Ownership Structure and Organizational Performance: An Investigation of Food and Beverage Companies in Nigeria

[1]Folorunso, O. O, [2]Sajuyigbe, Ademola . S (Ph.D.)

[1]Department of Business Administration and Management Studies ,The Polytechnic, Ibadan, Nigeria.

[2]Department of Business Administration and Management, Osun State Polytechnic, Iree, Nigeria.

sajuyigbeademola@yahoo.com

Abstract

This study examines the influence of ownership structure dimensions on organizational performance with specific reference to Nigerian Food and Beverage Companies. Ex-post facto research design was adopted for this study because Ex-post facto is a methodological verifiable investigation which cannot be manipulated. The population of this study consist of all the companies listed on the Nigerian Stock Exchange (NSE). The companies listed are classified into twelve industrial sectors, and each sector comprises of homogenous companies. The sample size of the study was selected based on Nigerian Stock Exchange classification of the listed companies into industrial stratum of homogeneous companies of same or similar characteristics, which the food and beverage industry forms a strata. Purposive sampling technique was used to select sixteen (16) listed food and beverage companies. The data collected for this study were extracted from the audited annual financial reports and accounts of the listed food and beverages companies in the Nigerian Stock Exchange (NSE) from 2012-2016. Both Pearson Moment Correlation Coefficient and Linear Regression techniques were employed to analyse the data. Result reveals that managerial ownership, institutional ownership, government ownership and family ownership have no significant influence on organizational performance. Result also indicates that foreign ownership has significant influence on organizational performance. Study concluded that foreign ownership structure is strong predictor of organizational performance, while, managerial ownership structure; government ownership structure and family ownership structure are weak predictors of organizational performance. Subsequently, study recommends that the policy that will encourage foreign direct investment in Nigeria should be aggressively pursued by government.

Keywords: Ownership Structure, Return on Assets and Equity, Government ownership, Foreign Ownership

Introduction

Corporate governance has received greater attention from regulators, professionals and academics following a series of corporate scandals that had happened in large companies around the world. According to Kadivar (2006), the issue of corporate governance has attracted the attention of both business market leaders and regulatory authority around the globe, aiming to minimize the scandals rate in companies. Shareholders are often considered to be the corporate proprietors, though company directors are representatives of shareholders that are expected to assign business resources in a way to improve shareholders' fortune. The commitment of several shareholders for investment in organizations is profit not control (Kadivar, 2006).

The concepts of corporate governance encompass problems such as measure of management, degree of control as well as way of relationship between the great and small shareholders. Corporate governance spells out the delivery of rights and duties among diverse players in the establishment; the board, managers, shareholders as well as other stakeholders. It also stipulates the techniques for making decisions on corporate affairs. In this fashion, it offers the framework whereby the organisation's goals are established and strategy for reaching those goals and monitoring performance (Kaola, 2008). According to Aganga (2011), the issue of corporate governance is comparatively fresh in Nigeria, on account of several cases of corporate misconduct. The shift in Nigeria system of government from military era to the democratic dispensations with a policy to catch the attention of new and environmentally friendly foreign investments entailed the requirement for

corporate governance reform. This results in a recognized commission to evaluate the presence, adequacy and corporate governance relevance in Nigeria relative to global best practices as a reaction to the New International Economic Order. Considering the importance linked to the organization for efficient corporate governance, the Nigerian government, via its numerous agencies, has constituted several institutional arrangements to safeguard the investors' valuable investment from disingenuous management/directors of company in Nigeria (Aganga, 2011). Despite all the efforts and mechanism put in place by government, there are cases of crises, collapses, inefficiencies, and eventual distress among the firms in Nigeria. This may be the consequence of management-shareholder conflict or agency conflict especially while shareholders want long term maximization of their compensation and power.

Ownership structure has been identified as one of corporate governance mechanisms that influence organizational performance. According to Ebrahim, Abdullah and Faudziah (2013), ownership structure is among the central mechanisms of corporate governance. Ownership structure has been a consideration seeker to both scholars and analysts alike. The innovative study in the theory of the organization, on modern firm was performed by Berle and Means (1932). They focus on the disputes of great interest between controllers and managers, claimed that with growing ownership diffusion, the authority of the shareholders to handle management is been curtailed.

Literature examined the significance of ownership structure on firm performance, Cheng (2008) states there is no significant relationship between firm performance and ownership concentration in some European countries. Aljifri and Moustafa (2007) in their study revealed that governmental ownership has significant relationship with firm performance, while institutional ownership has no significant relationship with firm performance. Therefore, the current research targets the assessment of the ownership structure - firm financial performance relationship.

Statement of the Problem

In Nigeria, most organizations' crises, inefficiencies, and eventual distress are linked to the ownership structure of such organizations, the separation of control and sub optimal performance of management results in conflict with owners. The performance of the manufacturing sector in the country compared to the other sectors is low; Adenikinju (2005) confirms that manufacturing contribution to foreign exchange earnings was found to be less than one percent (1%) while about eighty-one percent (81%) of the nation's total foreign exchange earnings was utilized by the sector. In terms of employment generation, about ten percent (10%) of the population was employed compared to seventy percent (70%) in agriculture and twenty percent (20%) in services. The dismal performance of Nigeria's manufacturing sector is manifested in the high level of graduate unemployment, poverty, corruption and other types of social vices which constitutes a threat to the nascent democracy and further investments in Nigeria, thereby perpetuating underdevelopment.

The government and regulatory bodies have continuously encouraged the restructuring of ownership structure of organizations to enhance efficiency and profitability as one way of dealing with the problem. The uncertainty surrounding the outcome of these options may have further made organizations vulnerable to decline in profits, due to existing uncompetitive ownership structure (Ezygwu & Itodo, 2014). The possible impact of initial public offers, conversion to public limited company (Plc), and mergers on ownership structure and the subsequent impact on the operating performance of companies is an issue which has not received sufficient conclusive empirical attention in Nigeria.

Based on this, the study tried to fill the existing gap of having limited work done on other industry of the economy. Hence, the focus of this study was on examining the correlation between ownership structure (dimensions) and financial performance of Nigeria food and beverage industry listed on the Nigerian Stock Exchange.

Objectives of the Study

The general objective of this study is to examine the relationship between ownership structure and financial performance with particular reference to the listed food and beverage manufacturing companies in Nigeria. The specific objectives are to:

i. determine the relationship between managerial ownership and performance of Nigeria food and beverage industry;

ii. examine the influence of institutional ownership on performance of Nigeria food and beverage industry;

iii. investigate the influence of foreign ownership on performance of Nigeria food and beverage industry;

iv. determine the relationship between government ownership and performance of Nigeria food and beverage industry;

v. examine the influence of family ownership on performance of Nigeria food and beverage industry.

Research Questions

The following research questions were the focus of this study:

i. what relationship exist between managerial ownership influence on performance of Nigeria food and beverage industry?

ii. what influence does institutional ownership have on performance of Nigeria food and beverage industry?

iii. how does foreign ownership affect performance of Nigeria food and beverage industry?

iv. what relationship exist between government ownership and performance of Nigeria food and beverage industry?

v. to what extent does family ownership influences performance of Nigeria food and beverage industry?

Research Hypotheses

The following null hypotheses were postulated for the study:

H_{o1}: Managerial ownership has no significant relationship with performance of Nigeria food and beverage industry.

H_{o2} Institutional ownership has no significant influence on performance of Nigeria food and beverage industry.

H_{o3}: Foreign ownership has no significant effect on performance of Nigeria food and beverage industry.

H_{o4}: Government ownership has no significant relationship with performance of Nigeria food and beverage industry.

H_{o5} Family ownership has no significant influence on performance of Nigeria food and beverage industry.

Theoretical Framework

Ownership structure cannot be studied in isolation because it is one of the mechanisms underpinning corporate governance, which focuses on the relationship between the shareholders who are the owners and the directors/management that acts as agents. Ownership structure has been identified as one of corporate governance mechanism that influences firm's performance. According to Ebrahim, Abdullah and Faudziah (2013), ownership structure is among the central mechanisms of corporate governance. Ownership structure has been a consideration seeker to both scholars and analysts alike. The innovative study in the theory of the organization, on modern firm was performed by Berle and Means (1932). They focus on the disputes of great interest between controllers and managers, claimed that with growing ownership diffusion, the authority of the shareholders to handle management is been curtailed.

Karaca and Ekşi (2012) assert that the ownership structure - corporate performance relationship continues to be getting important interest in economic literature. In a similar vein, Fama and Jensen (2003) and Jensen and Meckling (1986) show that the ownership diffusion has a substantial impact on the genuineness of the profit-maximizing aim of companies, as the separation of control allows corporate managers to put in effort to pursue their own interests. Furthermore, Demsetz (1983) asserts that ownership structure is an endogenous facet of governance that raises the earnings and worth of an establishment. In addition, Fazlzadeh, Hendi and Mahboubi (2011) also acknowledge that ownership structure performs major function on firms' overall performance and offers policy makers with experience for improving the system of corporate governance. In most developed nations, ownership structure is substantially distributed. On the other hand, the emerging nations identified by less strong legal system protecting the interest of investors, the ownership structure are concentrated (Ehikioya, 2009).

Zhauang (1999) sees ownership structure as one of the most key elements in transforming the corporate governance system in any nation. Bai, Lu, and Tao (2006) also identified the significance of ownership regime in analyzing the achievements of firms by imposing their standards on corporate managers (Li, Meng, Wang & Zhou, 2008). Gursoy and Aydogan (1999) describe ownership structure in two categories, namely ownership concentration and ownership mix. Although the previous represents the proportion of shares acquired by most of shareholder(s), the latter is comparable to the identity of the major shareholders. Corporate governance literature has showed corporate ownership is focused on the hands of controlled shareholders around the globe (Claessens, Djankov, & Lang 2002), while Desai and Dharmapals (2008) claim that concentrated ownership is the way to solve the agency issue between managers and shareholders. This however generates an additional type of conflict among controlling shareholders and minority shareholders. As in other emerging economies as related by Ezugwu and Itodo (2015), a cursory look at ownership structure of Nigerian companies suggests that they can be characterized as highly concentrated, family owned firms attached to a group of companies generally owned by the same family or a group of families. Stressing further, they point out that although professional managers run these companies, family members are actively involved in strategic as well as daily decisions.

Empirical Review

Relationship between ownership structure dimensions and firm performance has been widely researched; the empirical evidence has provided mixed results. For instance, Woriu, Evioghenesi, Ajagbe and Okoye (2015) examine the relationship between the ownership structure and the performance of entrepreneurial firms in Nigeria. Descriptive analytic method of research was adopted, while both primary and secondary sources of data were used. Simple random sampling technique was used to select from small and medium scale enterprises within Lagos and Ogun states of Nigeria. The results reveal that there is a significant relationship between ownership structure and performance of entrepreneurial small and medium sized firms in Nigeria.

Gufong, Gufong, Arugu and Dandago (2014) also determine the significant effect of ownership structure on the financial performance of listed insurance firms in Nigeria. Panel data for seventeen (17) firms for the period 2001 – 2010 were used for the analysis. Results reveal that there is a positive significant relationship between

ownership structure and firm's performance as measured by Return on Assets and Return on Equity. Also, Ioraver and Wilson (2013) investigate the relationship between two patterns of ownership structures and their impact on firm performance in Nigeria. 72 non-financial firms listed on the Nigerian Stock Exchange (NSE) were selected covering the period of five years. Ordinary Least Squares (OLS) method was employed to analyse the data. The result indicates that concentrated ownership has negative impact on firm performance while foreign ownership has positive and significant impact on firm performance.

Mei (2013) also examines the relationship between state ownership and firm performance among the non-financial Chinese listed firms between 2003 and 2010. This study applies panel data regression techniques. The results show that a higher level of state ownership is superior to a dispersed ownership structure due to the benefits of government support and political connections in China.

Eric (2011) also investigates ownership structure and corporate governance and its effects on performance of firms with specific reference to banks in Kenya. The study shows that there was no significant difference between type of ownership structure and financial performance. Result also indicates that foreign ownership has significant influence on banks' performance.

Gaps in Literature

Ownership structure is one of the elements of corporate governance and a strong influence on firm performance. Hence who owns the firm's equity and how ownership structure affects performance has been an investigated topic by many researchers. It is observed that most research on the subject, focus on firm valve, and the empirical studies are based on financial institutions, and general economy of countries (Gugong, Arugu & Dandago, 2014; Adenikinju & Ayorinde, 2011; Zakaria, Purhanudin, & Palanimally, 2014)

Researchers' investigation on impact of ownership structure on performance on non-financial sector of the economy in Nigeria is relatively low compared to works based on the developed economy. This work thus intends to fill the gap by examining ownership structure and performance in Nigerian manufacturing sector,- among food and beverages companies.

Methodology

Research Design: Ex-post facto research design was adopted for this study because Ex-post facto is a methodological verifiable investigation which cannot be manipulated. Ex-post facto research attempts to explain the possible relationship between a set of independent variables and dependent variables or to determine the influence of a variable on another.

Population: The population of this study consist of all the companies listed on the Nigerian Stock Exchange (NSE). The companies listed are classified into twelve industrial sectors, and each sector comprises of homogenous companies.

Sample Size and Sampling Technique: The sample size of the study was selected based on Nigerian Stock Exchange classification of the listed companies into industrial stratum of homogeneous companies of same or similar characteristics, which the food and beverage industry forms a strata. This sector comprises of sixteen (16) listed companies, (Big treat Plc, 7-up Bottling Company Plc, Dangote Flour Mills, Cadbury Nigeria Plc, Dangote Sugar Refinery Plc, Ferdinand Oil Mills Plc, Flour Mills Nigeria Plc, Foremost Dairies Plc, National Salt Co. Nigeria Plc, Nestle Foods Nigeria Plc, Nigerian Bottling Company Plc, Northern Nigeria Flour Mills Plc, P S Mandrides & Co. Plc, Tate Industries Plc., Union Dicon Salt Plc. UTC Nigeria Plc.), selected for the study for over a period of five years.

Source of Data: Secondary data was used for this study. It was adopted from the audited financial statements of the listed food and beverages companies in the Nigerian Stock Exchange (NSE), for the period of year 2012 – 2016. This study also made use of Nigerian Stock Exchange Fact Book 2016 for the company's ownership

structure and CBN bulletin 2016. Most of the yearly reports that were inaccessible in the NSE fact book were obtained from the corporate offices of concerned food and beverages companies and were also downloaded from their corporate websites.

Method of Data Analysis: Panel data was used since it incorporates time series and cross-sectional data. The methods of analysis used were Pearson Moment Correlation Coefficient and Linear Regressions.

Explanation of variables and Model Specification

The economic models employed in the study are regression models, to examine the relationship between ownership structure and financial performance of firms in Nigeria food and beverage industry. The independent variable of the research is represented by Ownership structure, measured by the percentage of owners' equity held by managers/insiders, indigene/ institutions, foreigners, government and family (see Table 1)

Table 1: Explanation of Variables

Variable	Measurement
Manager Ownership (MGO)	Number of shares held by management / Total owners' Equity
Institutional Ownership (INO)	Number of shares own by indigene institutions / Total owners' Equity
Foreign Ownership (FRO)	Number of shares held by foreign / Total owners' Equity
Government Ownership (GVO)	Number of shares held by government / Total owners' Equity
Family Ownership (FMO)	Number of shares held by one family / Total owners' Equity
Return on Asset (ROA)	Earnings before interest and tax (EBIT) / Total Assets
Return on Equity (ROE)	Earnings before interest and tax / Shareholder's Equity

Financial performance is the dependent variable, is measured by the: Return on Asset (ROA) and Return on Equity (ROE). Most similar studies that examined firms' performance employed ROA and ROE amongst the variables adopted for measuring firms' performance, (Zakaria, Purhanudin, & Palanimally, 2014; Srivastava, 2011). Return on Asset (ROA) measures how efficiently and effectively a company can manage its assets to earn profits in a financial year. In other words, it is a performance indicator of how effectively the firm's investment in assets can yield profit.

Return on equity is also used to measure firm's performance to show how it generates profit on owners' (shareholders) investment in the company. ROE is an indicator of how effective management is using owners' fund (equity) to finance the firm's operations and grow the company.

Financial performance is function of ownership structure, [performance = f (ownership structure)] while the financial performance is measured by ROA, and ROE respectively.

Model I

Return on Asset = f (Managerial ownership, Institutional ownership, Foreign ownership, Government Ownership, Family ownership)

$ROA= \beta_0 + \beta_{1MGO}+ \beta_{2INO}+ \beta_{3FRO}+ \beta_{4GVO} + \beta_{5FMO} +\mu_i$

Model II

Return on Equity = f (Managerial ownership, Institutional ownership, Foreign ownership, Government Ownership, Family ownership)

$ROE= \beta_0 + \beta_{1MGO} + \beta_{2INO}+ \beta_{3FRO}+ \beta_{4GVO} + \beta_{5FMO} + \mu_{ii}$

Where;

MGO = Managerial Ownership

INO = Institutional Ownership

FRO = Foreign Ownership

GVO = Government Ownership

FMO = Family Ownership

β_0 = intercept

β_1- β_5 = Regression coefficient of the independent variables (ownership structure), where:

β_1 – co-efficient of managerial ownership [MGO]

β_2 -co-efficient of institutional ownership [INO]

β_3 -co-efficient of foreign ownership [FRO]

β_4 - co-efficient of Government ownership [GVO]

β_5- co-efficient of concentrated ownership [FMO]

μ_i = Stochastic error term

Multicollinearity Test

Multicollinearity is a state of intercorrelations or inter-associations among the independent variables. It is a form of disturbance in the data, if present in the data may make inferences from the data not reliable. This is checked by the test called Variance Inflation Factor (VIF). If the VIF value obtained is between 1 and 10 this means, there is no multicollinearity. If the VIF value is less than 1 or greater than 10 then there is multicollinearity.

This test was performed to check if there is any inter-association among the ownership dimensions; the result is shown in Table 2.

Table 2 Multicollinearity Test (VIF)

Coefficients[a]

Model	Collinearity Statistics	
	Tolerance	VIF
Managerial Ownership	.400	2.497
Institutional Ownership	.720	1.388
Foreign Ownership	.525	1.904
Government Ownership	.238	4.198
Family Ownership	.227	4.405

Source: Researchers' Computation

The results from Table 2 show that there is no multicollinearity among the independent variables in the model. Managerial ownership shows VIF coefficient greater than 1 (2.497 > 1), Institutional ownership (1.388 > 1), Foreign ownership (1.904 > 1), Government ownership (4.198 > 1) and Family Ownership (4.405 > 1), but less than 10 which was the bench mark for multi collinearity.

Heteroskedasticity Test

Heteroskedasticity test was employed as a post-test tool to ascertain the reliability of data used. This test is basically on the variance of the error term. It helps to ascertain whether the variance of the error term is constant or not. The Table 2 below shows the result of the test:

Table 3: Heteroskedasticity Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.363	2.852		.478	.643
	managerial Ownership	.005	.023	.088	.217	.833
	Institutional Ownership	-.007	.032	-.386	-.214	.835
	Foreign Ownership	-.017	.030	-.914	-.561	.587
	Government Ownership	.006	.039	.078	.148	.885

	Family Ownership	-.009	.028	-.515	-.332	.747

a. Dependent Variable: AbsUt

Source: Researchers' Computation

Based on output coefficients the obtained value of sig. managerial ownership variable of 0.833, sig. institutional ownership variable of 0.835 sig. foreign ownership variable of 0.587, sig. government ownership variable of 0.885 and family member ownership variable of 0.747, meaning that the value of the variable sig managerial ownership, institutional ownership, foreign ownership, government ownership and family member ownership > 0.05, it can be concluded that there is no heteroskedasticity problem.

ANOVA Result

The ANOVA result shows F-Statistic which measures the overall outcome of statistics. If the result of F-test is greater than 0.05, this means that is significant relationship between dependent variables and all the independent variables.

Table 4. ANOVA result showing F-test

Model		Sum of Squares	Df	Mean Square	F	Sig.
Return on Assets	Between Groups	7.446	4	1.862	2.360	.117
	Within Groups	8.676	11	.789		
	Total	16.122	15			
Return on Equity	Between Groups	27.324	4	6.831	.341	.844
	Within Groups	200.252	11	20.025		
	Total	227.575	15			

Source: Researchers' Computation

Table 4 reveals the F-test result which is greater than 0.05 significant level (2.360 > 0.05) showed that there is overall significant relationship (difference) between dependent variable (ROA) and the totality of the independent variables. F-test 0.341 is greater than the significant level 0.05. This indicated that all the independent variables are jointly significant with dependent variable (ROE). There is difference in return on assets (ROA) and return on equity (ROE) among ownership structure dimensions. This implies that there is difference in return on assets and return on equity in term of financial performance.

Results and Discussion

Relationship between Ownership Structure Dimensions and Return on Equity

Table 5.: Relationship between ownership structure dimensions and Return on Equity

Variable	Mean	SD	1	2	3	4	5	6

1. Return on Equity	35.322	4.031	1.000					
2. Managerial Ownership	15.994	7.250	0.349	1.000				
3. Institutional Ownership	37.635	23.622	-0.638*	-0,128	1.000			
4. Foreign Ownership	26.125	22.509	0.423	0.197	-0.634**	1.000		
5. Government Ownership	3.371	5.678	0.388	0.201	-0.129	0.025	1.000	
6. Private Ownership	91.06	17.231	-0.137	-0.311	-0.430	-0.348	-0.214	1.000

Source: Researchers' Data Analysis, 2017

Table 5 reveals weak positive correlation (0.349) between return on equity and managerial ownership, foreign ownership is weak positively correlated with return on equity by coefficient (0.423) and there is weak positive correlation between government ownership and return on equity with coefficient (0.388). However, institutional ownership has strong negative correlation with return on equity by (-0.638) and the correlation coefficient (-0.137) shows weak negative relationship between returns on equity and private ownership. The positive relationship implies that the variables change together in same direction and negative coefficient indicates variables change in inverse direction. This implies that institutional ownership and private ownership in foods and beverages companies in Nigeria has not been contributed positively to the performance of the industry. This finding is in support of previous studies that institutional ownership and private ownership are the major ownership structures that contribute to the distressed of many organizations in Nigeria (Ioraver & Wilson, 2013; Ukaegbu, Oino & Dada, 2014; Ezugwu & Itodo, 2014).

Relationship between Ownership Structure Dimensions and Return on Assets

Table 6: Relationship between ownership structure dimensions and Return on Assets

Variable	**Mean**	**SD**	**1**	**2**	**3**	**4**	**5**	**6**
1. Return on Assets	2.337	1.036	1.000					
2. Managerial Ownership	15.994	7.250	0.078	1.000				
3. Institutional Ownership	37.635	23.621	-0.095*	-0.128	1.000			
4. Foreign Ownership	26.125	22.508	0.516	0.197	-0.634**	1.000		
5. Government Ownership	3.371	5.678	0.322	0.201	-0.129	0.025	1.000	

6. Family Ownership	17.233	22.971	0.059	-0.311	-0.430	-0.348	-0.214	1.000

Source: Researchers' Data Analysis, 2017

Table 6 shows weak positive correlation between return on assets and managerial ownership (0.078), strong positive correlation with foreign ownership (0.516), weak positive association with government ownership (0.322), and also a weak positive relationship with private ownership by coefficient (0.059). There is weak negative link between institutional ownership and return on assets indicated by coefficient (-0.095). This implies that institutional ownership in food and beverage companies in Nigeria has been a major obstacle to organizational performance. This finding is in agreement with previous studies that institutional ownership particularly is the major ownership structure that contributes to the moribund of many manufacturing companies in Nigeria (Ioraver & Wilson, 2013; Ukaegbu, Oino & Dada, 2014; Ezugwu & Itodo, 2014).

Testing of Hypotheses

Table 7: Testing ownership structure relationship with performance of Nigerian food and beverage industry measured by Return on Assets

Ownership structure	R^2	Beta	P-Value
Managerial Ownership	0.006	0.011	0.774
Institutional ownership	0.354	0.026	0.015
Foreign ownership	0.267	0.024	0.041
Government ownership	0.223	0.059	0.223
Family ownership	0.003	0.003	0.828

Source: Researchers' Data Analysis.

Table 7 shows R^2 = 0.006, which indicates that 0.06% change in organization financial performance (return on assets) is explained by managerial ownership. p- value (0.774) is greater than significant level (0.05) and this indicates that managerial ownership does not have a significant impact on organization performance. The regression coefficient (0.011) indicates that a unit increase in managerial ownership will bring about (0.011) increases in organizational performance which is measured by return on assets. This study is in agreement with Gugong *et al* (2014) that managerial ownership has positive relationship with performance measured by return on assets.

Table 7 also exhibits R^2 = 0.354, which indicates that 35.4% change (variation) in financial performance (return on assets) is explained by institutional ownership. P-value (0.015) is less than significant level (0.05) and this indicates that institutional ownership has a significant impact on organizational performance. The regression coefficient (0.026) indicates that a unit increase in institutional ownership will result to (0.026) decreases in organizational performance which is measured by return on assets. This study is in line with Ioraver and Wilson (2013) that institutional ownership has negative impact on firm performance.

Table 7 also reveals that 26.7% variation in organizational performance (return on assets) is explained by foreign ownership based on R-square (0.267). P-value (0.041) is less than significant level (0.05) and this indicates that foreign ownership has a significant impact on organizational performance. The regression coefficient (0.024) indicates that a unit increase in foreign ownership will result to (0.024) increases in organizational performance which is measured by return on assets. This study is in support of finding of Ioraver and Wilson (2013) that foreign ownership has positive and significant impact on firm performance.

Table 7 also displays R^2 = 0.104, which indicates 10.4% change in organizational performance (return on assets) is explained by institutional ownership. p-value (0.223) is greater than significant level (0.05) and this shows that government ownership has no significant impact on organizational performance. The regression coefficient (0.059) indicates that a unit increase in institutional ownership will result to (0.059) increases in organizational performance which is measured by return on assets. This result conforms to the study of Mei (2013) who found that government ownership is a weak predictor of organizational performance.

Table 7 also shows that R^2 = 0.003, which indicates that 0.03% change in financial performance (return on assets) is explained by family ownership. p-value (0.828) is greater than significant level (0.05) and this indicates that institutional ownership does not have a significant impact on organization performance. The regression coefficient (0.003) indicates that a unit increase in family ownership will lead to (0.003) increases in organizational performance which is measured by return on assets. This result conforms to the study of Mei (2013) who found that private ownership is a weak predictor of organizational performance.

Table 8: Testing ownership structure relationship with performance of Nigerian food and beverage industry measured by Return on Equity

Ownership structure	R^2	Beta	P-Value
Managerial Ownership	0.122	0.188	0.202
Institutional ownership	0.407	-0.106	0.010
Foreign ownership	0.179	0.074	0.047
Government ownership	0.151	0.270	0.153
Family ownership	0.019	0.023	0.627

Source: Researchers' Data Analysis

Table 7 reveals that R^2 = 0.122, meaning that 12.2% variation in organizational performance (return on equity) is explained by managerial ownership. The p-value (0.202) is greater than significant level (0.05) and this shows that managerial ownership has no significant impact on organizational performance. The regression coefficient that has positive value (0.188) indicates that a unit increase in managerial ownership will bring about an increase in return on equity by (0.188). This study is in agreement with Gugong *et al* (2014) that managerial ownership has positive relationship with performance measured by return on equity. The implication of this findings is that increase in ownership percentage of employees/ management in Nigerian confectionery industry may likely to improve organisational performance.

Table 7 also shows R^2 = 0.407, which indicates that 40.7% change in organizational performance (return on equity) is explained by institutional ownership. p-value (0.010) is less than significant level (0.05) and this indicates that institutional ownership has a significant impact on organizational performance. The regression coefficient (-0.106) indicates that a unit increase in institutional ownership will lead to (0.106) decreases in organizational performance which is measured by return on equity. This study is in line with Ioraver and Wilson (2013) that institutional ownership has negative impact on firm performance.

Table 7 also exhibits R^2 = 0.0179 which indicates that 17.9% change in return on equity is explained by foreign ownership, the p-value (0.047) which is less than significant level(0.05) shows that foreign ownership impacts return on equity. The regression coefficient (0.074) indicates that a unit increase in foreign ownership will bring about an increase in organizational performance which is measured by return on equity by (0.074). This study is in support of the findings of Eric (2011) and Ioraver and Wilson (2013) that foreign ownership has positive and significant impact on firm performance.

Table 7 also reveals R^2 = 0.151, which indicates that 15.1% change in return on equity is explained by government ownership, the p-value (0.153) which is greater than significant level(0.05) shows that government ownership does not impact return on equity. The regression coefficient (0.270) indicates that a unit increase in government ownership will bring about an increase in organization performance which is measured by return on equity by (0.270). This result in consistent with Mei (2013) that government ownership has not contributed significantly to the organizational performance.

Table 7 also exhibits R^2 = 0.019, which indicates that 1.9% change in return on equity is explained by family ownership, the p-value (0.627) which is greater than significant level(0.05) shows that family ownership does not have significant impact on return on equity. The regression coefficient (0.023) indicates that a unit increase in family ownership will bring about an increase in organizational performance (return on equity) by the value. This result conforms to the study of Mei (2013) who expounds that private ownership is a weak predictor of organizational performance.

Table 8: Summarized Table of Findings

Hypothesis One

Model	p-value	Decision
ROA	0.774 >0.05	Accept
ROE	0.202 > 0.05	Accept
Hypothesis Two		
ROA	0.015< 0.05	Reject
ROE	0.010 < 0.05	Reject
Hypothesis Three		
ROA	0.041< 0.05	Reject
ROE	0.047 < 0.05	Reject
Hypothesis Four		
ROA	0.223 >0.05	Accept
ROE	0.153 > 0.05	Accept
Hypothesis Five		
ROA	0.828 >0.05	Accept
ROE	0.627 > 0.05	Accept

Discussion of Findings

The first objective of the study was to determine the relationship of managerial ownership with organizational performance of Nigerian food and beverage companies. The result showed that managerial ownership has not significantly influence organizational performance. This implied that managerial ownership is a weak predictor of financial performance of food and beverage industry. It was observed that the result is in accordance with Gugong, *et al* (2014) that managerial ownership has positive relationship with organizational performance but insignificant. The implication of this findings is that increase in ownership percentage of employees/ management in Nigerian confectionery industry may likely not to improve organisational performance as expected.

The second objective of the study was to examine the influence of Institutional ownership on organizational performance of Nigerian food and beverage companies. The result showed that institutional ownership has negative and significant influence on organizational performance. This implied that institutional ownership has contributed inversely to performance of the food and beverages companies in Nigeria. The result collaborates the finding of Ioraver and Wilson (2013) that institutional ownership has negative impact on firm performance

The third objective of the study was to investigate the influence of foreign ownership on organizational performance of Nigerian food and beverage companies. The result revealed that foreign ownership is independently and significantly influences organizational performance. This implied that foreign ownership is a strong predictor of financial performance of the food and beverages companies in Nigeria. This research is in support of the finding of Eric (2011) and Ioraver and Wilson (2013) that foreign ownership has positive and significant impact on firm performance.

The fourth objective of the study was to determine the relationship between government ownership and financial performance of Nigerian food and beverage companies. Result showed that government ownership has no significant influence organizational performance. This implied that government ownership is a weak predictor of financial performance of the food and beverages companies in Nigeria. This outcome is consistent with Mei (2013) that government ownership has not contributed significantly to the organization's performance.

The fifth objective of the study was to examine the influence of family ownership on financial performance of Nigerian food and beverage companies. Result revealed that family ownership has not significantly influence organization's performance. This implied that family ownership is a weak predictor of financial performance of food and beverages industry in Nigeria. This result conforms to the study of Mei (2013) who found that private ownership is a weak predictor of organizational performance.

Conclusion

This study examines the influence of ownership structure dimensions on organizational performance with specific reference to Nigerian Food and Beverage Companies. The study establishes that foreign ownership structure has significant and positive impact on financial performance of Nigerian food and beverages industry, while, managerial ownership structure; government ownership structure and family ownership structure are weak predictors of financial performance of Nigerian food and beverages industry. However, the study confirms that institutional ownership structure has significant inverse impact on financial performance of Nigerian food and beverages industry. The study concludes that foreign ownership is a strong predictor of financial performance of the food and beverages companies in Nigeria, while government ownership, managerial ownership and family ownership are weak predictors of financial performance of the food and beverages companies in Nigeria.

Deduction to be made from these findings is that institutional ownership structure should be avoided, while foreign ownership structure should be encouraged so that incessant distressed syndrome facing Nigerian food and beverages industry could be averted.

Recommendations

Arising from the findings of this study the following recommendations are made:

i. The policy that will encourage foreign direct investment in Nigeria should be aggressively pursued by government.

ii. The code on foreign ownership structure in the country- ought to be maintained and also be offered for full implementation to ensure that the Nigerian food and beverages industry can continue to wax stronger in a global competitive environment.

iii. Nigerian investors should regard the problem of corporate governance more critically rather than just a necessity included in the law but according to appropriate comprehension of the significance of corporate governance.

iv. There is requirement for the regulatory agency i.e. the NSE to keep administering and motivating companies to follow the rules on corporate governance for manufacturing companies. This can be ensured through enacting of more rules and regulations thus ensuring that manufacturing companies maintain confidence in shareholders and customers.

References

1. Adenikinju, O. O., & Ayorinde, F. (2011). Ownership structure, corporate governance and
2. corporate performance: The case of Nigerian quoted companies". Unpublished Final Report presented at the AERC biannual research workshop, Nairobi, May.
3. Aganga, O. (2011). Corporate governance in Nigeria, *Stock watch* in the Guardian Newspaper March 21.
4. Aljifri, K. & Moustafa, M. (2007). The impact of corporate governance mechanism on the performance of UAE firms: An empirical analysis. *Journal of Economics and Administrative Science.* 23(2); 71-93.
5. Bai, C., Lu, J. & Tao, Z. (2006). The multitask theory of state enterprise reform: Empirical evidence from China. *American Economic Review, 96*(2); 353-357
6. Berle, A., & Means, G. (1932). *The modern corporation and private property.* New York. Macmillan Company.
7. Cheng, S., (2008). Board-size and variability of corporate performance. *Journal of Financial Economics. 87 (2); 290-299.*
8. Claessens, S., Djankov, S., & Lang, L. (2002). Who controls East Asian corporation, Code of corporate governance for public companies in Nigeria. Code of cg –weboptimised.pdf.
9. Demsetz, H. (1983). The structure of corporate ownership: Causes and consequences. *Journal of Political Economy, 93*; 1155-1177
10. Desai, M. A., & Dharmapala, D. (2008). Tax and corporate governance: An economic approach. *MPI Studies on Intellectual Property, Competition and Tax Law*, 3; 13-30.
11. Ebrahim, M. A., Abdullah, K.A., & Faudziah, H. B. (2013). Ownership Structure Characteristics & Firm Performance: A Conceptual Study. *Journal of Sociological Research. 4*(2); 464- 593.
12. Ehikioya, B. I. (2009). Corporate governance structure and firm performance in developing economies: Evidence from Nigeria. *Corporate Governance 9* (3); 231–243.
13. Eric, E. M. (2011). Ownership structure and corporate governance and its effects on performance: A case of selected banks in Kenya. *International Journal of Business Administration. 2*(3); 1-16.
14. Ezugwu, C. I., & Itodo, A. B. (2014). Impact of equity ownership structure on the operating performance of listed Nigerian banks from 2002 to 2011. *Standard Global Journal of Business Management. 1*(4); 061- 073.
15. Fama, E. F., & Jensen, M. (2003): Separation of ownership and control. *Journal of Law and Economics, 26*; 301-325.

16. Fazlzadeh, A., Hendi, A. T., & Mahboubi, K. (2011). The examination of the effect of ownership structure on firm performance in listed firms of Tehran stock exchange based on the type of the industry. *Interactional Journal of Business & Management*, *6*(3); 249–267.

17. Gugong, B. K., Arugu, L. O., & Dandago, K. I. (2014). The Impact of Ownership
18. Structure on the Financial Performance of Listed Insurance Firms in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences.4(1);* 409-416.

19. Gursoy, G., & Aydrogan, K. (1999). Equity ownership structure, risk taking and performance. An empirical investigation in Turkish companies. Hi/kent University Working paper.

20. Jensen, M., & Meckling, W. (1976). *Theory of the Firm: Managerial behaviour, agency costs and ownership structure,* in Putterman, L. *(1986), The Economic Nature of the Firm.* Cambridge University Press.

21. Ioraver , N. T., & Wilson, E. H. (2013). Corporate governance, ownership structure and firm performance in Nigeria. *Research Journal of Finance & Accounting*. *4*(5); 23-39.

22. Kadivar, A. (2006). The principles of corporate governance. *Economies journal of Iran, 80;* 25-29

23. Kajola, S. O. (2008). Corporate governance and firm performance: The case of Nigerian listed firms. *European Journal of Economics, Financial, Administrative Science, 14;* 16-28.

24. Karaca, S., & Eksi, I. (2012). The relationship between ownership structure and firm performance: An empirical analysis over Istanbul stock exchange listed companies, *International Business Research, 5*(1); 172-181.

25. Li, H., Meng, L.,Wang, Q., & Zhou, L. (2008). Political connections, financing and firm performance: Evidence from Chinese private firms. *Journal of Development Economics*, *87*(2); 283 - 299.

26. Mei, Y. (2013). State ownership and firm performance: Empirical evidence from Chinese listed companies. *China Journal of Accounting Research.6* (3); 75–87.

27. Ukaegbu, B. Oino, I., & Dada, F. B. (2014). The Impacts of Ownership Structure on Capital
28. Structure and Firm's Performance in Nigeria. *Research Journal of Finance and Accounting*. 5(15); 82-89.
29. Woriu, R. E. Evioghenesi, M.E., Ajagbe, M.A., & Okoye, L.U. (2015). Ownership Structure
30. and Performance of Entrepreneurial Firms in Nigeria. *International Journal of Economics And Business Management.* 1(3); 1-12.
31. Zakaria, Z., Purhanudin, N., & Palanimally, Y. R. (2014). Ownership Structure and Firm
32. Performance: Evidence from Malaysian Trading and Services Sector. *European Journal of Business and Social Sciences, 3*(2); 32-40.
33. Zhuang, J. (1999). *Some conceptual issues of corporate governance*. EDRC Briefing Notes