OWNERSHIP STRUCTURE AND QUALITATIVE INFORMATION DISCLOSURES IN NIGERIAN QUOTED COMPANIES

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ABSTRACT

This study investigates ownership structure and qualitative information disclosures in Nigerian quoted companies.This study is a longitudinal in nature covering time frame of five years (2014 to 2020). A total of 169 companies quoted on Nigerian Exchange Group constituted the population, while 119 companies formed the sample size. It employed content analysis of the sampled companies and historical data were obtained from annual financial statements and reports. Data collected were analysed using descriptive statistics, correlations matrix and panel least square regression. This study found that ownership concentration and foreign ownership have significant and positive relationship with qualitative information disclosure among quoted companies in Nigeria; government and institutional ownership have non-significant but positive relationship with qualitative information disclosure; while managerial ownership has no significant and negatively related with qualitative information disclosure among quoted companies in Nigeria. Therefore it is recommended that various ownership in the firm should encourage qualitative information disclosure among quoted companies in Nigeria for the interest of stakeholders.

KEYWORDS: *Qualitative Information Disclosure, Ownership Structure, Management, Stakeholders, And Governance.*

INTRODUCTION

Every organization's management, whether it is private or public, small or big, non-profitable or profitable, is looking for means to convince owners, investors, customers, suppliers, creditors, regulators and the public at large about their work. They are trying to work in a way that makes all those stakeholders or users appreciate them. This is because restoration of public confidence or trust by way of disclosures in annual accounts has become one of the main agendas among today's management of business organisations. Aflack and Douglas (2007) note that corporate annual report shows disclosing behavior of firm and means of improving perceptions among stakeholders in terms of accountability and integrity.Information disclosure principles in accounting require that corporate organisations reports show the most useful amount of information that not to be misleading for the interest of owners and other stakeholders. Relevant information disclosures in corporate annual accounts and reports are important strategies in enhancement firm's capability in realizing capital at the possible minimum cost (Healy &Palepu, 2001). Nevertheless, the forces that have caused an increase in the demand for information disclosure in the capital market stem from the information asymmetry and agency conflicts existing between shareholders and management (Mahfoudh, 2017). The solution to agency conflicts lies in the function of the board of directors and the ownership structure of the firm. Disclosures in annual reports are made up of qualitative information which is non-financial information and quantitative information which is financial information in nature. Qualitative information disclosure in annual reports can take the form of mandatory or voluntary disclosures. Mandatory information disclosure is guided by laws and rules while voluntary disclosure aspect is concerned with discretionally disclosure of information by the firm to owners and other users of annual report. Since the law has taken care of qualitative information disclosure in terms of mandatory, this study examines voluntary aspect of qualitative information disclosure.

Great deals of voluntary qualitative information like corporate governance information, intellectual capital information, corporate risks and social and environmental information are not being adequately disclosed in companies' yearly reports (Binh, 2012). These have become worrisome situations to various ownership structure of companies like institutional, ownership concentration, government, foreign and others users (like customers, suppliers, employees, competitors, activists, government policy makers, host communities, public) of companies' annual reports that needed voluntary qualitative information for decision making (Chen, 2015). Different types of ownership structure affect the agency problem differently, so it is important to have an understanding of the efficiency of alternative forms of ownership to demonstrate the nature of the agency problem and to determine the costs associated with it and how firms' qualitative information disclosures might be affected by it (Anisa&llam, 2018).

Moreover, the effect of the ownership structure on qualitative disclosure is an ongoing debate in the accounting literature in developing countries like Nigeria (Adebiyi&Olowookere, 2016; Ohonba, 2017). Most studies on ownership structure from Nigeria were in relation to Firm's financial performance. For instanceAdebiyi and Olowookere (2016) examined ownership structure and financial reporting quality, while Ohonba (2017) investigated determinants of qualitative information disclosure among quoted firms in Nigeria, but the study captured ownership structure as one of independent variables proxied with director's shareholdings. To the best of the researcher's knowledge, there is no study from Nigeria that examined ownership structure substituted with variables like ownership concentration, managerial ownership, institutional ownership, government ownership and foreign ownership in relation to qualitative information disclosure in annual reports in Nigeria. Hence, there lies a gap in knowledge in this regards which this study desires to contribute.Owing to the back drop of the statement of problems, the following questions are asked;

1. What is the influence of managerial ownership on qualitative information disclosure?
2. What is the effect of ownership concentration on qualitative information disclosure?
3. What is the influence of institutional ownership on qualitative information disclosure?
4. What is the effect of foreign ownership on qualitative information disclosure?

5. What is the influence of state ownership on qualitative information disclosure?

2. Concept of Qualitative Information Disclosure

Corporate qualitative information disclosure is viewed in various ways by different authors.Adesina, Ikhu-Omoregbe and Olaleye (2015) state that disclosure has to do with transferring and presenting economic information, whether financial or nonfinancial for the interest of users to make decision.Financial Accounting Standard Board (FASB) (2000) states that qualitative information disclosure in the firm's annuel report reveals information outside the statements of income and financial positions which are not unambiguously important in accounting rules and standards. Information disclosures in annual report consist of mandatory disclosure and voluntary (Hassan, Romilly, Giorgioni& Power, 2009; Uyar, 2011; Ta-Quang, 2012). Mandatory information disclosure is purely on the country's regulatory authorities (Security and Exchange Commission, Corporate Affairs Commission, International Financial Reporting Standard). Whereas voluntary information disclosures are based on the discretion of the firm in terms non-financial information, disclosed over and above the obligatory criteria of the firm by authorities (Barako, 2007).Association of Investment Management Research (AIMR, 1992) notes that qualitative information disclosure in the corporate report is the right means to transmit message to owners about firm's improvement and advancement. Institutional owners require qualitative information disclosed in annual report to assess long-term capability of managements in running the firm effectively and efficiently.

Due to market failures, imperfection and fears of competitive disadvantages, the government would establish rules and regulations that can enable companies disclose certain qualitative information (Vives, 2007; Bos, Coebergh, & Olden 2008). In effect, qualitative information disclosure relates to information other than financials in companies yearly reports on behalf of owners and other stakeholders. Companies' yearly reports are medium for communicating both quantitative and qualitative information to stakeholders, investors, owners and other users (Al-Shammari, 2008). Ta Quang (2012) states that qualitative information disclosure can either be compulsory or mandatory which are based on laws of regulatory bodies like professional organizations or government authorities. However,Mohamad, Salleh, Ismail, and Chek (2014) note that qualitative information disclosure has been disaggregated into corporate social responsibility disclosure, corporate risk disclosure, corporate governance disclosure and intangible assets disclosure. This implies that every aspect of corporate social responsibility disclosure, corporate risk disclosure, corporate governance disclosure and intangible assets disclosure are applied in order to achieve qualitative information disclosure.

3. Ownership Structure

Ownership structure is seen in different ways by academicians and practitioners in business, accounting and finance**.**Ownership structure is seen as the classes or group of owners that exercise control over activities of a firm. Demstz and Lehn (1983) define ownership structure as the fraction of shares owned by a firm's most significant shareholders, with much attention given to the fraction owned by the five largest shareholders. Demstz and Lehn (1985) also see ownership structure as the fraction of shares owned by firm's management, which include shares owned by members of the corporate board, chief executive officer (CEO) and top management. Pavel and Alexander (2001) viewed Ownership structure as the composition of percentage of voting shares in the hands of the top three shareholders without drawing distinction between state-controlled holdings and percentage of voting shares in the hands of the top three private investors. Wang (2003) view ownership structure as the combination of three different groups of ownership namely; managers, control group and institutional investors. Alipour and Amjadi (2011) define ownership structure as the composition of the biggest five shareholders, which includes a combination of institutional shareholders, individual and managerial shareholders. Shah, Safdar and Mohammad (2011) see ownership structure as the percentage of shares held by Directors. Wang (2003) view ownership structure of a company to entails combination of three major different groups namely; control, managerial and institutional groups. Sahut and Gharbi (2010) also viewed it to be combination of ownership concentration, managerial ownership and institutional ownership. Alipour and Amjadi (2011) defined ownership structure to be composition of five biggest shareholders, like a combination of institutions that owned shares in a firm (institutional ownership), individuals and manager shareholdings (ownership). Kamran, Sehrish, Saleem, Yasir, and Shehzad, (2012) define ownership structure as the composition of managerial ownership and concentrated ownership. However, the basic composition of ownership structure studied by this work is a combination of state, managerial, institutional, and foreign and ownership concentration.

4. Review of Theory

4.1 Agency Theory

This theory was first illustrated in the eighteen century by Adam Smith and later initiated from the work of Adolf Augustus Berle and Gardiner Coit Means with main emphasis on agent and principal relationship in early 1932 (Berle& Means,1932). The agency theory was explored by Ross (1973), while first detailed description and presentation was by Jensen and Meckling in 1976. The argument of the theory was that separation of ownership from control is the main genesis of the principal–agent problem. Jensen and Meckling (1976) noted that agency relationship is a contract between the principal who employs services another person (the agent) on his behalf. Shareholders (institutional, ownership concentration, government, foreign, etc) always expect the managers (agents) act in their interest (Clarke, 2004). The case is different, agents may act of personal interest and not interest of the shareholders or the owners.

With agency theory, managers who prepare annual reports can voluntary disclose qualitative information which can be of benefits for decision making. Meanwhile, managers of companies their personal interest supersede that of shareholders (Padilla, 2002). Effective information disclosure can lessen agency costs and deal with problems associated with the separation of owners and control of the firm (Cormier, Ledoux&Magnan, 2011). The objective of corporate qualitative information disclosure and corporate governance are structured out in order to encourage management and shareholders to make meaningful decisions or management to make equivalent decision suppose be taken by owners themselves like investment that will maximize shareholder's wealth (Shleifer&Vishny, 1997). Agency problem can be lessening by the qualitative information disclosure because it encourages goal congruence (Conyon&Schwalbach, 2000). Qualitative information disclosures in corporate annual reports are considered as strategy to promote monitoring so as to lessen information asymmetry and agency problems. Mulili and Wong (2011) noted that conflict can arise when managers choose to manage the firm for personal gain and not disclosing some relevant information voluntarily.

The demand for more information from the agents by the principals arises as a result of separation of ownership of companies' resources from those who control it (Hassan *et al*, 2009). However, this demand may not be met as agency problems remains on the increase. This has spurred many studies to investigate what spurs the agency problems in a company and hence, affect corporate disclosures. It is believed that qualitative information disclosure in annual report can go a long way in lessening the agency problem.

Methodology

This study employed ex-post facto type of research. It is a longitudinal study covering a time period of five years from 2017 to 2022. Companies quoted on the Nigeria Exchange Group were used for this study. The rationale for choice of quoted companies was to establish whether quoted firms disclose qualitative information (voluntary or mandatory) in the annual financial statements for the interest of owners. This study used content analysis and panel data approach

The population of this study of firms quoted on the Nigerian Exchange Group as at 31st December 2022. A total of one hundred and sixty-nine (169) companies constituted the population of this study. While a total of one hundred and nineteen companies quoted on the Nigerian Stock Exchange constitute the sample size. The sample size is derived from Burley's formula propounded and popularized by Yamane (1967) for the determination of sample size in a finite population, stated as:

$$n = \frac{N}{1+N\ (e)^2}$$

Where:

n = sample size;

N = population size (finite population);

e = desired level of significance, (in this case is 5%).

$$n = \frac{169}{1+169(0.05)^2} = 118.80 = 119 \text{ quoted firms.}$$

The study employed secondary source of data collection. Historical data was obtained from the financial statements and accounts of sampled firms. Qualitative information disclosure data was obtained from Chairman's statement, and other non -financial Information by means of check list.

3.1 Model Specification

The study adapted the model specified by Mahfoudh, (2017)), which is specified as:

$$VDS.=\beta_0+ \beta_1MOWN_{it}+ \beta_2FMB_{it}+ \beta_3GOWN_{it}+\beta_5SIZE_{it}+ \beta_4LEV_{it}+ \beta_6\,ROA_{it}+ \varepsilon. \qquad (Eq1)$$

Where:

VDS= Voluntary disclosures measured as "Total number of points awarded for VDS, strategic, non-financial and financial information (Coding one "1" if the company disclose and Zero "0" otherwise). The disclosure index score is obtained by totaling all items with a score of "1" and expressed it as a percentage of total maximum score 20"

MOWN= Managerial ownership measured as the proportion of ordinary shares held by the CEO and executive directors (dividing the directors shares on total shared issued and fully paid)

FMB=Family member on the board measured as Ratio of number of outstanding common shares held by Family member on the board to the number of total number of outstanding common shares."

GOWN= Level of the government ownership, measured by the percentage of the shares owned by the government to the total outstanding shares."

SIZE= Firm size measured as Log of Total assets

LEV= Leverage of company measured as the ratio of total debt to the equity value of the firm

ROA= Return on asset measured as "Profitability as measured by return on assets that is net income divided by sum assets.

However, for the purpose of this study, our models are specified in implicit form as:

CSED=f(OC, GO, , MO, IO,FO, FSIZE, IND)..(2)

While the explicit model is given as:

$CSED_{it}$=Ш_0+ $\text{Ш}_1 OC_{it}$+ $\text{Ш}_2 GO_{it}$+ $\text{Ш}_3 MO_{it}$+ $\text{Ш}_4 IO_{it}$+ $\text{Ш}_5 FO_{it}$ + $\text{Ш}_6 FSIZE_{it}$+ $\text{Ш}_7 IND_{it}$ +μ .... (3)

CSRD= Corporate Social Environmental Disclosure

Ш_0 =Constant or intercept

$\text{Ш}_{1,}$ to Ш_5 = Coefficients or parameters of the proposed estimates

it = Where " i" for firm and "t" for time

OC= Ownership concentration

GO= Government ownership

MO= Managerial ownership

IO= Institutional ownership

FSIZE= Firm Size

IND = Industry Type

Data collected are analysing using descriptive and inferential statistics. The descriptive statistics employed in this study consists of mean, and standard deviation and Jacque-Bera test.And the inferential statistics include Pearson correlations analysis and Panel Least Square Regression.

4. Data Presentation

TABLE 1: DESCRIPTIVE STATISTICS

	QID	**OC**	**SO**	**MO**	**FO**	**OI**	**INDTY**	**FSIZE**
Mean	0.160696	10.04202	6937358	25.49788	0.304348	5.017391	0.750000	7.180870
Median	0.180000	9.000000	69.67000	26.05000	0.000000	5.000000	0.000000	7.040000
Maximum	0.800000	20.56000	84.29400	30.19000	1.000000	6.000000	1.000000	9.640000
Minimum	0.000000	5.020000	61.27518	13.31000	0.000000	4.000000	0.000000	6.893761
Std. Dev.	0.093642	6.058239	11.76958	2.865084	0.460531	0.762613	0.490325	1.149994
Skewness	1.779278	7.236039	-1.930604	-0.674313	0.850420	-0.029172	0.408248	-1.676998
Kurtosis	2.71028	2.57285	12.49853	3.222902	1.723214	1.722888	1.166667	14.61109

Jarque-Bera	2.021086	1.193245	25.18765	4.476558	108.3645	39.15793	96.49884	3499.515
Probability	0.5278352	0.672080	0.000000	0.082615	0.000000	0.000000	0.000000	0.000000

Source: Authors Computation 2023 (E-Views 8.0)

The result of the descriptive statistics as revealed in Table 4.1 showed qualitative information disclosure (QID) mean of 0.160696 units which is greater than standard deviation of 0.0936 unit, signified that the sampled companies on the average disclosed more voluntary information in their annual financial reports. Ownership concentration (OC) with a value of 0.100420 units showed that on average over 10% were controlled by majority shareholders. State ownership (SO) with mean value of 0.0693735 indicated that about 7% were government shareholding in various sampled firms. Managerial ownership (MO) with mean value of 25.49788 showed that about 25% were shared held by insiders or executives. Foreign ownership (FO) with a mean value of 0.030435 indicated that 3% were shares held by foreigners among the sampled companies. Institutional ownership (IO) with mean value of 5.017391, showed that 0ver 5% shares were held by different organisations in the sampled companies. Industry type with mean value of 0.75000units indicated that about 75% 0f the sampled companies were non-financial sector. Firm size with mean value of 7.18087 units indicated that the sampled companies' assets are running in billionaires of naira.

4.1 Histogram Normality Test

The result of the histogram normality test revealed a mean Jarque-Bera test of 2.934300 and associated probability value of 0.230582 (about 23% which is higher than 5% significance level). The result of the normality test revealed a standard normal distribution of the data for the purpose of regression. The mean positive kurtosis of 2.219545 revealed an average right caved curve shape of less than 3 suggested bench mark which signifies a leptokurtic kurtosis. . The mean positive skewness of 0.046470 means a rightward skewed regression variable as depicted in the histogram normality test above. The average standard deviation of 0.080422 shows that the deviation from the mean of the regression variables is relatively small, which is indicative of the quality of the regression data. Hence, we proceed to correlations matrix to examine associations among variables.

TABLE 2: CORRELATION MATRIX

Variables	QID	OC	GO	MO	FO	IO	INDTY	FSIZE
QID	1.0000							
OC	0.3946	1.0000						
GO	0.1616	-0.4322	1.0000					
MO	- 0.2609	0.0567	0.1389	1.0000				
FO	0.0923	0.0185	-0.0033	0.1911	1.0000			
IO	0.0147	-0.0116	0.06315	0.0246	-0.0481	1.0000		
INDTY	0.1085	-0.008483	0.0867	0.4938	0.0415	-0.0186	1.0000	
FSIZE	-0.0656	-0.3086	0.4854	0.3458	0.1072	0.031846	0.252610	1.0000

Source:*Researchers Computation 2023*

The correlation coefficients in Table 4.2 revealed correlation coefficients between the dependent variable of qualitative information disclosure (QID)and the independent variable were positive such that when qualitative information disclosure (QID) is at unit value, ownership concentration stood at (OC, r=0.3946); state ownership (SO, r=0.1616); foreign ownership (FO, r=0.0923) and institutional ownership (IO, r=0.0147). Similarly, when qualitative information disclosure (QID) is at a unit value of 1, managerial ownership and firm size were at negative values of (MO, r=-0.0923) and (FSIZE, r=-0.0656). It is deduced that the highest correlation coefficient value is between qualitative information disclosure (QID) and ownership concentration with a correlation coefficient of 0.3946. The correlation coefficients are relatively small, which is indicative of the absence of the problem of multicollinearity in the regression variables since none of the variables has a value greater than 0.90 as suggested by Meyers, Gamst and Guarino (2006). Hence we proceed further to test of variance inflation factor in table 4.3 to check further problem of multicollinearity in the variables of regression.

TABLE 3: TEST OF VARIANCE INFLATION FACTOR

Variable	VIF
OC	1.197105
SO	1.113598
MO	1.073142
FO	1.099123
IO	1.016660
INDTY	1.363229
FSIZE	1.371893
C	NA

Source:*Researchers Computation 2023 (E-Views 8)*

The variance inflation factor revealed a relatively low centered variance inflation factors such that ownership concentration (OC) indicates value of 1.1971, state ownership (SO) is 1.1136; managerial ownership (MO) is 1.0731; foreign ownership (FO) is 1.0991; institutional ownership (IO) is 1.0167; industry type is 1.3632, while firm size indicates 1.3719. The results of the variance inflation factor indicate absence of multicollinearity in the regression variables. The result of the variance inflation factor further strengthened the result of the correlation coefficients in Table 4.2 which is indicative of the absence of multicollinearity in the regression variables since none of the values is at threshold 10 or exceeded 10 units (Hair, Black, Babin & Anderson, 2010).

TABLE 4: HETEROSKEDASTICITY TEST: BREUSCH-PAGAN-GODFREY

F-statistic	1.635798	Prob. F(7,106)	0.1332
Obs*R-squared	11.11418	Prob. Chi-Square(7)	0.1337
Scaled explained SS	5.859320	Prob. Chi-Square(7)	0.5563

Source:*Researcher’s Computation* (2022)

The test of heteroskedasticity was conducted using the Breusch-Pagan-Godfrey test. The test reported F-statistic of 1.635798 and a significant probability value of 0.1332. The result of the test could not reject the null hypothesis of homoskedastic residuals. Hence, the alternate hypothesis of homoskedastic residuals was rejected. The presence of heteroskedastic residuals did not however vitiate the validity of the regression results, implying that there is no evidence for the presence of serial correlation.

TABLE 5: RAMSEY RESET TEST

	Value	Probability
t-statistic	2.224611	0.0282
F-statistic	4.948895	0.0282
Likelihood ratio	5.250306	0.0219

Source: Researcher's Computation (E-View 8) 2019)

Ramsey reset test of model specification was adopted to test the accuracy of the regression model. The result of the test reported a t-statistic of 2.224611 and a significant probability value of 0.0282. The result of the test sustained the null hypothesis of the specified model. Hence, the alternate hypothesis of a well specified model was not accepted. It is obvious that there is no apparent non-linearity in the regression equation and we therefore concluded that the linear model is appropriate. Hence, we proceed to examine analyses of regression.

4.2 Analyses of Regression Results

TABLE 6: THE RESULTS OF THE REGRESSION ANALYSES (DEPENDENT VARIABLE=QID)

VARIABLE	**POOLED** Coefficient **t-stat** **(PV)**	**RANDOM EFFECT** Coefficient **t-stat** **(PV)**	**FIXED EFFECT** Coefficient **t-stat** **(PV)**
C	0.193494 **3.985129** **(0.0001)*****	0.085116 **2.169864** **(0.0360)****	0.086418 **2.041965** **(0.0418)****
OC	0.000636 **0.590187** **(0.5552)**	0.004866 **6.871943** **(0.0000)*****	0.004124 **4.579891** **(0.0000)*****
SO	0.000274 **0.951671** **(0.3415)**	0.000140 **0.422953** **(0.6725)**	8.13E-05 **0.229910** **(0.8183)**
MO	-0.000789 **-1.811203** **(0.0675)***	-0.001559 **-1.312382** **(0.1899)**	-0.001571 **-1.212709** **(0.2259)**
FO	0.030003 **5.115701** **(0.0000)*****	0.047411 **3.402106** **(0.000)*****	0.071616 **2.338024** **(0.0179)****
IO	0.007903 **2.046343** **(0.0410)****	7.64E-05 **0.018143** **(0.9855)**	7.57E-05 **0.016705** **(0.9867)**
INDTY	-0.075729	-0.007372	-0.049354

	-9.343838 (0.0000)* **	**-0.638984 (0.5231)**	**-1.457735 (0.1456)**
FSIZE	0.008275 **2.482012 (0.0132)*** **	-0.201571 **-2.127780 (0.0240)** **	-0.003442 **-0.484413 (0.6283)**
R-squared	0.690655	0.639025	0.664214
Adjusted R-squared	0.684275	0.628396	0.648183
F-statistic	29.88327	13.07939	6.708411
Prob(F-statistic)	0.000000	0.000000	0.000000
Durbin-Watson stat	2.019334	1.973987	2.062707
Hausman		0.6518	Nter

Source: Researchers Computation (E-Views 8.0) 2022. (***1%, **5% and *10% level)

The pooled regression results which indicate coefficient of determination (R-square=R^2) of 0.690655 with qualitative information disclosure (QID), implied that about 69% of the systematic variations in dependent variable [qualitative information disclosure (QID)] were accounted by the independent variables, while about 31% were accounted by error term. After adjusting the degree of freedom, adjusted coefficient of determination (adjusted R-squared bar(R^2) value of 0.684275, signifies that about 68% of the changes in the dependent variable [qualitative information disclosure (QID)] were accounted for by the explanatory variables of ownership concentration (OC), state ownership (SO), managerial ownership (MO), foreign ownership (FO) and institutional ownership (IO),and control variables of industry type and firm size, while the remaining 32% were captured by stochastic disturbances. The F-statistic of 29.88327 and the associated probability value of 0.000000 show a significant linear relationship between the dependent variable and the explanatory variables. The explanatory variables were all positive, with the exception of managerial ownership and industry type which were negative. The variableswere statistically significant at 1%, 5% and 10% significance level respectively, apart from government ownership(GO) that was statistically insignificant.

4.3 Random Effect Model: The random effect model which has coefficient of determination (R-square=R^2) value of 0.639025 with qualitative information disclosure (QID), showed that about 64% of the variations in qualitative information disclosure (QID) were explained by the independent variables, while about 36% were captured by error term. The adjusted R-squared bar R^2 value of 0.628396 with qualitative information disclosure, revealed that about 63% of the systematic variation in the dependent variable was accounted for by the explanatory and control variables, while 37% were unaccounted for, hence explained by error term. The F-statistic of 13.07939 and the associated probability value of 0.000000 showed that there exist a significant linear relationship between the dependent and the explanatory variables. On the basis of respectively variable, ownership concentration (OC), foreign ownership and firm size were statistically significant at 5% level. The result of the Hausman test with a probability value of 0.6518 showed preference for the random effect model.

4.3 Discussion of Findings

1. Relationship between ownership concentration and qualitative information disclosure

Ownership concentration was found to be statistically significant, suggesting that significant influence on qualitative information disclosure. It also showed a significant positive relationship with qualitative information disclosure, which is in tandem with our apriori expectation, such that an increase in ownership concentration can bring about corresponding increase of 0.004866 unit with qualitative information disclosure. The implication is that ownership concentration is a critical factor enhancing qualitative information disclosure. The result is in line with Mahfoudh (2017) found that ownership concentrationinfluence the level of information disclosed.

2. Relationship between state ownership and qualitative information disclosure

State ownership was reported to be statistically insignificant, suggesting that it has no significant effect on qualitative information disclosure. The result implied that state ownership is a weak enhancing factor of qualitative information disclosure. However, the result indicated that state ownership has positive relation with qualitative information disclosure, which is in line with our *Apriori* expectation. Such that a unit increase state ownership by 0.00140 unit could bring about corresponding increase with qualitative information disclosure in annual report and accounts of companies in Nigeria. The finding is consistent with Qu (2011), showed that government ownership has a way of influence qualitative information disclosure. Elmans (2012) found that there exists positive relationship with state ownership and voluntary information disclosures in annual reports.

3. Relationship between Managerial Ownership and Qualitative Information Disclosure

The explanatory variable of managerial ownership was found to be statistically insignificant, suggesting that it has no significant influence on qualitative information disclosure. This by implication indicated that managerial ownership is a weak influencing factor of qualitative information disclosure. The result also showed a negative relationship with qualitative information disclosure, which is in alignment with our *Apriori* expectation, thereby suggesting that an increase in managerial ownership could bring about -0.001559 unit decrease in qualitative information disclosure in annual report of firm. By implication, managerial will want to hoard, such that managers would not want to disclosure some information to shareholders and other stakeholders because of personal gain. This agency theory has showed that information asymmetry behaviour of managerial create agency problem between managers and owners. The finding concurs to Rouf and Harun (2011) who showed that the extent of higher management of ownership structure negatively affect corporate voluntary disclosures.

4. **Relationship between Foreign Ownership and Qualitative Information Disclosure**

The independent variable of foreign ownership (FO) was found to have significant influence on qualitative information disclosure. Its positive coefficient value of 0.047411 in the random effect column in Table 4.6 supports the apriori expectation, signifying that a unit increase in foreign ownership can bring about corresponding increase in qualitative information disclosure. This suggests that foreign ownership has positive relationship with qualitative information disclosure. By implication, presence of foreigners' interests in Nigerian firms is a critical factor towards enhancement of qualitative information disclosure in Nigeria. The finding corroborated with Hieu, and Lan (2015), revealed that foreign ownership is statistically significant and positively related with qualitative information disclosure

5. Relationship between Institutional Ownership and Qualitative Information Disclosure

Finally, it is observed that institutional ownership has no significant influence on qualitative information disclosure. This signified that institutional ownership is a weak enhancing factor of qualitative information disclosure. The Institutional ownership showed positive coefficient value of 7.64E-05, which indicated that a unit increase in institutional ownership can bring about the same increase in qualitative information disclosure. The result supportedapriori expectation and consistent with Khodadadi et al. (2010), indicated that institutional ownership has significant relationship with level of voluntary information disclosure.

5. Conclusion and Recommendations

Qualitative information disclosures in the annual reports are very important to stakeholders for taking fundamental decisions. Agency theory has proved that there are bound to be problems because of information asymmetry between principal who is owner and agent who manages the firm. Again when information are hindered, various stakeholders especially the owners will not have access to such relevant published information for decision making. Having analysed the results of this study, it found that ownership concentration and foreign ownership have significant influence and positive relationship with qualitative information disclosure in annual reports of firms in Nigeria. State and institutional ownership revealed to have no significant effect, but have positive relationship with qualitative information disclosure in annual reports and accounts of firms in Nigeria. While, the study established that managerial ownership has no significant influence and negatively related with qualitative information disclosure in annual accounts and reports of firms in Nigeria. From the outcomes, ownership concentration and foreign ownership are critical factors determining qualitative information disclosure, while government, institutional and managerial ownership are weak factors enhancing qualitative information disclosure in Nigeria. It is therefore concluded that ownership structure is either negatively or positively related with qualitative information disclosure in annual reports in Nigeria. The study put forward the following policy recommendations:

1. The proportion of shares to ownership concentration group should be more since they are critical for qualitative information disclosure. Categories of individuals that fall within the ownership concentration should be included in the board of firms and have a say in the decision of the firm.

2. The state or government should be involved in ownership or have shares in most organisations like multinational and some indigenous firms. Also, presence of government should be noticed in the board of some firms in order to aid proper monitoring and control towards disclosure of information in the annual reports.

3. Institutions should own shares in different companies and institutions board members should be appoint into the board of companies so as to promote disclosures.

4. Foreigners should be allowed to owned shares in different firms and be incorporated into the board of firms in Nigeria. The presence of foreigners in the board of firms because of their ideology can help strengthen ideas that can further promote information disclosure in annual reports in Nigeria.

5. Managers should allow to certain proportion of shares of firms and as well, managers should ensure both qualitative and quantitative information are disclosed in annual reports of firms for the interest of shareholders.

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