or be influenced by certain ownership structures. It is informing stakeholders and policy framers on the ways foreign ownership can affect conservative financial reporting in a country.

Based on the findings of the study, the following recommendations are provided:

i. Regulatory agencies like the Nigerian Securities and Exchange Commission (SEC) should strengthen their supervision of foreign-owned companies because it was discovered that foreign ownership significantly undermines accounting conservatism. To guarantee adherence to conservative accounting methods, this may entail conducting frequent audits and enforcing accounting standards more strictly.

ii. Given that managerial ownership did not significantly affect accounting conservatism, managers must receive ongoing education about the value of cautious accounting techniques. The advantages of financial reporting conservatism, such as lowering the possibility of financial misstatements and boosting investor confidence, ought to be emphasized in training programs.

iii. There was no statistically significant correlation found between accounting conservatism and institutional ownership. On the other hand, institutional investors can be quite effective in pushing for stronger financial reporting requirements. Consequently, it is imperative for companies to foster proactive involvement from institutional investors in order to advance improved governance and compliance with prudent accounting methodologies.

iv. There was no discernible relationship between family ownership and accounting conservatism. However, it is important to support family-owned companies in implementing strict financial reporting guidelines. This can be accomplished by offering information and workshops on best accounting practices through chambers of commerce or industry associations.

v. Block ownership did not significantly impact accounting conservatism, but high concentrations of block ownership can sometimes lead to less transparent reporting. Companies with substantial block ownership should implement checks and balances, such as independent audits and the establishment of audit committees to ensure that financial reporting remains transparent and conservative.

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