

Impact of Ownership Structure on Financial Performance of Listed Industrial Goods Firms in Nigeria

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Abstract : The financial statements of the firms between the periods of 2013 and 2022 were collected using the secondary method of data collection, and the study aims to investigate the effect of ownership structure on the financial performance of listed industrial goods companies in Nigeria. 10 firms were used as the study's sample size. The study used panel data variables of the study. The ownership structure is measured with managerial ownership, institutional ownership and foreign ownership, while financial performance is measured with return on asset and return on equity; the study made use of control variables leverage and firm size. The result shows a multivariate relationship that exists between variables of the study, which shows ROA has a positive correlation with ROE (0.4053), MO (0.2001), and FS (0.3048). It has a negative correlation with FO (-0.1933), IO (-0.0919), and LEV (-0.3367). ROE has a positive correlation with ROA (0.4053), MO (0.2001), and FS (0.2640). It has a negative correlation with FO (-0.1864), IO (-0.1847), and LEV (-0.0319). It is recommended that firms should focus on increasing their ROA. Firms should also consider increasing their MO, as this can help to align the interests of managers and shareholders. Firms should also be aware of the potential impact of FO and IO on their ROA.

Keywords : firm size, ownership structure, financial performance, leverage

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