IOSR Journal Of Humanities And Social Science (IOSR-JHSS)
Volume 30, Issue 3, Series 5 (March, 2025) 35-45
e-ISSN: 2279-0837, p-ISSN: 2279-0845.
www.iosrjournals.org

Effect Of Ownership Structure On Financial Performance Of Listed Information And Communication Technology Firms In Nigeria.

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Abstract-
This research analyzed the correlation between ownership structure and financial performance among publicly listed information and communication technology companies in Nigeria. This research utilized an ex-post facto design, drawing on data from the annual reports of information and communication technology firms listed on the Nigeria Exchange Group (NGX) from 2014 to 2023. The study population comprises eight listed firms in the information and communication technology sector. Data from the firms' annual reports were collected and analyzed through fixed effect panel regression analysis, as determined by the Hausman test. The findings indicated significant positive effects of managerial, institutional, and foreign ownership structures on firm financial performance (FV = 10.56, P < 0.05; FV = 46.523, P < 0.05; FV = 17.104, P < 0.05). The findings align with established agency theory and prior empirical research in corporate governance and ownership structure. The study concluded that increased managerial ownership aligns the interests of managers and shareholders, resulting in improved financial performance for the firm. Institutional investors, with their expertise, monitoring capabilities, and long-term investment perspectives, can contribute to enhanced performance. Effective management of foreign ownership can enhance oversight and reduce agency costs. The study suggests that publicly listed ICT firms should promote a managerial and institutional foreign ownership structure to enhance financial performance.

Keywords: *Financial performance, managerial ownership, institution ownership, foreign ownership, Information and Communication Technology Firms.*

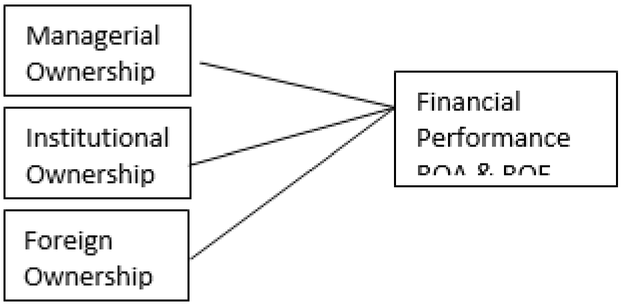
Date of Submission: 13-03-2025 Date of Acceptance: 23-03-2025

I. Introduction

The ownership structure is a critical factor that accurately delineates shareholders' wealth and the effectiveness of corporate performance. A favorable ownership structure in a firm indicates that no single authority can exert complete and absolute control over the organization. This indicates that all shareholders possess the authority to vote on matters essential to the firm's operations (Nasution, Diantimala & Yahya, 2024). An effective ownership structure enhances a firm's capacity to secure long-term viability and uphold financial stability. This will improve decision-making processes, reduce conflicts of interest among stakeholders, and limit managers' capacity to misallocate the firm's resources away from value maximization (Groficikova, 2020). Numerous researchers contend that ownership structure impacts company operations, subsequently influencing the wealth of top shareholders in relation to the percentage of shares held by controlling shareholders. Managerial ownership is defined as the proportion of shares owned by the management of the firm. Since the entire equity stock of the company is not exclusively owned by non-management shareholders, it follows that managers who hold shares in the company are likely to exert considerable effort to enhance corporate performance, primarily driven by their self-interest. Literature indicates that ownership structure does not have a significant impact on firm performance (Lawal, Eniola & Lateef, 2018). Managers possessing company shares will exhibit a strong incentive to enhance firm performance (Alabdullah, 2018). Institutions possess the capacity to control a significant portion of shares due to their superior resources compared to other shareholders, thereby enabling them to exert enhanced control. Institutional ownership entails various responsibilities, including the necessity to oversee management's actions in operating the company and enhancing its long-term performance. Increased managerial ownership correlates with a reduced tendency for managers to misallocate resources, thereby enhancing wealth and profit maximization. In summary, increased ownership by managers, institutions, and foreign investors aligns managerial interests with those of the company. Additionally, increased managerial ownership, defined as a higher percentage of shares held by company management, correlates positively with improved corporate performance (Egolum, Okonenwa & Ezeh, 2021). Numerous studies in both developing and developed nations have examined the correlation between ownership structure and firm performance. Some studies indicate a positive correlation, whereas others suggest a negative correlation (Falade, Nejo & Gbemigun, 2021; Sahru and Novita, 2020). Florackis, Kanas, Kostakis, and Sainani (2020) identified a weak correlation. Additionally, certain studies indicate inconsistent relationships (Egolum, Okonenwa & Ezeh, 2024; Abdul & Joel, 2020; Suleiman, Barnabas & Abdulmumeen, 2024). Consequently, a debate persists concerning the relationship between ownership structure and financial performance. It is essential to further investigate this relationship to determine whether ownership structure influences performance or the reverse. This study aims to examine the impact of ownership structure on the financial performance of listed information and communication technology firms in Nigeria, addressing a gap in the existing literature.

II. Literature Review

Conceptual view of ownership structures using ROA and ROE as proxies for financial performance.



\Figure 1: Researchers' concept, 2025.

The relationship between dependent and independent variables as conceived in the study.

Financial performance refers to the evaluation of a company's financial results derived from its policies and activities, measured in monetary terms. This method assesses a firm's overall financial health over a specified period and facilitates comparisons among similar companies across various industries or sectors. According to Bekhet, Alhyari, and Yusoff (2020) and Sebil (2020), a company's performance shows the main results that individuals or groups within the organization achieved based on their legal duties and permissions to reach certain goals. The financial performance of a business is crucial in assessing its financial strength or weakness and in predicting both short-term and long-term growth through financial performance indicators (Bekhet, Alhyari & Yusoff, 2020). The company's performance is viewed as a driver of sustained economic growth. The performance of the company is a primary factor that investors evaluate when deciding on investment opportunities. Various stakeholders, such as managers, creditors, employees, and the state, have a vested interest in corporate performance. Vieira, Neves, and Dias (2019). Consequently, the company consistently seeks to enhance its financial performance (Kartika, Indriastuti & Sutapa, 2021). Anyam, Jato, Kwahar, Ayatse, and Anyam (2024) say that a company's financial performance is very important to its success. They list profit maximization, asset profit maximization, and shareholder benefit maximization as the most important metrics. Operational performance metrics, including sales growth and market share expansion, significantly influence financial performance. The selection of performance measures is contingent upon the available information and the instruments employed (Ogunleye, 2023). Traditional financial indicators like ROI, leverage, capital efficiency, liquidity, cash flow, inventory turnover, and receivables turnover ratio are often used. However, non-financial indicators like management quality, corporate culture, executive pay policies, and communication with shareholders should also be taken into account. Currently, the evaluation of performance increasingly emphasizes value creation and sustainable development. Fakunle, Omole, and Adewumi (2024) highlight multiple methods for performance assessment, including the evaluation of specific divisions and the analysis of the company as a whole. This study primarily emphasizes the evaluation and quantification of the overall performance of the company, rather than individual segments or departments. This perspective offers a thorough understanding of the organization's overall performance by considering multiple facets of its operations, financial status, and strategic direction. Focusing on overall firm performance allows researchers to derive insights regarding the company's competitiveness, profitability, and effectiveness in meeting its strategic objectives.

Return on asset (ROA) is a ratio that measures a company's efficiency in utilizing its assets to generate profits. An increased ROA percentage indicates greater efficiency in profit generation relative to the company's assets. A lower ROA percentage suggests that the business is using its assets less effectively to turn a profit. Akani (2024) defines Return on Assets (ROA) as a ratio that measures the profit generated from a firm's total assets. We calculate it by dividing the profit before tax by the total assets. Akani and Anyamaobi (2021) emphasized that return on assets (ROA) serves as the dependent variable, as it reflects managerial efficiency and effectiveness. The return on assets measures a company's profitability relative to its total assets. The return on assets is a profitability ratio calculated by dividing a company's annual income after tax by its total assets, expressed as a percentage (Omotola, Philips & Nuga, 2021). Return on Assets (ROA) is calculated by dividing net profit after tax by total assets.

$$ROA = \frac{\text{Net Profit after Tax}}{\text{Total assets}}$$

ROE: Return on Equity

ROE serves as an indicator of a corporation's profitability in relation to the equity held by stockholders. ROE transcends a mere measure of profitability; it illustrates the efficiency with which the company manages the capital invested by its shareholders. ROE serves as a straightforward measure for assessing investment returns. The analysis offers a perspective on the strategies employed by the company's management in utilizing equity financing to facilitate business growth. Return on equity (ROE) serves as an indicator of financial performance, determined by dividing net income by shareholders' equity. ROE holds significant importance for shareholders as it reflects the rate of return generated on their capital after accounting for payments to other capital providers. This aligns with the findings of Nguyen, Pham, Dao, Nguyen, and Tran (2020), as well as Okewale, Mustapha, and Aina (2020). The rationale for utilizing ROE lies in its ability to assist investors in assessing the income generation potential of their investments.

It was expressed as: $= \frac{\text{Net Income}}{\text{Book Value of Equity}}$

The ownership structure refers to the type of institution or organization that possesses the majority of a company's shares (Nasution, Diantimana & Abdulmumeen 2024). The structure of ownership serves as the key factor influencing shareholder wealth and the overall effectiveness of business performance. An effective ownership structure within a corporation ensures that no single authority can exert dominance over the company. Decisions are made collectively, as all shareholders have the right to vote on critical issues that are vital to the firm's operations. As a result, the resolution of disputes between proprietors and their representatives could potentially enhance business outcomes (Al Farooque, Buachoomesan, 2020). The ownership structure is categorized into public, private, institutional, and managerial ownership (Irawati, Maksum, Sadalia & Mude, 2019). This study examines ownership structure through the lens of institutional and managerial ownership.

Institutional Ownership and Financial Performance: Institutional ownership is characterized by a significant proportion of company shares held by the institution. In this context, the entities encompass insurance companies, banks, investment firms, and private businesses. High levels of institutional ownership often lead to a more efficient management monitoring system (Suleiman, Barnabas & Abdulmueen, 2024). Institutional investors hold considerable importance, embodying a distinct group of shareholders who possess a significant quantity of shares (Raimo, Vitola, Marrone & Rubino, 2020). Institutional ownership has the potential to improve management effectiveness through heightened oversight (Hapsari & Qashash, 2019).

Ownership by Management and Financial Outcomes: Managerial ownership refers to the proportion of outstanding common shares held by managers. According to Nasution, Diantimana, and Yahya (2024), this ownership can improve financial performance, as managers who possess a substantial share of ownership are likely to be highly motivated to enhance the firm's performance, similar to the interests of other shareholders. Managerial ownership incentivizes managers to make more prudent decisions, as they will directly experience the benefits of the right choices and the repercussions of the wrong ones (Egolum, Okonenwa & Eze, 2021).

International Ownership and Economic Outcomes

Foreign investors typically hold significant stakes in domestic companies. The compelling motivation to oversee managers has the potential to diminish agency costs, thereby enhancing firm performance. This relationship, linking monitoring to reduced agency costs, was theoretically validated by Ogunleye (2023). According to Hafiludding & Patunru (2022), domestic firms that have foreign ownership demonstrate superior performance compared to their domestic counterparts lacking such ownership. Alongside the advantages of oversight, foreign ownership facilitates the transfer of technology to local companies, which in turn restricts firms from accumulating excessive cash and mitigates risk (Phuong, Nha & Thanh, 2024; Aza, Daniel & Audu, 2023).

ROE serves as an indicator of a corporation's profitability relative to the equity held by its stockholders. ROE transcends a mere measure of profitability; it illustrates the efficiency with which the company manages the capital invested by its shareholders. ROE offers a straightforward measure for assessing investment returns. The term offers a perspective on the methods employed by the company's management in utilizing equity financing to expand the business. Return on equity (ROE) serves as an indicator of financial performance, determined by the ratio of net income to shareholders' equity. The return on equity holds significant importance for shareholders as it reflects the rate of return generated on their capital after accounting for payments to other sources of capital. This aligns with the findings of Nguyen, Pham, Dao, Nguyen, and Tran (2020), as well as Okewale, Mustapha, and Aina (2020). The rationale for utilizing ROE lies in its ability to assist investors in assessing the income generation of their investments.

Theoretical Review

The study was underpinned on Agency Theory. The objective of agency theory is to explain corporate behaviors by emphasizing the relationship between the management (the agent) and the shareholder (the principal) (Zogning, 2017). Jensen and Meckling (1976) defined an agency relationship as "a contract under which one or more persons (the principal) hire another person (the agent) to perform some service on their behalf and delegate certain decision-making authority to the agent." The agency relationship becomes problematic if the agents and the principal's priorities are divergent (Zogning, 2017). Due to the divergence of interests, the agent may only sometimes perform in the best interest of the shareholders, resulting in agency conflict (Raimo, Vitolla, Maronne, & Rubino, 2021).

According to Agency Theory, businesses can improve their financial performance by reducing agency costs. We can view the agency cost as a value loss for shareholders due to the divergent interests of managers and owners (Jensen & Meckling, 1976). Additionally, the stock market reflects agency costs and impacts the value of the company's shares. Therefore, if agency cost is appropriately handled, it can enhance share value, and the system should encourage managers to act in a manner that is in the principal's best interest. To bring down the agency cost, the mechanism for corporate governance should investigate the causes of these conflicts; as a result, it is essential to understand the "agency theory." (Kyere & Ausloos, 2021).

Empirical Review

Yahaya and Lawal (2018) analyzed the effect of ownership structure on the financial performance of deposit money banks in Nigeria. The study employed secondary data obtained from the audited annual reports of deposit money banks for a period of nine (9) years, 2005–2016, and subjected it to the Generalized Moment Method. Findings reveal that institutional ownership has a positive and significant effect on performance, while others have an insignificant effect. The study recommended that institutional shareholders should continue to use their resources and expertise to exercise control over management's abuse of power, which can affect the bank's performance. Isa, Muhammed, Ibrahim, and Ibrahim (2023) empirically investigated the impact of ownership structure on the dividend policy of listed deposit money banks in Nigeria for the period 2014–2020. Data were generalized from the DMB's annual financial statement. Results of the panel data regression analysis indicated that managerial and foreign ownership have an insignificant positive effect on dividend payout ratios. Conversely, institution ownership showed a negative influence on dividend payout while ownership concentration revealed a significant negative impact. The study recommended that the banks should encourage managerial alignment for improved governance, focusing on long-term value.

Furthermore, Sinnarajah's (2020) study looked at how ownership structure affected the dividend policy of Sri Lankan listed companies over five years, from 2011 to 2015. It focused on the banking, finance, and insurance sectors. The study proxies ownership structure by institutional ownership, concentrated ownership, foreign ownership, and dividend per share as a measure of dividend policy. The panel data analysis indicated that there was a strong negative link between institutional ownership and dividend per share, a strong positive link between foreign ownership and dividend per share, and a weak positive link between concentrated ownership and dividend per share. Furthermore, return on equity, firm size, and future growth opportunities do not show a significant relationship with dividend per share. Babalola, Obademi, and Amah (2023) analyzed the effect of ownership structure on firm performance in Nigeria from 2011 to 2021. The researchers extracted data from the companies' annual reports. The chief executive officer's ownership, board ownership, and block ownership represent the ownership structure. The panel data regression analysis indicated that CEO ownership has a big and positive effect on return on assets, while board and block ownership don't have much of an effect on the value of Nigerian consumer goods that are on the stock market. The study suggested allowing block owners to utilize their skills and experience to assist the firms in achieving their objectives. Ali and Xin (2020) used the ordinary least squares technique to estimate the effect of CEO attributes on firm performance for a sample of 168 listed non-financial firms from Pakistan between 2012 and 2017. CEO attributes were proxied by tenure, age, gender, education, compensation, duality, and ownership. The firm's performance was measured by ROE. The results revealed a significant positive association between CEO ownership and firm performance.

The generalized system method of moments (GSMM) was also used by Al-Farooque, Buachoom, and Sun (2020) to look into how the characteristics of the corporate board and audit committee affected the performance of the company from 2000 to 2016. The study used TQ and stock returns as proxies for firm performance, and block and managerial ownership were proxies for ownership structure. Findings revealed that block ownership did not have a significant impact on TQ and stock returns. On the other hand, managerial ownership had a positive and significant effect on TQ but an insignificant impact on stock returns. Osazee and Efosa Sa'adatu (2023) analyzed empirically the influence of ownership structure on the profitability of banks in Nigeria. The study employed the regression technique for panel data to analyze data from 2006 to 2018. The study proxied ownership structure by board ownership, institution ownership, foreign ownership, and executive officer ownership, as well as performance by ROA. The results obtained revealed that IO, FO, and CEO ownership all have a positive and significant relationship with ROA, while board ownership harms performance proxied by ROA. The study recommended that board ownership as well as top management's stake in the banks' ownership structure should be capped to promote a successful corporate governance system in the banking sector in Nigeria.

Kirimi, Kariuki & Ocharo (2022) empirically examined ownership structure and financial performance: Evidence from Kenyan commercial banks for the period 2009 to 2020. The results of the regression analytical technique found strong evidence of ownership structures in explaining the differences in commercial banks' financial performance. The results established a negative nexus between institutional ownership and NPM, a negative association between management ownership and both NPM and EPS, a negative relationship between institutional ownership and ROA, and a negative nexus between foreign ownership and EPS. The study concluded based on the findings that commercial banks should vary their ownership structure to enhance financial performance. Akhor and Acti (2020) utilized E-View 8.0 to estimate the ownership structure and firm valuation of quoted deposit money banks in Nigeria for a period of eight years, 2012 to 2019. The study used managerial and chief executive officer ownership as proxies for the ownership structure. The study established no significant relationship between managerial ownership, CEO ownership, firm size, and firm value. Based on the findings, the study recommended that banks adopt more cost reduction schemes that will allow for optimal ownership structure decisions. Kase (2021) similarly investigated the ownership structure and profitability of deposit money banks in Nigeria. The study used managerial, institutional, and foreign ownership as proxies for ownership structure and ROA as a proxy for performance. We conducted a panel multiple regression analysis using the annual reports of some banks. The results showed that managerial and foreign ownership have a big impact on the profits of Nigeria's listed deposit money banks, but institutional ownership doesn't have a big impact on the financial performance of listed DMBs. The study suggested that Nigerian DMBs should discourage managerial ownership.

Tnushi, Yahaya, and Agbi (2023) investigated the ownership structure and dividend policy of listed banks in Nigeria. We used a strong Tobit regression method to find that institutional shareholdings, ownership concentration, and foreign shareholdings all have positive and significant effects on dividend policy. On the other hand, managerial shareholding has a negative and significant effect. It was decided that institutional shareholdings will make it easier for deposit money banks listed in Nigeria to pay dividends, while managerial shareholdings will make it harder for DMBs listed in Nigeria to pay dividends. In 2023, Nwokediuko and Onyimba used the Granger causality technique for regression analysis to figure out how ownership structure and bank performance in Nigeria from 2000 to 2019 were related. The results showed that there is a link between ownership structure (shown by directors), institutional ownership, and bank performance (shown by ROE). Alhassan & Mamuda (2020) investigated the effect of ownership structure on the financial performance of quoted financial firms in Nigeria for the periods of 2010 to 2019. A pooled general least square random and fixed effects regression model analyzed the data from the companies' annual reports. The research found that institutional and managerial ownership, which makes up the ownership structure, has a positive and significant effect on the financial performance of quoted financial firms. The only thing that has the opposite effect is ownership concentration. The study thus recommended that to enhance financial performance, financial firms in Nigeria should increase managerial equity ownership of the firms.

One more study, by Peerbhai Gumede et al. (2021), looked at how ownership structure affected the dividend policy of 89 companies listed on the Johannesburg Stock Exchange All Share Index (ALSI) from 2010 to 2019. The study focuses on three ownership structures and employs a panel regression model, using both fixed and random effects models. Findings revealed that institutional shareholders dominate the ownership landscape in these firms. The FE model showed that managerial and foreign ownership structures have no significant nexus with the dividend policies of the South African firms. In contrast, there is a negative relationship between institutional ownership and dividend policies. These results go against what you might expect from traditional agency theory, which says that managers benefit from higher dividends paid by large shareholders. Instead, Africa seems to actively watch how managers do their jobs.

III. Methodology

This study used an ex-post facto research design. Data were extracted from listed ICT firms in Nigeria. The population of this study is made up of ICT firms listed on the floor of the Nigeria Exchange Group (NGX) from the year 2014 to 2023. The data used in this study was obtained from secondary sources only. The data were extracted from the firm's annual report. We used panel regression as the analysis tool. We also did tests for pooled ordinary least squares, fixed effects, and random effects. The Hausman specification test was used to find the best model, which in this case is the fixed effect model.

MODEL SPECIFICATION

$FPit = \beta0 + \beta1MOit + \beta2IOit + \beta3FOit + \beta4SIZEit + eit$ --------------------- (1)

Where:

FPit = Dependent Variable (Return on Assets (ROA), Return on Equity (ROE)

$\beta0$ = Coefficient of β intercept

MO = Managerial ownership

IO = Institution ownership

FO = Foreign Ownership

SIZE = Firm Size

$\beta1 - \beta4$ = Regression coefficient of the 3 independent variables

i = Cross section (Sampled firms)

t = Time Frame (2014 to 2023)

Table 3.1: Variables Measurement

S/N	Variable	Measurement	Content Validity
1.	Return on Assets (ROA)	Earnings after interest and tax/Book value of total assets	Olaoye & Adesina (2022), Sadia & Shawrin (2022), Uyar, Kuzey, Kilic & Karama (2021).
2.	Return on Equity (ROE)	Earning after interest and tax/Book value of equity	Olaoye & Adesina (2022), Sadia & Shawrin (2022)
3.	Managerial Ownership (MO)	% of shares held by managers over outstanding shares	Nasution, Diantimala & Yahya (2024), Egolum, Onyinyechukwu & Eze (2024)
4.	Institution Ownership (IO)	% of shares held by institutions over Outstanding shares	Abedin etal (2022) Abdul and Joel (2020)
5.	Foreign Ownership (FO)	% of shares held by foreigners over	Suleiman & Nasamu 2021

	Outstanding shares		
6.	SIZE (Firm Size)	Logarithm of total assets	
	Kofi (2021)		

IV. Results And Discussions

Table 4.1 presents the estimated model regarding the impact of ownership structure on the return on assets (ROA) of publicly listed ICT firms in Nigeria. The objective was achieved using the panel regression technique, considering the random and cross-sectional fixed effects of the variables. Return on Assets (ROA) serves as a measure of financial performance, while ownership structure is assessed through Managerial Ownership (MO), Institutional Ownership (IO), and Founders' Ownership (FO). The Hausman Test, Lagrange Multiplier Test, and Redundant Fixed Effect Test were utilized to determine the most suitable model among the three options. The Hausman test presented in Table 4.1 indicates that the random effects model is preferred over the fixed effects model. The Lagrange Multiplier Test compares the outcomes of the random effects model with those of pooled OLS. The results indicate that the random effects model outperforms the pooled OLS. The study interprets the outcome of the random effect, as presented in Table 4.1, in light of the test results. The model's explanatory power indicates that approximately 40.00% of the variation in firms' return on assets is accounted for by the model. The F-statistic of 10.56 ($p < 0.05$) indicates that the explanatory variables are jointly significantly different from zero, suggesting that the model is statistically relevant. MO is statistically significant (0.823472, $p<0.05$), indicating that the explanatory variables are collectively different from zero and suggesting that the model holds statistical relevance. MO demonstrates statistical significance (0.823472, $p<0.05$). Managerial ownership positively influenced ROA as an indicator of the performance of the sample firms. An increase in market orientation leads to an enhancement in firm performance, as measured by return on assets (ROA). The coefficient of the IO demonstrates statistical significance ($t=4.1049$, $p<0.05$). This indicates that institutional ownership, as an ownership structure, positively influenced the return on assets (ROA) as a measure of performance for the sampled firms. An increase in IO leads to an improvement in firm ROA performance. FO demonstrates a positive correlation with firm ROA performance ($t=2.0942$, p-value<0.05), indicating that an increase in FO contributes to improved firm performance among the sampled firms. The size of ICT firms significantly enhances ROA at the 5% level ($t=2.4482$, $p<0.10$).

Table 4.1: Regression Analysis of the impact of ownership structure on the return on assets (ROA) of publicly listed ICT companies in Nigeria.

Dependent Variable: ROA						
	Random Effect Model		Fixed Effect Model		Pooled OLS	
	Coeff.	t-value	Coeff.	t-value	Coeff.	t-value
MO	1.003991	0.823472	1.130888	1.095145	0.822399	0.782921
IO	0.540763	4.104930	0.656916	4.920312	0.308754	2.614714
FO	0.487380	2.094219	0.789953	2.476307	0.172095	0.494887
SIZE	0.178330	2.448277	0.260798	1.455852	0.034385	0.895375
C	-0.588321	-1.752253	-1.074947	-1.048995	0.311975	0.808195

R-squared	0.400070	0.302878	0.356880
Adjusted R-squared	0.326305	0.163453	0.300425
F-statistic	10.56608	2.172343	9.735792
Prob(F-statistic)	0.000000	0.029558	0.000000
Hausman Test	5.494271, p=0.3586		
Lagrange Multiplier Test	19.7723 P=(0.0000)		
Redundant Fixed Effect Test	20.6171(p=0.0000)		

**significant at 5% level*

The 4.2 depict the estimated model of effect of ownership structure on ROE of listed ICT firms in Nigeria. The table reports the pooled OLS, fixed and random effect of the model. However, in order to determine the most appropriate model for the variables, the study adopted the Hausman test, Lagrange Multiplier Test and Redundant Fixed Effect Test in table 4.2. The test reveal that fixed model is the most appropriate, because the redundant fixed effect test indicates that fixed effect is better than pooled OLS and the Hausman test shows that fixed effect model is better than random effect. The model comprises of MO, IO, FO and SIZE.

The coefficient of the MO is statistically significant at 5% level of significance ($t=2.34156$, $p<0.05$). The coefficient of MO (0.02594) implies that the variable enhance the ROE of the ICT firms in Nigeria. It indicates that rise in MO will leads to rise in ROE of the listed ICT firms in Nigeria. IO exhibited positive relationship with the firm ROE at 5% level of significance ($t=2.508006$, p-value<0.05), thus rise in IO among the ICT firms will aid their ROE and greatly contribute to their financial performance. The variable of IO reports a coefficient of 0.00929. FO is positively related to the firm ROE and positive change in FO leads to rise in firm ROE with coefficient of 0.04640 ($t=2.54586$, $p<0.05$). SIZE also exhibit significant relationship with firm ROE at 5% level of significance and coefficient of 0.02299 ($t=3.234536$, $p<0.05$). The explanatory power of the model shows that the explanatory variables jointly accounted for 74.7606 percent of the variation. It can be deduce that ownership structure had significant effect on the ROE of the ICT firms in Nigeria. The F-statistics of 46.523 reveal that the joint significance of the variables is statistical.

Table 4.2 Regression Estimate of the effect of ownership structure on ROE of listed ICT firms in Nigeria

Dependent Variable: ROE						
	Random Effect Model		Fixed Effect Model		Pooled OLS	
	Coeff.	t-value	Coeff.	t-value	Coeff.	t-value
MO	0.03385	2.454503	0.02594	2.341569	0.010188	2.495497
IO	0.01145	1.638460	0.00929	2.508006	0.003585	2.078060
FO	0.04232	3.444450	0.04640	2.545869	0.006603	0.026075
SIZE	-0.02296	-3.302712	0.02299	3.234536	-0.002484	-3.905204
C	0.021762	4.435868	0.021829	4.506233	0.022993	5.339078
R-squared	0.671810		0.747606		0.367321	
Adjusted R-squared	0.612122		0.657128		0.207265	
F-statistic	38.55386		46.52324		14.45121	
Prob(F-statistic)	0.000000		0.000000		0.000000	
Hausman Test	39,7482, p=0.0000					
Language Multiplier Test	28.2911 P=(0.0000)					
Redundant Fixed Effect Test	16.2731(p=0.0000)					

Discussion Of Findings

This study analyzed the impact of ownership structure on the financial performance of listed ICT firms, specifically focusing on managerial, institutional, and foreign ownership. With a probability level below 0.05, the regression results indicate that the ownership structure has a big effect on the financial performance of Nigerian listed ICT companies, as shown by ROA and ROE. Furthermore, a brief look at the ownership structure shows that managerial ownership has a positive effect on all of these companies' financial performance measures (ROA and ROE). Changes in managerial ownership of ICT firms significantly and positively affect financial performance. The results of this study align with the findings of Abdul (2016), Osaze and Efosa (2023), Alhassan and Mamuda (202), and Kirimi, Kiriuki, and Ocharo (2022). Uzoamaka and Uweze (2016), Berke, Dovladbekova, and Abula (2017), and Noveeda, Sainaber, Vivaks, and Najina (2018) indicate that managerial ownership positively influences performance, which contrasts with the findings of Abdul and Joel (2020). Saidu and Gidado (2018), Orumo (2018), Andow and David (2016), Andow (2017), Naveen and Ola (2017), Sahrul and Novita (2020), and Tnushi, Yahaya, and Agbi (2023) indicate that managerial ownership negatively impacts performance, as managers may manipulate accounting figures for personal gain. The results support the agency theory posited by Jensen and Meckling (1976), which asserts a positive relationship between ownership structure and financial performance. The result aligns with agency theory, which posits that increasing equity ownership among managers may align their interests with those of other shareholders and potentially reduce losses. Conversely, managers who do not hold shares are more inclined to participate in insider dealings to augment their wealth and status. Data analysis results indicate that institutional ownership positively influences firm performance. The significance value showed that institutional ownership is linked to better financial performance for a company, specifically in terms of return on assets (ROA) and return on equity (ROE). The relationship indicates that an increase in the number of shares owned by the institution correlates with improved firm performance. These results agree with those of Yahaya and Lawal (2018), Abdul and Joel (2020), Kase (2021), Tnushi, Yahaya, and Agbi (2023), Tri and Abdul (2020), Mesut (2020), and Sakawa and Watanabe (2020). They all show that institutional ownership and performance are linked in a good way. A company's voting rights increase when more institutions own it. This implies that institutional shareholders can exert more influence over the company's operations and performance, as well as monitor the performance of managers. This leads to an increased motivation to improve firm financial performance; however, this contrasts with the findings of Isa et al. (2023), which indicated a negative relationship. Additionally, it was found that foreign ownership positively and significantly influences all measures of firm performance, including ROA and ROE. The results not only match what was expected, but they also show that ICT companies' financial performance, as shown by ROA and ROE, is likely to get better as the number of foreign shares they have grows. Foreign ownership serves as a significant predictor of the financial performance of listed ICT firms in Nigeria. This finding fits with what Isa, Muhammed, Ibrahim, and Ibrahim (2023), Nguyen, Pham, Dao, Nguyen, and Tran (2020), and Oyedokun, Isah, and Awotomilusi (2020) have found, which is that foreign ownership has a big and positive effect on how well a company does. Experienced foreign owners can assist ICT firms in minimizing agency costs of equity by effectively monitoring management practices. This result contradicts the findings of Kirimi et al. (2022) and Oyedokun, Isah, and Awotomilusi (2020), who identified a negative impact of foreign ownership on firm performance.

V. Conclusion And Recommendations

This research analyzed the impact of ownership structure on the financial performance of publicly listed information and communication technology companies in Nigeria from 2014 to 2023. The multiple regression analysis shows that managerial ownership, institutional ownership, and foreign ownership all have a positive and significant effect on the performance of Nigerian ICT companies that are on the stock market. This is consistent with established theories, including agency theory, and supported by empirical evidence from prior research.

The fact that there is a link between managerial ownership and firm performance suggests that when managers own more of the company, their interests become more aligned with those of shareholders, which leads to better performance. The positive impact of institutional and foreign ownership on firm performance underscores the importance of attracting these types of investors. The regression analysis results indicate that heightened managerial ownership aligns the interests of managers with those of shareholders, resulting in enhanced financial performance. Institutional investors, with their expertise, monitoring capabilities, and long-term investment strategies, can significantly enhance performance. Effective management of foreign ownership can enhance monitoring and significantly reduce agency costs. The study suggests that publicly listed ICT firms should promote institutional, managerial, and foreign ownership structures to enhance financial performance.

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