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Effect of Ownership Syndicates on Conservatism Accounting of Quoted Consumer Goods Companies in Nigeria and Ghana

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Abstract
This study investigated the effects of ownership syndicates on accounting conservatism in quoted consumer goods companies in Nigeria and Ghana, employing an ex post facto research design. The research utilized secondary data from annual reports and exchange fact books of 20 purposively sampled firms (15 from Nigeria and 5 from Ghana) over the period 2013 to 2022. Descriptive and inferential statistics were employed, including panel regression analysis to analyze the relationships. The results indicated a significant negative relationship between foreign ownership and accounting conservatism (β = -0.110, p = 0.031). Managerial ownership showed a positive but insignificant effect on accounting conservatism (β = 0.019, p = 0.928). Institutional ownership exhibited an almost negligible and statistically insignificant relationship with accounting conservatism (β = 0.000, p = 0.999). Family ownership presented a positive but insignificant correlation (β = 0.206, p = 0.051), while block ownership had a negative and insignificant relationship with accounting conservatism (β = 0.005, p = 0.973). The study recommended that regulatory bodies consider the implications of foreign ownership on financial reporting standards and practices. Future research could expand on these findings by exploring other sectors and incorporating more diverse variables.

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

INTRODUCTION

Background to the Study

The theory of the Modern Corporation has highlighted the growing conflict between ownership and management, known as the agency problem, which impacts the accuracy of accounting information. Research indicates that higher ownership concentration can intensify conflicts between controlling and minority shareholders, leading to less conservative accounting practices. In contrast, well-balanced ownership syndicates can reduce these conflicts and enhance accounting conservatism (Egbadju, 2024).

A syndicate is a self-organized group that manages a specific business interest, sharing risks and resources. Ownership syndicates can use accounting conservatism to regulate executive behaviour and manage resources efficiently. Agency theory posits that effective monitoring mechanisms align managers' interests with those of shareholders, reducing opportunistic behaviour and improving financial reporting (Kirimi, Kariuki, & Ocharo, 2022).

Different entities have varying ownership syndicates, influencing their governance structures and financial reporting processes (Cullinan, Wang, Wang, & Zhang, 2012). Conservatism in accounting depends on the proportion of shares held by managers, the concentration of shares by the largest shareholder, and whether the largest shareholder is an institutional investor.

Conservatism improves contracting efficiency, reduces information asymmetry, and lowers litigation risks, making strong corporate governance essential (Aburisheh, Dahiyat, Owais, Al Shanti, & AlQudah, 2022; García Lara et al., 2014). Effective governance structures support conservative accounting policies (Ramalingegowda & Yu, 2012).

Conservatism is vital for high-quality financial reporting as it helps control executive behaviour and reduce earnings management (Shen et al., 2020; Sharma & Kaur, 2021). Despite this, global corporate failures and financial fraud have raised concerns about the integrity of financial reporting in consumer goods companies in Nigeria and Ghana.

Statement of the Problem

Globally, scholars have criticized the low level of accounting conservatism, attributing it to the collapse of major corporations (Owais, 2021). In Nigeria and Ghana, consumer goods companies also exhibit low accounting conservatism (Egbadju, 2024; Nguyen & Phan, 2024; Qiao, Adegbite & Nguyen, 2023; Hajawiyah et al., 2020). Poor corporate governance policies, influenced by various ownership syndicates, are often blamed for this lack of conservatism, increasing the risk of financial statement fraud and earnings management.

The relationship between ownership syndicates and accounting conservatism is under-researched and debated in corporate finance. Few studies, like those by Aburisheh et al. (2022), García Lara et al. (2014) and Hajawiyah et al. (2020), show mixed results. Some suggest positive, negative, or both types of relationships at different managerial equity holdings. Recent studies report a negative relationship between ownership syndicates and accounting conservatism. Initial research indicated an inverse relationship between ownership syndicates' diffuseness and accounting conservatism, but subsequent studies have varied in their findings.

Sharma and Kaur (2021) highlight the theoretical complexity and empirical ambiguity in this relationship. This complexity is particularly evident in West Africa, where limited research exists, and findings are narrow and inconclusive. Most research on accounting conservatism is from Anglo-America, leaving emerging economies like Nigeria and Ghana underexplored. However, research in Nigeria and Ghana on the impact of ownership syndicates on accounting conservatism, especially in consumer goods firms, is scarce. This gap in the literature highlights the need to investigate these factors in West African consumer goods companies. Therefore, this study addresses this research gap by assessing the effect of ownership syndicates on accounting conservatism in Nigerian and Ghanaian consumer goods firms from 2013 to 2022.

Research Hypothesis

The following hypotheses were tested in the study:

Ho_1: Foreign ownership has no significant effect on accounting conservatism.

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

Ho_3: 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 syndicates has no significant effect on accounting conservatism.

REVIEW OF RELATED LITERATURES

Ownership Syndicates

An ownership syndicate is a collective of companies or investors that pool resources and expertise to achieve a common goal, typically within the same industry and not direct competitors. These syndicates form to manage large projects or transactions that would be challenging to handle individually due to significant resource requirements. By combining efforts, syndicates can effectively manage resources, employing accounting conservatism to control executive actions and ensure efficient resource utilization. This organized structure promotes shared interests and allows for the enjoyment of shared ownership benefits, enhancing the capability to undertake substantial business ventures (Aboud & Diab, 2022).

Identification of ownership syndicates, also called ownership structures, is based on the identity of equity owners and the allocation of a company's equity in terms of capital and voting rights. Diverse academics have varied definitions of business ownership structure. The largest shareholders' shareholding has been highlighted by Aboud and Diab (2022), whilst Wang (2013) has highlighted family, management, and institutional ownership. In corporate governance, ownership structures have an impact on how managers can be incentivized and how economically efficient a company is, all the while managing agency issues and conflicts of interest that have been brought up by academics such as Aboud and Diab (2022). Ownership syndicates are defined for the purposes of this study as including institutional, block, foreign, managerial, and family ownership.

Foreign Ownership Syndicates

Foreign ownership syndicates are those in which control is exercisable by an organization owned by, or an entity managed or controlled by non-citizens or foreign companies. Usman and Ojo (2019) claim that multinational firms are distinguished by their long-term foreign direct investment (FDI) holdings in other nations. Foreign investors are known for tight surveillance on management practices, giving various benefits and solving the liability of foreignness. This surveillance can result in increased performance and governance in those investee firms.

Managerial Ownership Syndicates

Managerial ownership syndicates refer to equity held by insiders and promoters, including directors, CEOs, and top management. Scholars such as Ammann et al. (2011) have defined managerial ownership as the equity stakes held by these key figures. This type of ownership aligns the interests of managers with those of the firm, enhancing overall performance and reducing potential conflicts of interest.

Institutional Ownership Syndicates

Institutional ownership syndicates represent the concentration of significant shareholdings within institutional investors as banks, investment firms, and pension funds. In the corporate governance process, institutional investors are known as active monitors exercising power over management and, in turn, influence corporation policies. Institutional ownership raises firm value and performance. Furthermore, the study claims that institutional ownership reduces information asymmetry and has a positive impact on accounting conservatism. This results in a lower level of institutional ownership, which in turn produces more transparent and trustworthy financial reporting (Ammann et al. 2011).

Block Ownership Syndicates

Block ownership syndicates consist of shareholders with substantial stakes, enabling them to exert significant influence over management and company policies. This concentrated ownership allows for better monitoring and control, which can improve firm performance and reduce managerial opportunism. However, ownership concentration can also lead to conflicts with minority shareholders. Ammann et al. (2011) suggest that while block ownership can enhance governance, it must be balanced to avoid potential negative effects on minority shareholders' interests.

Family Ownership Syndicates

Family ownership syndicates are prevalent worldwide, with families holding significant shares and often controlling management. This structure offers several advantages, including improved firm performance and effective succession planning. However, family ownership can also lead to non-economic decision-making aimed at protecting family interests. Achleitner et al. (2014) and Hsu et al. (2022) note that while family-owned firms can be successful, they may face unique challenges. In Nigeria, corporate governance practices are significantly influenced by ownership structures, which are often dominated by families, as highlighted by (Hsu et al., 2022).

Accounting Conservatism

Due to its advantages in improving contracting efficiency, minimizing lawsuit risk, reducing information asymmetry, and lessening agency costs, conservatism is an essential qualitative feature of accounting information. Effective corporate governance relies on conservative accounting to ensure reliable financial reporting, which benefits investors by providing dependable information. Conservatism influences management decisions and operational behaviors, thereby playing a significant role in financial reporting quality (Novari, Yusnaini & Fuadah, 2021).

Accounting conservatism has no widely agreed definition, despite its significance. Early definitions emphasize anticipating no profits while recognizing all losses. Modern interpretations highlight the asymmetry in verifying gains and losses. The third type, unconditional conservatism, is also ex ante or news-independent, dependent on the conservative policy choices of management, while the fourth type, conditional conservatism, or ex post, reacts to events, whereby bad news is recognized quicker compared to good news. Conservatism is of support to financial reporting quality as it curbs managers' opportunistic behaviours, promotes efficiency in contracts, and curtails bankruptcy risk. It ensures that financial statements reflect a cautious and reliable assessment of a company's financial position, thus enhancing market trust and operational efficiency (Nguyen & Phan, 2024).

Ownership Syndicates and Accounting Conservatism

A shareholder's fractional claims inside the place of business determine how much control and influence they have over managerial decisions and, in turn, how the company reports its finances. If a significant stakeholder is present in an organization, their influence might be quite significant. The primary shareholder has the power to affect management choices and the makeup of the board of directors to ensure that the business is managed in a way that serves their interests. However, because a major shareholder may be absent in a more distributed ownership structure, management is able to impose disproportionate authority over the board draft. The large shareholder may be able to influence management to change the situation to his advantage, which occasionally causes the non-controlling shareholders' value to decline. Accounting conservatism can reduce opportunistic managerial behavior and enhance the quality of financial reporting by requiring more stringent verification for recording gains than losses (Watts, 2003). Managers might, however, oppose conservatism if it means manipulating accounting data for their own benefit. Investment decisions may be impacted by conditional conservatism, which penalizes bad news early and delays positive news (Gutiérrez & Rodríguez, 2019; Aburisheh et al., 2022). This intricacy affects how managers behave and how they align with shareholders.

Foreign Ownership and Accounting Conservatism: High investments by the foreign investors in companies encourage conservatism because of transparency. In this respect, it reduces information asymmetry (Lafond & Roychowdhury, 2008; Asiriuwa et al., 2019). They are likely to demand accurate accounting information, often leading to increased conservatism (An & Naughton, 2015). Foreign ownership means better financial reporting quality, which could be a signal of reduced managerial opportunism. There is also an augmentation of information symmetry and conservatism resulting in basically better earnings' quality and investor trust.

Managerial Ownership and Accounting Conservatism: Accounting conservatism is impacted differently by managerial ownership. Some argue that higher managerial ownership aligns interest and promotes conservatism in order to enhance company value. Others believe it leads to entrenchment and reduced conservatism due to ineffective supervision (Asiriuwa et al., 2019; Kalbuana et al., 2020). Studies show mixed results, with managerial ownership sometimes reducing and sometimes increasing conservatism, depending on ownership levels (LaFond & Roychowdhury, 2008; Xia & Zhu, 2009; Beekes et al., 2004; Chi et al., 2007; Eersteling, 2016; Majeed et al., 2017). Differences in ownership structures and market orientation also affect managerial behaviour and demand for conservatism (Shuto & Takada, 2010).

Institutional Ownership and Accounting Conservatism: Institutional ownership often enhances earnings quality and reduces earnings management through effective monitoring (Ramalingegowda & Yu, 2012; Ajay & Madhumathi, 2015). Higher institutional ownership is linked to more conservative financial reporting (Zhong et al., 2017; Bona-Sánchez et al., 2018). Studies show institutional investors demand conservative accounting due to its governance benefits (Ramalingegowda & Yu, 2012; Qiang, 2004; Chen et al., 2009). However, some studies suggest less conservative reporting in the presence of large institutional ownership due to lower information asymmetry (Ling et al., 2014).

Block Ownership and Accounting Conservatism: Large shareholders can significantly influence managerial decisions and reduce profit management through effective control (Aburisheh et al., 2022; Kouaib & Jarboui, 2014). While concentrated ownership can improve company performance, it can also enable managers to prioritize their interests over shareholders' (Lskavyan & Spatareanu, 2011). Studies show that higher ownership concentration often leads to more conservative financial reporting to protect investments and mitigate agency costs (Chen et al., 2009; Haw et al., 2012).

Family Ownership and Accounting Conservatism: Research indicates that family ownership might influence an individual's approach to accounting conservatism by giving priority to non-financial objectives. In order to preserve control over the long term and safeguard the family's heritage and reputation, family owners frequently use conservative accounting practices. This conservatism aligns with minority shareholders' interests by lowering the possibility of managers acting opportunistically, which could enhance the quality of accounting information in a financial report.

Theoretical Framework

The study focuses on three main theories: agency theory, shareholder theory, and opportunistic theory.

Agency Theory: This theory, developed by Alchain and Demsetz, acknowledges the tension that results from the division of ownership and control between owners (shareholders) and agents (managers). Maximizing shareholder wealth may not always align with managers operating in their own best interests. According to this hypothesis, when the owners' interests align with those of the managers acting as agents, the agency costs will drop as the firm's ownership concentration increases. It is further argued that the availability of more information will result in a significant reduction of agency difficulties in accounting conservatism. The firm will, therefore, perform better and minority shareholder interest will be protected. This agency theory is applied to our study of the conflict between managers and shareholders of the different firms. Mechanisms like performance-based incentives, shareholder intervention, and ownership stakes by managers can align interests and improve firm performance. Ownership structure significantly impacts these mechanisms, influencing corporate governance and firm value (Egbadju, 2024).

Shareholder Theory: Proposed by R. Edward Freeman in the 1980s, shareholder theory asserts that the primary obligation of a business is to maximize profits for its shareholders. Shareholders, who own shares of the company, employ managers to run the business with the clear goal of profit maximization. This theory contends that businesses do not have moral obligations or social responsibilities beyond generating profit for their owners (Freeman, 1984). The theory's focus on profit implies that other considerations, such as social or environmental responsibilities, are secondary. By concentrating on profit maximization, shareholder theory suggests businesses can achieve economic efficiency, innovation, and competitiveness. However, this profit-centric approach has been criticized for neglecting the interests of other stakeholders, such as employees, customers, and the community, potentially leading to unethical practices and long-term unsustainability. Despite these criticisms, shareholder theory remains influential in corporate governance, emphasizing the importance of aligning managerial actions with shareholder interests (Aburisheh et al., 2022).

Opportunistic Theory: Proposed by Kester in 1992, opportunistic theory examines how managers may act in self-interest, engaging in behaviours such as dishonesty, withholding information, and financial manipulation. These actions harm the firm's financial performance and increase agency costs. To counteract this, vigilant monitoring by shareholders, who often hold more significant stakes than managers, is crucial (Aburisheh et al., 2022). Effective oversight mechanisms, including stringent internal controls and performance-based compensation, can align managers' interests with those of shareholders, mitigating opportunistic behaviour and enhancing the firm's financial health.

Review of Empirical Literatures

Nguyen and Phan (2024) studied the impact of several factors on accounting conservatism—defined based on non-operating accruals using a sample of 379 firms listed for the years 2017 to 2021 in the Vietnam stock market. They compared three models pooled OLS, FEM, and REM, finding FEM most suitable, despite heteroscedasticity. The Fixed General Least Square (FGLS) results showed that investment opportunity positively impacts accounting conservatism, while growth opportunities, return on assets, financial leverage, and an uncertain environment have a negative impact.

Qu, Hezun, and Hong (2023) researched the impact of PPP on the cost of debt and financial reporting through evidence generated by Chinese public companies over the period 2010-2017. In their work, they found that PPP participants benefit from lower loan interest rates, especially non-state-owned enterprises and firms without politically connected leaders. But these firms exhibit low accounting conservatism, which indicates a trade-off between the quality of financial reporting and political connections.

Hsu, Tsao, and Lin (2022) also conducted a research study to examine the implications of family ownership combined with the identity of the chief executive officer in regard to accounting conservatism within a family firm from Taiwan. This study evidenced that family ownership is linked to accounting conservatism; however, the contrast between family cash flow and voting rights was negatively related. They reported that family firms with founder CEOs are more conservative than those with descendant CEOs, which speaks to the role of family governance in financial reporting preferences.

Aburisheh et al. (2022) assessed accounting conservatism in Jordanian industrial enterprises based on the degree of ownership and board structure, and found poor conservatism across the firms from 2011 to 2020. Family ownership, board independence, large investor ownership, and managerial ownership had a positive influence on accounting conservatism, whereas institutional ownership, board size, and board duality did not.

Fuad et al. (2022) researched how accounting conservatism affects the financial performance of companies listed in the Amman Stock Exchange during 2015-2019. The study, conducted based on the model of conservatism with performance measured by ROE and EPS, found no significant relationship. It recommended promoting accounting conservatism as a means of enhancing financial reporting quality and profitability.

Ogabo, Ogar, and Nuipoko (2021) examined the effects of ownership structure on the firm performance of FTSE 350 companies in the UK between 2008 and 2018. Managerial ownership positively affects firm performance without entrenchment effects above 5%. Moreover, independent directors increase the performance of firms, but female directors decrease it. The study has thus found dependent effects resulting from the ownership structure.

Gabriel and Osazuwa (2020) investigated the impact of ownership concentration on the manufacturing company's financial performance in Nigeria from 2009 to 2019. Performance was significantly affected by government, block, and institutional ownership. This study suggests balanced investment and favorable policy to foster growth and shareholder trust.

The impact of ownership structure on the financial performance of Nigerian financial enterprises between 2010 and 2019 was examined by Alhassan and Mamuda (2020). The findings demonstrated that, although ownership concentration had a negative impact, ownership structure was a strong predictor of management ownership's good performance impact. The study suggests that in order to improve performance, managers should possess more shares.

David and Boniface (2019) studied the influence of accounting conservatism on firm performance in the Nigerian Consumer Goods sector. Following the panel least square and fixed effects methods, they have identified a positive but insignificant influence from judicious accounting on performance, a pointer that firms should be punished for poor financial reporting.

Sahibzada and Siti (2018) measured ownership structures' effects on firm performance in Indian textile, oil, movie, and entertainment industries of India for the period 2011-2015. It was observed that concentrated ownership positively affected ROA whereas the managerial and institutional owned had the positive effect though it was insignificant on the said dependent variable. Foreign ownership had an insignificant negative effect. The study prescribes to the different industry and framework application for different insight generation.

Abdallah and Ismail (2017) reported that internally developed ownership structures are insignificant in firm performance. This reflects strategic decisions by capital markets based on shareholder interests and market conditions.

Accordingly, from 2005 to 2013, Amneh, Munther, and Mohammad (2017) investigated the effect of ownership structure on accounting conservatism in Jordan. They discovered that governmental ownership was negatively valued for boosting conservatism, while foreign and institutional ownership was important and positively valued. Concentration of ownership was unaffected by conservatism.

Amos et al. (2016) took institutional ownership as a determinant of earnings quality in Nigerian food, beverages, and tobacco firms between the year 2005 and 2013. The study found that institutional ownership negatively influenced earnings quality, and firm size proved to be nonsignificant in the test.

METHODOLOGY

This study examined the impact of ownership syndicates on conservatism accounting in consumer goods companies in Ghana and Nigeria using an ex post facto research design. The ex post facto design was chosen because it relies on historical data that cannot be manipulated by the researcher, ensuring objectivity as the data is collected after the events have taken place. This design was complemented by a correlational research approach, utilizing both descriptive and inferential statistics through panel regression analysis to analyze the relationships within the existing financial statements of quoted consumer goods firms in these countries.

The study was conducted on all quoted firms of consumer goods in Nigeria and Ghana from 2013 to 2022, which is a period typified by the full adoption of IFRS in Nigeria and a period under democratic governance in both countries. The main sources of data were secondary, gathered from the fact books in the exchange and formatting annual reports. The entire population consisted of all 30 consumer goods companies listed on the Ghana Stock Exchange and Nigeria Exchange as of December 31, 2022. To ensure the data presented in the study were comprehensive and reliable, firms were considered for the final study using purposive sampling. As such, the sampling criteria considered ensured that 15 firms representing Nigeria and 5 firms representing Ghana had availability of financial data for the whole period of the study and that the firms considered had comprehensive ownership syndicate information.

Method of Data Analysis

Data analysis techniques used for this study were descriptive statistics, correlation analysis, and multiple regression analysis. Diagnostic tests had also been carried out to test the validity of the analysis. These tests include multicollinearity testing, normality testing, and the Hausman effect test. Panel data multiple regressions: this includes fixed and random effect regressions. To examine the causal relationship between ownership syndicates and accounting conservatism, this research depended on E-views version 10 as the computer package for the analysis.

Data and variables description

Accounting conservatism is the dependent variable in this study, while foreign ownership, management, institutional ownership, and block ownership are the independent variables. The ways in which these variables were measured are stated in the operationalization of variables Table 1.

Table 1: Operationalization of Variables

Dependent Variable Accounting Conservatism (ACONS)	Accruals conservatism, a proxy for accounting conservatism, calculated as the firms income before extraordinary items and discontinued operations plus extraordinary items and discontinued operations in year t. (Givoly & Hayn, 2010)
Foreign Ownership (FOROWN)	The percentage of shares held by foreigners. That is a percentage or stake in a firm that is held by large foreigners in a company (Givoly & Hayn, 2010).
Institutional Ownership (INSOWN)	Percentage of shares held by institutional investors. That is ownership fraction or stake in a firm that is held by large financial organizations, pension funds or endowments (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)	Percentage of shares held by Block shareholding. It is measured as the proportion of ordinary shares held by substantial investors that must equal or exceed 5% of total ordinary shares (Kirimi, Kariuki & Ocharo, 2022).
Family Ownership (FAMOWN)	The percentage of shares held by family members. That is that percentage of shares owned by insiders and family members or insider ownership in a particular firm (Kirimi, Kariuki & Ocharo, 2022).

Source: Researchers' Compilation (2024)

Model Specification

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

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

The econometric form or testable form is given as:

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

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

PRESENTATION AND ANALYSIS OF DATA

Preliminary Data Tests

Preliminary data tests, including descriptive statistics, correlation analysis, and the variance inflation factor (VIF), were conducted. Descriptive statistics were employed to analyze the data, assessing its normality and overall characteristics. Correlation analysis was used to determine the relationships between variables and to check for multicollinearity. To further ensure no perfect correlation among variables, the VIF test was performed to detect multicollinearity. Ultimately, the study utilized panel least squares regression analysis to explore the causal relationship between accounting conservatism (CONSAC) and various ownership syndicate components such as foreign ownership (FOROWN), managerial ownership (MANOWN), institutional ownership (INSOWN), family ownership (FAMOWN), and block ownership (BLOWN).

Descriptive Statistics

Table 2: Combined Descriptive Statistics

	ACONS	FOROWN	MANOWN	INSOWN	BLOWN	FAMOWN
Mean	-0.047839	0.308407	0.161935	0.291201	0.640683	0.367322
Median	-0.050000	0.243000	0.120000	0.100000	0.710000	0.340000
Maximum	2.000000	0.930000	0.690000	8.000000	0.870000	0.890000
Minimum	-1.260000	0.000000	0.000000	0.000000	0.079000	0.000000
Std. Dev.	0.263228	0.253847	0.157284	0.809100	0.214588	0.234562
Skewness	3.785262	0.430606	1.042608	8.756598	-1.146968	0.152560
Kurtosis	42.02663	1.778699	3.234713	83.66602	3.473539	1.837597
Jarque-Bera	13104.07	18.51745	36.50998	56497.09	45.49128	11.97549
Probability	0.000000	0.000095	0.000000	0.000000	0.000000	0.002509
Sum	-9.520000	61.37300	32.22500	57.94900	127.4960	73.09700
Sum Sq. Dev.	13.71917	12.75883	4.898186	129.6193	9.117481	10.89378
Observations	199	199	199	199	199	199

Source: researcher's summary of descriptive result (2024) using E-view 12

The descriptive statistics result in table 2 above shows the mean values for each of the variables, their maximum values, minimum values, standard deviation and Jarque-Bera values which show the normality and nature of the data consumer goods firms in both Nigeria and Ghana. The results showed that the dependent variable measured as accrual conservatism was with a mean value of -0.0478. It can be observed that for the period under review, the sampled firms have average negative accrual conservatism of -0.0478. The conservatism in financial reporting of the consumer goods organization is measured to have a mean value of -0.0478. The data displayed a wide range of values, with a standard deviation of 0.263, a maximum absolute value of 2, and a minimum absolute value of -1.260. This indicates a notable degree of variability in the accounting conservatism of the financial statements of consumer goods companies in Ghana and Nigeria. The large difference between the maximum and minimum accrual conservatism, it is evidence that conservation of the account of the firms differ greatly among the firms selected and for the period under review, this shows that the firms are not homogenous. The standard deviation for accrual conservatism was 0.263 suggesting considerable clustering of accrual conservatism for the distribution around the mean value. The skewness for accrual conservatism was 3.785 implying that the data on accounting conservatism were skewed to the right hence most values were bunched to the left of the distribution. The kurtosis for accrual conservatism was 42.026 that are greater than 3 hence the distribution is said to be leptokurtic hence it may have few outliers. The Jacque-Bera statistic value of 13104.07 alongside its p-value ($p=0.000<0.05$) indicates that the data satisfies normality.

The mean value of foreign syndicates (FOROWN) was 0.3084% while the median value was 24.30. Also, the maximum percentage of foreign shareholding of the listed consumer goods companies in both Nigeria and Ghana was 93% shares, while the minimum shareholding amount to nothing i.e 0% shareholding. This implies that the average quoted consumer goods firms in both Nigeria and Ghana is 31% owned by foreign investors although the range of differences to extent of this ownership is very wide. Foreign shareholding has a standard deviation of 25.3. The Jacque-Bera statistic of 18.517 alongside its p-value 0.000 indicates that the data on foreign shareholding satisfies the normality test. The coefficient of skewness of 0.430 implies that the data was positively skewed; hence most values were bunched to the right of the distribution. The kurtosis for foreign shareholding was 1.7786 that is less than 3, hence the distribution is said to be leptokurtic and hence it may have few outliers.

The managerial ownership syndicates showed a mean value of 0.1619, with maximum and minimum values of 0.6900 and 0 respectively while the standard deviation is 0.157. This means an average of 16% (percent) of the shares of quoted consumer goods firms in both Nigeria and Ghana is held by the management; however, there exists a significant range in the variance of the percentage in different firms. It is worthy to note that the mean value of managerial ownership syndicate is low on the average but may also be good in terms of reducing managerial entrenchment. Similarly, the block ownership syndicate showed an average of 0.640, with maximum and minimum values of 0.870 shareholding and 0.079 respectively while the standard deviation is 0.2145. This implies that the average quoted consumer goods firms in both Nigeria and Ghana is 64% owned by block investors with majority shareholding and controlling interest although the range of differences to extent of this ownership is very wide.

The institutional ownership syndicates have a mean value of 0.291, indicating that nearly one fourth of the quoted industry is owned by institutions which is in agreement with the postulation that institutions possess the large funds required to make large share purchases in companies, or at least, more so than individuals. It has a standard deviation of 0.809, with minimum and maximum values of 0 and 8 respectively. Similarly, the mean value of FAMOWN was 36.7% while the median value was 0.34. The maximum percentage of family shareholding of the listed consumer goods companies in both Nigeria and Ghana was 89% shares while the minimum was 0% shareholding. Family shareholding has a standard deviation of 0.234 indicating clustering of family shareholding for the distribution around the mean value. The Jacque-Bera statistic of 11.445 alongside its p-value 0.0025 indicates that the data on family shareholding satisfy the normality test. The coefficient of skewness 0.1525 implies that the data was positively skewed; hence most values were bunched to the right of the distribution. The kurtosis for family shareholding was 1.837 that is less than 3 hence the distribution is said to be leptokurtic, hence it may have few outliers.

Generally, the JB Probability values of 0.0000 shows that all the variables of ownership syndicates are normally distributed at 1% level of significance. This means that the discrepancy in the level of accounting conservatism was driven by different organizational structures and institutional factors. It is an indication that all variables are approximately normally distributed. This means that there are no variables with outlier, even if there are, they are not likely to distort the conclusion and are therefore reliable for drawing generalization. This also justifies the use of panel least square estimation techniques. Hence, any recommendations made to a very large extent would represent the true characteristics and nature of the true population of study.

Pearson Correlation Matrix

The nature or degree of association (i.e., positive or negative correlation) of the magnitude of the variables with other explanatory variables is determined by testing the relationship between ownership syndicates and accounting conservatism of quoted consumer goods firms in Nigeria using the Pearson Correlation matrix. The proportional coefficient of correlation measures the direction and extent of association of two or more variables. It is important to note at this point that correlation measures association but not causality. Correlation can be positive (>0) or negative (<0). A positive correlation means that two variables move in the same direction while a negative correlation means that they move in opposite directions. Therefore, in examining the association among the variables, we employed the Pearson correlation coefficient (correlation matrix) and the result is presented in the table 3 below.

Table 3: Correlation Analysis Result

	ACONS	FOROWN	MANOWN	INSOWN	BLOWN	FAMOWN
ACONS	1.000000					
FOROWN	-0.074829	1.000000				
MANOWN	-0.095770	0.034149	1.000000			
INSOWN	0.033755	-0.055496	-0.020253	1.000000		
BLOWN	0.031912	-0.430949	0.005270	0.058114	1.000000	
FAMOWN	0.063052	-0.135500	-0.264127	0.070192	-0.068925	1.000000

Source: Researcher's summary of correlation result (2024) using E-view 12

The result of the correlation matrix coefficient showed mixed correlation. This association identified buttresses the point that our variables have a linear relationship with varying degrees of direction with some exhibiting inverse or direct relationship. The Pearson correlation matrix for the relationship between the dependent and independent variables is shown in the table above. The linear relationship between any two variables can be measured for both strength and direction. Furthermore, the Pearson product-moment correlation analysis of the relationship between the variables revealed that it is relatively small and falls below the 0.80 threshold, suggesting that multicollinearity in the predictor variables is not an issue. Multi-colinearity among the explanatory variables can lead to the estimation of wrong signs or implausible magnitudes of the model coefficient and biases of the standard errors of the coefficients; hence checking for it becomes important. In this section, we present and discuss the Pairwise correlations among the variables of ownership syndicates and accounting conservatism.

The direction and strength of the relationships between the variables are indicated by the correlation statistics. Increases in one measure are linked to increases in the other, and vice versa, according to positive correlations. The aforementioned findings demonstrate that, while accounting conservatism, foreign ownership syndicates, and managerial ownership syndicates (ACONS/FOROWN and MANOWN = -0.0748 and -0.095) all showed a negative but very weak correlation, block ownership, family ownership syndicates, and institutional ownership syndicates (ACONS/INSOWN/FAMOWN and BLOWN = 0.033/0.0319 and 0.063) all showed a positive and very weak association. It was discovered that another negative but weak association exists between foreign ownership syndicates and institutional ownership syndicates while a strong but negative correlation exists between foreign ownership syndicates, block ownership syndicates and family ownership syndicates respectively (FOROWN/BLOWN and FAMOWN = -0.430 and -0.135). It was discovered that institutional ownership syndicates documented a positive correlation with other explanatory variables while another negative and weak association was documented against managerial ownership syndicates and family ownership syndicates respectively. It was observed that family ownership syndicates documented negative relationship with block ownership syndicates.

In checking for multicollinearity, the study noticed from the correlation table above that no two explanatory variables were perfectly or highly correlated which would have resulted into dropping of one of such explanatory variable. This thereby ruled out the case of having an outlier. This indicates that the model utilized for the analysis does not have a multicollinearity issue. Additionally, this supports the application of the variation inflation factor (VIF) and panel regression analysis.

Test of Multicollinearity using Variance Inflation Factor (VIF)
Multicollinearity was tested by computing the Variance Inflation Factor (VIF) and its reciprocal or the tolerance. Collinearity diagnostics measure how much regressors are related to other regressors and how this affects the stability and variance of the regression estimates. To further check for multi-collinearity problem or to know whether the independent variables used are perfectly correlated, we conducted Variance Inflation Factor (VIF) to further check for the multi-collinearity problem. The result of the Variance Inflation Factor (VIF) is provided below in table 4 below:

Table 4: Variance Inflation Factor Result

Variance Inflation Factors
Date: 02/08/24 Time: 08:49
Sample: 2013 2022
Included observations: 199

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.009152	25.58981	NA
FOROWN	0.007093	3.157796	1.271505
MANOWN	0.015625	2.220823	1.075270
INSOWN	0.000554	1.140829	1.009416
BLOWN	0.009810	12.51512	1.256650
FAMOWN	0.007325	3.884669	1.121208

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

The variance inflation factor (VIF) is used to test for multicollinearity between the variables before moving on to the regression. In essence, the VIF indicates the extent to which a regressor's coefficient estimate has been inflated due to collinearity with other regressors. Therefore, in our model, where the variance factors of each variable are calculated, we employed the VIF test to detect multicollinearity and quantify its severity. As per the test recommendations, multicollinearity was identified only in cases where the VIF exceeded 10. We concluded that there is no intercorrelation among our independent variables based on the VIF test and the empirical observation of the Pairwise rank correlation. Thus, in order to validate the VIF conclusion, (Bashir, 2003) claims that there is a linear correlation issue of the independent variables when VIF is greater than 5, but some previous studies insisted on VIF higher than 10.

It can also be seen from the table that all the variables had a variance inflation factor (VIF) of less than 10: foreign ownership syndicates (1.272) approximately, managerial ownership syndicates (1.075), institutional ownership syndicates (1.009), block ownership syndicates (1.257) approximately and finally family ownership syndicates (1.121). In general, VIFs greater than 10 are considered concerning even when multicollinearity is found in the variables; however, none of the variables had VIF values greater than 10, and none of the variables showed any significant signs of multicollinearity or problems related to multicollinearity; as a result, all of the variables were kept in the regression model. Stated otherwise, none of the variables exhibit strong correlations, and they do not include variables with outliers. Even if there are, they are trustworthy for making generalizations because they are unlikely to change the outcome. This also supports the use of Jacque Bera (JB) in descriptive analysis to check for the problem of normality and multi-collinearity. Our finding also justifies the use of panel least square estimation techniques. Hence, any recommendations made to a very large extent would represent the characteristics of the true population of study and thus can be used to draw conclusion.

Regression Results

Since the data carries the properties of both time series (2013–2022) and longitudinal (20 quoted consumer goods firms in both Nigeria and Ghana), we used panel regression analysis to test the formulated hypotheses and determine the relationship between the dependent variable accounting conservatism (ACONS) and the independent variables (FOROWN, MANOWN, INSOWN, BLOWN, and FAMOWN). The study acknowledges the non-homogeneity of the firms, which is why it is necessary to examine its impact on the data. To determine which effect to explain, the Hausman effect test must be used.

The Hausman effect test results are intended to help decide whether type of model—fixed or random—will be utilized in the final regression analysis for testing hypotheses. The test's decision rule now states that a fixed effects model should be used for the data analysis if the difference in the coefficients is not systematic and that a random effects model should be used if the difference in the coefficients is systematic. The Hausman test results are summarized here, with more information provided in the appendix under Table 5. Following this Hausman effect test, the overall result of the regression analysis is included in the results below.

Hausman Effect Test: Decision rule
H_0 – random effect is more preferable than fixed effect
H_1 – fixed effect is more preferable to random effect

H0 is rejected and H1 is approved when the chi-square probability value is less than 5% (P≤0.05). The rejection of H1 and acceptance of H0 occurs when the chi-square probability value is greater than 5%. Probabilities greater than or equal to 0.05 are indicated by this. Instead, choosing between the fixed-effect and random-effect models is the goal. You interpret the random effect and state that it is more preferred than the fixed effect when the Chi square (Prob) value is larger than 5%; conversely, you interpret the fixed effect and state that it is more preferred than the random effect when it is less than 5%.

Table 5: Hausman Effect Tests

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	4.440315	5	0.4879

Source: Researcher's summary of Hausman effect Tests result (2024)

The aforementioned Hausman effect test was used to choose which effect to use when interpreting the regression result. That is, given that our data contains panel data with complete information, the question is which should be employed—a fixed effect or a random effect—to interpret the regression result and determine which should be used in the study. According to the Hausman test mentioned above, there was heterogeneity in the data collection process for the firms, as indicated by the chi-square statistics value of 4.440315 and the probability value of 0.4879, both of which were larger than 5%. We reject the fixed effect while accepting the Chi-square (Prob) value and interpreting its regression because it is more than 5%. The results of the random-effects estimation (REM) approach are provided and analyzed since the test indicates that it is more suitable for all consumer products companies in Ghana and Nigeria. As a result, the study makes use of the random effect to address the issue of heterogeneity in the study's data. The outcome of the random effect regression is shown in Table 6 below.

Table 6: Combined Regression Result

Cross-section random effects test equation:
Dependent Variable: ACONS
Method: Panel Least Squares
Date: 02/08/24 Time: 08:47
Sample: 2013 2022
Periods included: 10
Cross-sections included: 20
Total panel (unbalanced) observations: 199

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.096124	0.126652	-0.758961	0.4489
FOROWN	-0.110233	3.139738	-2.788850	0.0313
MANOWN	0.018769	0.205852	0.091176	0.9275
INSOWN	3.51E-05	0.024786	0.001418	0.9989
BLOWN	0.005320	0.158036	0.033662	0.9732
FAMOWN	0.206423	3.142931	2.444214	0.0505

Effects Specification			
Cross-section fixed (dummy variables)			
Root MSE	0.249466	R-squared	0.497292
Mean dependent var	-0.047839	Adjusted R-squared	0.427219
S.D. dependent var	0.263228	S.E. of regression	0.266786
Akaike info criterion	0.312266	Sum squared resid	12.38440
Schwarz criterion	0.725998	Log likelihood	-6.070478
Hannan-Quinn criter.	0.479714	F-statistic	4.781394
Durbin-Watson stat	2.089998	Prob(F-statistic)	0.006604

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

Table 6 presents the results of a panel regression analysis of listed consumer products companies in Ghana and Nigeria. According to the aforementioned result, the R-squared adjusted value was around 0.427 (43%) and the R-squared value was roughly 0.497 (50%) respectively. The coefficient of determination, or R-squared, was found to be 50%. This means that, out of the systematic fluctuations in each dependent variable, 50% could be described by the model, with the remaining 50% being explained by the stochastic error factor. Again, the adjusted R-squared which stood at 43% indicates that all the independent variables jointly explain about 43% of the system variation in ownership syndicates of our sampled companies over 10years period while about 57% of the total variations were unaccounted for, hence captured by the stochastic error term. It is pertinent to note here that the F-statistics value is 4.781 while its probability value is 0.0066. This demonstrates that the analysis's overall ownership syndicates model was statistically significant at the 1% significance level. This guarantees that the model we utilized for the analysis is accurate. Among the economists, the Durbin-Watson test is a very suitable and most commonly used measure to indicate this problem. The following is a test of whether the result is close to zero, that is, strong and positive, closer to 4, that is strong and negative, while the optimal is between 1.5 and 2.5. In combined regression, it means that there is no association between the results. The D-W is 2.089, as indicated by Table 6. Furthermore, the model is well-spread as the value is equal to 2, there are no issues with self- or auto-correlation, and the errors are independent of one another, according to the Durbin Watson statistic of 2.0899. Another regression condition, used in this study, is the autocorrelation problem. It is within the appropriate range and, thus, is clear of the autocorrelation problem (Gujarati, 2004). Next, we state the analysis of the regression.

Discussion of Findings

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

Ho_1: Foreign ownership syndicates has no significant effect on accounting conservatism.

Based on the regression result, it was discovered that foreign ownership syndicates, with a coefficient value of -0.1102 and probability value of 0.0313 (β1= -0.1102, p = 0.0313), have a negative and statistically significant effect on accounting conservatism of quoted consumer goods firms in Nigeria. The implication of this result is that accounting conservatism increases as foreign ownership syndicates, or shareholding is decreasing while indigenous shareholders ensure quality reporting that encourages them to be more conservative. This may have resulted from capital flight amongst the foreign expatriates, thus contravening being conservative in their reporting procedure. This finding implies that the degree of accounting conservatism demonstrated in the production of financial reports in the consumer goods sectors of both Nigeria and Ghana is unaffected by differences in foreign ownership shareholder syndicates. The outcome validates the hypotheses of earlier research that link ownership concentration level rather than ownership type to differences in account conservatism incentives. It follows that nationality is meaningless and that the largest shareholder group's motivation level—that is, its unity—increases its desire to influence management decisions. Against this backdrop, the slope of the coefficient value is -0.1102, indicating a considerable negative. Nevertheless, the alternate hypothesis will be accepted and the null hypothesis rejected based on the likelihood, which is obviously below 0.05. Thus, we draw the conclusion that, at the 5% level of significance, foreign ownership syndicates have a statistically significant but negative impact on the accounting conservatism of mentioned consumer goods firms in Ghana and Nigeria.

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

The managerial ownership syndicate is positively related to accounting conservatism as recorded in the combined regression result of Nigeria and Ghana. This implies that as the management ownership in the firm increases, the desire to be more conservative will be increasing as they are directly related. We find that managers with more stock syndicates and more shareholding act more like shareholders, so the need to report conservatively is maximized.

The regression analysis revealed a positive relationship between managerial ownership and accounting conservatism, which could be attributed to several factors. Firstly, managers with higher shareholdings are more likely to prioritize shareholders' interests and adopt conservative accounting practices. Additionally, high managerial ownership reduces agency costs, diminishing the need for aggressive reporting policies. Furthermore, the alignment of interests between managers and shareholders decreases the likelihood of aggressive accounting choices made for personal gains. Conservative accounting also enhances firm governance and reputation, making it favorable for managers. Finally, firms with controlling owner-managers are less likely to expropriate minority shareholders, leading to more conservative accounting to reduce informational risk and signal positive prospects (Mitra et al., 2017).

This finding aligns with the views of Chen et al. (2009) and Ramalingegowda and Yu (2012), who found that as managerial ownership increases, so does accounting conservatism. Similarly, Xia and Zhu (2009), using data from China, also documented that a high level of management ownership leads to more conservative financial reporting. Firms with high levels of managerial ownership seem to have superior conservatism, as managers can be removed due to poor performance and financial misreporting. Therefore, managers have incentives to adopt accounting policies like conservatism, which mitigate information asymmetry and achieve better performance, governance, and reporting quality. In other words, higher management ownership increases the demand for conservatism. However, the insignificant effect documented in this study leads to the acceptance of the second null hypothesis, concluding that the managerial ownership syndicate has a negative but non-significant effect on accounting conservatism of quoted consumer goods firms in Nigeria and Ghana.

H_{O3}: There is no significant effect between institutional ownership syndicate and accounting conservatism.

Hypothesis 3 expected a positive relationship between institutional ownership syndicate and accounting conservatism for Ghana and Nigerian consumer goods firms. The regression results showed that the institutional ownership syndicate had a positive but insignificant impact on the accounting conservatism of quoted consumer goods firms in both Nigeria and Ghana, with a positive coefficient value of 3.51 and a probability value of 0.9989 ($\beta 3 = 3.51$, $p = 0.9989$).

The theory underlying this hypothesis is that if conservative accounting delivers governance benefits, institutional investors are more likely to recognize such benefits and call for conservative accounting from managers, which implies a positive association between accounting conservatism and institutional ownership. The result is consistent with past studies by authors such as Ramalingegowda and Yu (2012), Qiang (2004), Chen et al. (2009), and Ling (2016), who reported a positive relationship between institutional ownership and accounting conservatism using United States data. Alkurdi et al. (2017) also reported a significant positive association between institutional ownership and accounting conservatism using a sample of Jordanian companies, and a positive association was also found by Majeed et al. (2017) using Chinese data.

In the current study, however, the positive relationship between institutional ownership and accounting conservatism was established to be insignificant. The implication was, therefore, that the monitoring institutions not a critical class of investors that may demand conservatism as a form of governance device in both Nigeria and Ghana. This possibly indicates that in Nigeria and Ghana, institutional investors depend more on direct monitoring and less on monitoring through accounting numbers. As the effect was insignificant, the researchers thus accepted the third null hypothesis and concluded that the institutional ownership syndicate had a positive but insignificant impact on the accounting conservatism of quoted consumer goods firms in both Nigeria and Ghana.

H_{O4}: Block ownership syndicate has no significant effect on accounting conservatism.

The regression analysis showed a significant positive of block ownership syndicate on accounting conservatism in both Nigeria and Ghana. Following the trend in other studies (Chen et al., 2009; Haw et al., 2012; Sousa & Galdi, 2016), the models show that as block ownership concentration increases, listed consumer goods firms depict a higher degree of accounting conservatism. This asserts that if conservative financial reporting accrues governance benefits, large shareholders are able to understand the accrual of such benefits and, therefore, advocate for more conservative accounting practices from managers. In the event that ownership is concentrated among block holders, particularly in developing countries like Nigeria and Ghana, the shareholders who own a major portion of the firm's shares control the voting privileges and are put in a powerful position. They tend to dominate even in the presence of minority shareholders and may, therefore, manipulate the earnings information to suit their own interests.

The results support the hypothesis that in civil-law countries like Nigeria and Ghana, where financial markets have low liquidity and efficient monitoring of firm management, the importance of large shareholders as monitors of managers' activity is higher. Further, firms with higher ownership concentrations are expected to be more aggressive tax planners, hence more conservative in reporting. Prior literature has categorized investors into two groups: transient and active monitoring investors. Transients are passive and ready to sell their investment with a slight change in market performance, while active monitoring investors have a strong incentive to hold the share for a longer period. Depending on the nature of the block investors, the effect on conservatism may be negative or positive, providing an alternative explanation for the insignificant effect observed. The study thus accepted the null hypothesis, concluding that block ownership syndicate has a positive but insignificant effect on accounting conservatism of quoted consumer goods firms in both Nigeria and Ghana.

Ho_5: Family ownership syndicate has no significant effect on accounting conservatism.
Family ownership syndicate had a positive and statistically significant effect on conservative accounting practices among quoted consumer goods firms in Nigeria and Ghana. This is based on the positive coefficient value of 0.2064 and a probability value of 0.0505 ($\beta5 = 0.2064$, $p = 0.0505$). The result implies an increase in syndicated family ownership or shareholding and confirms an increase in conservative accounting practices. This may be related to the involvement of family members in business activities. The finding is in agreement with related past studies that have attributed variations in conservative accounting to family interests other than the nature of ownership.

The effect being significant, with a coefficient value of 0.2064, and significant ($p = 0.0505$), implies that the decision of the significant effect will be based on the probability value, which is clearly below the threshold of 0.05. It is concluded that family ownership has a positive and significant effect on conservative accounting practices for quoted consumer goods firms in Nigeria and Ghana at the 5% level of significance.

Conclusion and Recommendations
In light of the preceding discussion, this study concludes that majority ownership structures significantly determine accounting conservatism among firms dealing in consumer goods in both Nigeria and Ghana during the period from 2013 to 2022. Appraise the different types of ownership and the net impact on each: foreign, managerial, institutional, block, and family. The study brought out these respective ownership structures in line with the play of significant role in the financial reporting practices. The aspect of foreign ownership registered a negative impact on accounting conservatism, meaning that foreign investors preferred aggressive financial strategies to conservative reporting in terms of accounting. On the other hand, family ownership showed a positive effect, implying that firms with family ownership may have incentives to use more conservative accounting practices to maintain stability and credibility in the long term. Altogether, the described paper illustrates the importance of understanding the nature of ownership structures regarding corporate governance and financial reporting. Emerging significant was the effective influence of the foreign and family-owned nature of the firm as an important variable that stakeholders and policymakers have to consider if the objective of transparency and accountability of economic information is to be achieved. Though managerial, institutional, and block ownership was not significantly effective, the significant influence of foreign and family ownership means that these variables have to be taken into account by policymakers and stakeholders if the objective of betterment of transparency and accountability of economic information has to be achieved.

Based on the results of the study, several recommendations can be made:

i. Given the positive impact of family ownership on accounting conservatism, regulators and policymakers should encourage practices that support family ownership structures. This can be done by providing incentives for family-owned businesses and creating policies that facilitate the transfer of ownership within families. These measures can help ensure more conservative and stable financial reporting.

ii. Given that foreign ownership adversely affects accounting conservatism, regulatory authorities should put more stringent supervision and rules for foreign investors. This can be done in terms of imposing requirements on standards and stringent stand on financial reporting practices that calls for more transparency and compliance with conservative accounting from foreign-owned companies.

iii. Enhancing the role of corporate governance frameworks towards improved monitoring and controlling against the influence of differential ownership structures over financial reporting practices. This can be done through the use of effective audit committees, enhanced boardroom independence, and governance practices that ensure conservatism in accounting are followed.

iv. While institutional ownership was not significant, perhaps encouraging greater institutional involvement in corporate governance impacts financial reporting quality. Policies that encourage institutional investors to take a longer-term involvement in their investments and a governance position may, encourage more conservative accounting, indirectly.

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