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Ownership Structure and Voluntary Disclosure of Listed Financial Service Companies in Nigeria

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Abstract

This study examines the impact of Ownership Structure on Voluntary Disclosure of listed financial service firms in Nigeria over the period 2006-2015. A sample of twenty-eight out of fifty-seven financial services firms listed on the floor of Nigerian Stock Exchange was studied. The study made use of secondary data generated from Annual Reports and Accounts of the sampled firms and the Nigerian Stock Exchange Fact book. The data was analyzed by means of descriptive statistics, Pearson correlation and regression analysis using STATA (version14). It reveals that managerial ownership shows an insignificant and positive effect on voluntary disclosure, While the control variable (Size and Age) shows a significant positively relationship with voluntary disclosure. Based on the findings, the study recommends among others. Directors on the board of Financial Services Firms in Nigeria should be encouraged to have more shares in the firms they manage. This will make the board more efficient and discourage managerial self-interest, as this will make the directors protect the interests of all stakeholders.

Keywords: *Managerial ownership, Financial service firms.*

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Background to the Study

The separation of ownership from control in most modern business, particularly public companies limits the involvement of shareholders in management decision making, including voluntary disclosure decision making process. The separation of ownership from control also necessitates the introduction and application of some control of organization resource so as to safeguard the interests of shareholders and other stakeholders. Thus, corporate governance mechanism is predicted on the agency theory, whose origin, according to Hassan (2009) dates back to the early 1930s following the exploration of corporate revolution by Berle & Means (1932). The agency theory recognizes the role of a monitoring mechanism with a view to reduce agency cost and avoiding conflicts of interest between managers and shareholders affiliation.

Corporate board, which is the highest executive body of a company, is responsible to guide and monitor the business activities and affairs of the corporation on behalf of the shareholders. Who elected them, and to whom they are accountable. The company must adopt systems of control and accountability as the basis for the administration of corporate governance (CG). The Board must also be totally committed to administer the policies and procedures with openness, honesty, accountability, integrity as well as pursuing the true spirit of CG commensurate with the company's need.

Conceptually, ownership structure is a subset of corporate governance that entails the nature of ownership of the equity shareholding of companies. The ownership structure variable common to companies in Nigeria and the financial service companies in particulars includes the managerial, institutional, ownership concentration and foreign ownership of the firms (Shehu and Ahmed, 2011).

Corporate voluntary disclosure is an important means for management to communicate firm performance and governance to outsider stakeholders and has remained an important field of empirical and theoretical studies since the 1970s. According to the financial accounting standards board (FASB, 2001), the term "voluntary disclosure" describes disclosures, primarily outside the financial statements, that are not explicitly required by generally accepted accounting principles (GAAP). When a firm makes the decision to disclose information voluntarily, it assumes that benefits will outweigh costs. Such benefits may come in the form of the reduced cost of financing investment opportunities (e.g. cost of equity), lower transactions costs for investors by reducing information asymmetry between the contracting parties and more efficient functioning of capital markets (Healy & Palepu, 2001; Leuz & Verrecchia, 2000). Corporate voluntary disclosure refers to information made available at the discretion of the corporation. The extent of voluntary disclosure is influenced by changes in the attitudes in society, economic factors and behavioral factors such as the particulars corporate culture. Voluntary disclosure items may be classified into historical, current and predictive items, depending on the past, present or envisaged performance of the company. Exchange Rules are, in fact, restricted only to companies listed on the stock exchanges. However, that company annual reports do not comply with the disclosure requirements stipulated by the regulatory agencies, resulting in poor disclosure compliance by the listed company (Akhtaruddin, 2005).In addition, the Company Act requires companies to maintain proper books of account and to prepare and submit audited annual financial statements to their shareholders in order to reflect a "true and fair view" of the company's state of affairs. In terms of auditing, listed companies must prepare accounts in accordance with internationally accepted accounting principles and have them audited by independent auditors.

Companies quoted on the Nigerian stock market are segregated into many sectors, but the area of interest to the researcher is the financial services firms. Financial services industry with market capitalization of #2.010 Trillion, (NSE Fact Book, 2012). The decision to study financial services sector is informed by the fact that financial services firms is the second largest industry in Nigerian as it is placed as the second largest industry in Nigeria with a total market capitalization of #3.61 Trillion (NSE Fact Book, 2013). Despite the strategic importance of the industry to the economy, not much attention in research is given to this or sector of the economy. It is on this background that this study was set to examine the impact of Board Attributes, Ownership Structure on Voluntary Disclosure in the Nigerian Financial Services Firms.

Statement of the Problem

Board attributes is an aspect of CG, it is generally regarded as a driving force in CG and it also determine the efficiency and otherwise of CG which is identified as a major factor responsible for corporate distress among the Nigerian companies. The role of the board in monitoring and strategic decision has gained wider attention in the developed nations but remained neglected in the developing nations as a result of the developing nations placing little importance to the role of the corporate board in relation to monitoring and strategic decision especially financing decision.

The financial services industries all over the world, Nigeria inclusive are one of the vital industries largely because of their role in the nation's economic growth and development. Thus, board attributes is expected to not only prevent negative management practices that may lead to corporate failures or scandals but also ensure that firms act on opportunities that enhance the value to all stakeholders.

Board attributes has been largely criticized for the decline in shareholder's wealth and corporate failure in Nigeria and beyond. Boards of directors have been in the front line for the fraud cases that had results in the failure of major companies, such as Enron and WorldCom. In Nigeria several factors have been identified as responsible for bad CG or corporate failure among the Nigeria companies. The factors, among others include: incompetent board of directors and management, directors and management relationships, relationship between management and staff, inadequate management capacity, frequent occurrence of financial malpractice and lack of financial control (Abdullahi, 2011).

Objective of the Study

The study determines the impact of managerial ownership on the voluntary disclosure in the Nigeria listed financial services companies.

Research Hypothesis

Based on the statement of the research problem and objectives of the study, the following null hypotheses are formulated to guide the study:

H_{04}: Managerial ownership has no significant impact on the voluntary disclosure of the listed financial services companies Nigeria.

The rest of the paper is divided into four sections, section two brief literature from previous studies. Third section of study describes methodology used for examining the impact of board attributes and ownership structure on voluntary disclosure. Section four comprises of the empirical results and discussion. Fifth section is conclusion and recommendation.

Literature Review

This study considered one aspects of managerial ownership as related to voluntary disclosure. Ownership structure is responsible for monitoring the quality of information contained in the financial statements. Thus, they control the behavior of senior managers in order to guarantee that their actions are aligned with the interests of stakeholders. The role of ownership structure is, therefore, embedded in corporate governance practices with responsible boards fostering good corporate governance roles. From an agency's theoretical perspective, boards with a high proportion of independent directors are presumed to be more effective in monitoring and controlling management. Conceptually, ownership structure is a subset of corporate governance that entails the nature of the ownership of the equity shareholding of companies (Shehu, 2012). The ownership variable of which are Directors who hold a certain proportion of shares in the companies. Others include ownership concentration, institutional ownership and the foreign ownership of the firms (Hassan, 2011).

Review of Related Empirical Literature

Johnson (2005) studied the disclosure and managerial ownership of 374 companies listed in the USA for the year 2000. The 98 disclosure index of Standard and Poor way adopted. Data were analyzed using Bivariate (spearman's rho and Pearson's correlation coefficient) and multivariate (OLS) analysis. The result shows that Firm size, Institutional share ownership, Blocks share ownership, Leverage, Executive compensation, Outside directors, Corporate control and Industry type have a positive and significant relationship with voluntary disclosure, while Firm performance and Managerial share ownership have negative relationship with voluntary disclosure.

Baek, Johnson and Kim (2009) evaluated the relationship between managerial ownership, corporate governance and voluntary disclosure of 374 USA companies in year 2000. The checklist of 98 voluntary disclosure items was used. The results of multivariate (OLS) analysis show that firms with a low level of managerial ownership there is a negative relationship with the level of discretionary disclosure. In addition, a firm with a high percentage of outside directors is more likely to disclose board and management processes information. The study finds that Institutional share ownership, leverage, Regulation, Board composition and Block ownership have positive and significant relationship with Voluntary disclosure.

Barros, Bou-baker and Hamrouni (2013), examined the relationship between corporate governance and voluntary disclosure of 206 non-financial French listed firms from 2006 to 2009. Using 112 voluntary disclosure items, the result of multivariate (OLS) analysis found that voluntary disclosure increased with managerial ownership; Board and audit committee independence; Board meeting frequency and external audit quality. The study discovered that larger firms and more profitable firms are more prone to release voluntary information in their annual reports. While leverage was found to be negatively significant with the extent of voluntary disclosure, in France where the annual report was not mandatory.

Hassan (2013), examined the relationship between corporate governance characteristics and voluntary disclosure of 98 (53 financial and 42 non-financial corporation's) UAE listed corporations in 2008. The study used 29 voluntary disclosure items and the results of multiple regression revealed that board committee and external auditors have a positive and significant relationship with the level of voluntary disclosure. But board size, leverage, corporate size are found to be positive and insignificant with the level of voluntary disclosure; while CEO duality, CEO power are negative but significant with the level of voluntary disclosure. The analysis shows that foreign ownership is negative but insignificant with the level of voluntary disclosure of the listed corporation in UAE.

Damagun and Chima (2013) assessed the impact of corporate governance on voluntary information disclosures of quoted firms in Nigeria. They use a sample of 35 quoted firms out of 219 firms from 1999-2009 using 25 voluntary disclosure check list items in the area of financial, non-financial and strategic information disclosures. The results of the multiple regressions show that board size, profitability and firm size are positive but insignificant with the level of voluntary information disclosure of the quoted firms in Nigeria. Other variables (board composition and director share holdings) are negative but insignificant with the level of voluntary information disclosure of the quoted firms.

Aljanadi, Abdul, Rahman and Omar (2013) explored corporate governance mechanisms and voluntary disclosure of 87 Saudi listed companies for the period of 2006 to 2007. The study used 22 voluntary disclosure checklists and the multivariate analysis shows that board size, firm size, the proportion of non-executive directors, audit type and industry type are positive and significant with the extent of voluntary disclosure. Government share ownership and Separation of CEO Role are negative and significant with the extent of voluntary disclosure. While family member on the board, audit committee compositions and profitability are positive but not significant with the level of voluntary disclosure.

Hannifa and Cooke (2000) examined culture, corporate governance and the disclosure of 167 non-financial and non-unit trusts companies listed in Malaysia for the year 2004. Voluntary disclosure indexes of 66 items were used. The result of univariate and multiple regressions (OLS) analysis shows that foreign investors, return on assets, assets-in-place, ownership of top 10 shareholders, and cross-directorship are found to be positive and significant with the extent of voluntary disclosure. Personal characteristics such as the race and education of the board members are positively insignificant with the level of voluntary disclosure. While industry type, board composition and family member on the board were found to be negatively and significantly associated with the level of voluntary disclosure.

Huafang and Jianguo (2007) studied the relationship between ownership structure, board composition and corporate voluntary disclosure of 559 listed companies in China for 2002. Checklists of 30 voluntary disclosure items were used. The findings of the multivariate (OLS) analysis shows that the higher block holder ownership and foreign listing/ share ownership are associated with increased disclosure. However, management share ownership, state share ownership, leverage, audit reputation and legal-person share ownership are not related to disclosure. An increase in independent directors increases corporate disclosure and CEO duality is associated with lower disclosure. The study finds that larger firms had greater disclosure while firms with a higher percentage of intangible assets are reluctant to disclose information voluntarily.

Eng and Mak (2003) examined corporate governance and the voluntary disclosure of 158 listed firms in Singapore from 1991 to 1995. The study used 45 voluntary disclosure items and the result of OLS regression shows that lower managerial ownership and significant government ownership are associated with increase disclosure. Block holder ownership, profitability and auditor reputation are positive and insignificant with the level of voluntary disclosure. The study reveals that there is a negative but insignificant relationship among grows opportunities, stock price performance and the level of voluntary disclosure. An increase in outside directors reduces corporate disclosure. Larger firms with lower debts had greater disclosure.

Based on the literature reviewed it can be deduced that most of the studies were conducted outside Nigeria. The countries had different environmental context and disclosure requirements, in view of these, the findings of the various studies may not be appropriately relevant or having direct bearing with Nigerian setting. The current study examines the impact of board attributes and ownership structure on voluntary disclosure in Nigerian financial services firms. On the basis of these literatures done in different countries the researcher developed this methodology.

Research Methodology

The purpose of this research is to contribute towards a very important aspect of corporate governance known as ownership structure with reference to Nigeria. Here we will see the effect of board attributes and ownership structure on voluntary disclosure of 28financial services Nigerian firms listed on the Nigerian stock Exchange for a period of ten years from 2006 – 2015. This section of the article discusses the firms and variables included in the study, the distribution patterns of data and applied statistical techniques in investigating the effect of board attributes and ownership structure on voluntary disclosure.

The data for this study is collected using the non-survey method. This is due to the fact that the accounting information required for this study is easily obtainable from the published annual reports and accounts. Accordingly, relevant Directors report and statement of financial position items: managerial ownership of the sampled firms is the variable to be studied in this work.

Population and sample size

This research covers all the fifty-seven (57) quoted firms in the Nigerian Financial Services industry, (NSE, 2015) (See Appendix, A).

Sample Size and Sampling Techniques

Fifty-seven (57) quoted firms in the Nigerian Financial Services Industry, Twenty-nine were filtered out, while twenty-eight firms constituted the sample of the study used for the study because they were listed after 2006. Therefore, their annual reports and accounts will not be available for the period under study (2006-2015).

Table 1: Sample Size

S/N	Name	Year of Incorporation	Year of Listing
1.	Access Bank, Plc.	1989	1998
2.	Allco Insurance, Plc.	1963	1990
3.	Cornerstone Re-insurance Company, Plc.	1991	1997
4.	Diamond Bank, Plc.	1990	2005
5.	FCMB Group, Plc	1982	2004
6.	Fidelity Bank, Plc.	1987	2005
7.	Great Nigerian Insurance, Plc.	1960	2005
8.	Guaranty Trust Bank, Plc.	1990	1996
9.	Guinea Insurance, Plc.	1958	1991
10.	Lasaco Assurance, Plc.	1979	1991
11.	Law Union and Rock Insurance, Plc.	1969	1990
12.	Linkage Assurance, Plc.	1991	2003
13.	Mutual Benefits Assurance	1995	2002
14.	N.E.M. Insurance Co. (Nig), Plc.	1970	1990
15.	Niger Insurance Co, Plc.	1962	1993
16.	Nigeria Energy Sector Fund	1998	1999
17	Prestige Assurance Co, Plc.	1970	1990
18	Royal Exchange, Plc.	1969	1990
19	Skye Bank, Pl c.	1989	2005
20	Standard Alliance Insurance, Plc.	1981	2003
21	Sterling Bank, Plc	1960	1993
22	UNIC Insurance, Plc.	1965	1990
23	Union Bank Nigeria, Plc.	1969	1971
24	United Bank for Africa, Plc.	1961	1970
25	Unity Bank, Plc.	1987	2005
26	WAPIC Insurance, Plc.	1958	1972
27	Wema Banks	1945	1990
28	Zenith International Bank, Plc.	1990	2004

Source: Generated by the researcher from Table 1

Sources and Methods of Data Collection

As the study seeks to examine the impact of ownership structure on voluntary disclosure with such variables as Managerial ownership, Total Voluntary Disclosure Score, Size, and Age, all these variables can be extracted from the company's annual reports and accounts. Therefore, annual reports and accounts constitute the sources of data for the study. The adoption of this method is informed by the fact that in a previous similar studies on disclosure, including Kurawa and Kabara (2014) and Khan, Muttakin & Siddiqui (2012) annual reports and accounts were used. However, content analysis of data collection was employed due to the fact that other similar studies on voluntary disclosure, Khan, Muttakin & Siddiqui (2012) content analysis were used.

Variables

The statistical method of OLS regression analysis was employed in the conduct of this study. This technique of data analysis is used in ascertaining the effects of the independent variables on the dependent variable. Choice and selection of variables is influence by the past research and different study conducted by different scholars on board attributes and ownership structure.

The Dependent Variable and its Measurement

The total voluntary disclosure score (TVDS) represents the dependent variable in this study. To assess the extent of voluntary disclosure in annual reports, content analysis was employed in stimulating data from the annual reports. This is due to the fact that the content analysis method is the commonly used method of measuring voluntary disclosure in annual reports (Haniffa and Cooke 2002, and Ghazali 2007). However, this study attempted to measure the voluntary disclosure using a checklist developed by Hanifa and Cooke, (2002) with modification. A dichotomous procedure was applied whereby a company was awarded 1 if an item included in checklist is disclosed and 0 if not. Accordingly, the voluntary disclosure index contained 20 attributes (See Appendix A); a firm could score a maximum of 20 points and a minimum of 0. The formula for calculating the reporting scores by using the voluntary disclosure index expressed in a function form below

$$RS = \sum_{i=1}^{n} di$$

Where:

RS = Reporting Score

di = 1 if the item is disclosed; 0 if the item is not disclosed

n = Total items in the checklist i.e. 20

i = 1, 2, 3………………………20

A summary of all the variables considered in this study and their respective measurement is given in Table 3.2 below.

Table 2: Summary of the Variables and Their Measurement

S/N	VARIABLES	DEFINITION	TYPE	MEASUREMENT
1	TVDS	Total voluntary disclosure score	Dependent	Ratio of actual number of disclosed item to the total disclosure items
2	MOWN	Managerial Ownership	//	Proportion of shares owned by board members to the total issued shares.
3	FS	Firm size	Control	Natural logarithm of company total assets
4	FA	Firm Age	//	Number of years passed after listed on the Nigeria Stock Exchange

Source: Generated by the researcher from section 3.7

Model Specification

In order to evaluate the impact of board attributes and ownership structure on voluntary disclosure, the study adopts with little modification the model used by Khan, Muttakin and Siddiqui (2013) as follows

TVDS=f (MONW, FS, FA)......................................(1)

Below is the general model guiding the research, which is adopted from Haniffa& Cooke (2005) and modified by inserting the variables of this study.

$\textbf{TVDS}_{it} = \beta_0 + \beta_1 BS_{it} + \beta_2 BI_{it} + \beta_3 CEO_{it} + \beta_4 MOWN_{it} + \beta_5 FS_{it} + \beta_6 FA_{it+e.it}$..........(2)

Where

β_0 = is constant for all entities in the time period

$TVDS_{it}$ =Total Voluntary Disclosure Score for all entities over the time period

$MONW_{it}$ = Managerial Ownership for all entities over the time period

FS_{it} = Represent Firm Size for every entity over the time period

FA_{it} = Represent Firm Age for every entity over the time period

e_{it} = Error Term for all Companies over time period

$\beta_1 + \beta_7$ = partial derivatives or the gradient of the independent variable

I = Firm

t = time

Results and Discussion

The statistical software of Stata (version 14) was used to analyze the impact between variables of the study. Descriptive statistic merely represents the statistical attributes of the variables in the study model. Table 4.0below provides such statistics. All the variables were collected from the relevant information on directors' report and statement of financial position of the sampled companies.

Table 3: Descriptive Statistics of the Variables

Variables	Obs	Mean	Std. Dev.	Min	Max
Total voluntary disclosure score (%)	280	0.7164	0.0600	0.6	0.9500
Managerial ownership (%)	280	0.1386	0.1661	0	0.8485
Firm age	280	16.1429	10.4271	1	45
Firm size	280	24.7758	2.3484	20.7328	29.019

Source: Annual Reports of the sampled Companies (2006-2015) using STATA Output (Version 14)

Table 3 shows that the Total Voluntary Disclosure Score for the sampled financial services companies in Nigeria shows an average voluntary disclosure of about 0.716. This means that Nigerian financial services companies' voluntary disclosure information is about 72%. This shows a high level of voluntary information disclosure in the companies, with a minimum disclosure level of 60% and a maximum disclosure level of 95%. The standard deviation of 0.060 indicates that there is no significant variation in voluntary disclosure of information between the sampled financial services companies during the period of the study. The implication of this is that it shows there is a strong voluntary disclosure in the annual reports and accounts of the listed financial services companies in Nigeria.

Furthermore, it was indicated that on average directors own about 14% of the total equity shares of the companies. This shows that majority (86%) of the companies' shareholders are outsiders, who are not directors. The standard deviation of 0.166 signifies that managerial shareholding among the directors of the companies is diverse, as shown by the minimum managerial shareholding of 15% and maximum managerial shareholding of about 85% among the companies.

The age of financial services in Nigerian measured by the number of years of each firm since listed on the Nigerian stock exchange shows an average age of 16.14. Considering the minimum age of one (1) years and a maximum age of forty- five (45) years, it is clear that some financial service firm in Nigeria are still in their infant stage and vary greatly in their respective ages, as indicated by the standard deviation value of 10.42

Financial services firm size measured by the natural log of each firm total asset has a mean value of twenty-five (25) with a minimum value of approximately twenty-one (21) and a maximum value of thirty (29). The standard deviation value of 2.348 shows that financial services firm have relatively varying values of total assets. The average total asset size of the studied is close to the maximum value and this boost could be the resultant effect of the 2005 consolidation exercise by the Central Bank of Nigeria (CBN).

Pearson Correlation Matrix

The correlation between the dependent and independent variables is presented in Table 3. The correlation matrix Table shows the relationship between all the pairs of the variables in the regression model; the relationship between all explanatory variables individually with explained variables and the relationship between all the explanatory variables themselves. This gives an insight into the magnitude of the pairs of the explanatory variables.

Table 4 Correlation Matrix of the Dependent and Explanatory Variables

Variables	TVDS	BS	BI	CEO	MONW	FA	FS	VIF
TVDS	1.0000							
MONW	-0.0769	-0.1096	0.0422	0.0975	1.0000			1.04
FA	0.3259	-0.0393	0.1393	0.0714	0.0975	1.0000		1.05
FS	0.4398	0.8148	-0.3952	-0.0562	-0.1553	0.0120	1.000	3.34

Source: Annual Reports of the sampled Companies (2006-2015) using STATA Output (version 14)

The result of the correlation, as shown in Table 4 shows the correlation coefficients on the relationship between the dependent variable (TVDS) and explanatory variables (board size, board independence, CEO duality, managerial ownership, firm age and firm size). The values of the correlation coefficient range from -1 to 1. The sign of the correlation coefficient indicates the direction of the relationship (positive or negative). The absolute value of the correlation coefficient indicates the strength, with larger values indicating stronger relationships. The correlation coefficients on the main diagonal are 1.0, because each variable has a perfect positive linear relationship with itself.

From Table 4, it can be seen that TVDS has a negative relationship with managerial ownership (r=-0.076) respectively. However, the total voluntary disclosure score has a positive relationship with Firm age (r=0.325) and Firm size (r=0.439). The positive correlations imply as board size (BS), Firm age (FA) and Firm size (FS) increases, the voluntary disclosure also increases. On the other hand, Managerial ownership (MONW) show a negative correlation; as the managerial shareholding increases it affects the voluntary disclosure negatively. The values on the diagonal are 1.0000 and shows each variable is perfectly correlated with itself. Though one explanatory variable is positively correlated with voluntary disclosure with the exception of MONW, this shows that as the Board size, Firm age and Firm size increases, the voluntary disclosure of the firms increases and vice versa. On the other hand, the negative relationship that exists between Managerial ownership and voluntary disclosure indicates that they are negatively correlated.

A test to determine the presence of the collinearity problem is conducted. Collinearity arises where two of the independent variables are related and multi-collinearity is where more than two of the independent variables or predicators are correlated and implies interdependence among the predictors or independent variables and if high in magnitude, adversely affects the predictive ability of the independent variables. To determine the presence of the collinearity problem, a Variance Inflation Factor (VIF) test was carried out the results of which provide evidence of the absence of collinearity. This is because the results of the VIF test range from a minimum of 1.02 to a maximum of 3.34.

Regression Results

This Regression Analysis was used to examine the impact of board attributes and ownership structure on voluntary disclosure of the sampled firms. The regression results show the summary of the Ordinary Least Square (OLS), Random Effects (RE) estimation techniques are presented in Table 3 and 4, when using Multiple Regression analysis, there is a possibility of endogeneity occurring in a situation whereby certain variables are omitted. It leads to measurement errors. In order to examine whether endogeneity exists which could potentially lead to a biased coefficient, a Hausman Specification Test to make the choice between Fixed Effect (FE) and Random Effect (RE) Regression was performed. This test is necessary considering that there is a trade-off between the efficiency of the random effect and the consistency of the fixed approach. The test also determines whether the estimates of the coefficients, taken as a group, are significantly different in two regressions. If any variables are dropped in the fixed effects regression, they are excluded from the test. Although Tables 4.3 and 4.4 present the regression results of OLS and RE discussion is done on OLS and RE estimations only. This is due to the fact that the Hausman test reveals that the RE is more efficient as evident by the p- value of 0.2393, which is insignificant.

Table 5: Regression Result (Robust)

TVDS	Coefficients	Std. Errors	T	P>|T|
MONW	-0.0103	0.0177	-0.58	0.559
FA	0.0019	0.0004	4.85	0.000
FS	0.0139	0.0021	6.54	0.000
R Squared		0.3238		
F. Stat		19.4200		
Prob. of F.		0.0000		

Source: Annual Reports of the sampled Companies (2006-2015) using STATA Output (version 14)

The OLS regression robust results displayed in Table 5 show the coefficient of determination "R-Square" shows 32.38% indicating that the variables considered in the model account for about 32.38% change in the dependent variable, that is, voluntary disclosure, while remaining of the change is as a result of other variables not addressed by this model. It denotes that 32.38% of total variation in the voluntary disclosure of Nigerian listed financial services firms is caused by their managerial ownership age and size of the firms. This indicates that the model is fit and significant at 5%. The explanatory variable is properly selected, combined and used as a substantial value of the reporting quality is accounted for by the explanatory variables. This is confirmed by the value of F-statistics of 19.42. Hence, the finding of the study can be relied upon.

Table 6: Regression result (Random Effect)

TVDS	Coefficients	Std. Errors	T	P> |t|
MONW	0.0278	0.0219	1.27	0.205
FA	0.0020	0.0005	4.11	0.000
FS	0.0125	0.0030	4.10	0.000
CONS	0.3972	0.0699	5.69	0.000
Prob. of F.	=	0.0000		
Within	=	0.1243		
Between	=	0.5263		
Overall	=	0.3097		

Source: Annual Reports of the sampled Companies (2006-2015) using STATA Output (version 14)

The results of RE show the coefficient of determination "R-Square" shows 30.97%, indicating that the variables considered in the model accounts for about 30.97% change in the dependent variable, that is, voluntary disclosure, while the remaining change is as a result of other variables not addressed by this model. It denotes that 30.97% of the total variation in the voluntary disclosure of Nigerian listed financial services firms is caused by their managerial ownership age and size of the firms. This indicates that the model is fit and the explanatory variables are properly selected, combined and used as the substantial value of the reporting quality is accounted for by the explanatory variables.

Random Effect Regression results as show in Table 5 indicate that managerial ownership is found to be positive and insignificant related to the voluntary disclosure of quoted financial services companies in Nigeria, at the 5% level of significance. Having a coefficient of 0.027 and t value of 1.27. It implies that an increase in managerial ownership by one more unit, other independent variables remaining constant, increases the voluntary information insignificant at the 5% level of significance.

Similarly, the control variable of AGE shows a positive and significant association with the level of voluntary disclosure of the Nigerian financial services companies at the 5% level of significance, having a coefficient of 0.002 and t value of 4.11. SIZE shows a positive and significant association with the level of voluntary disclosure of the Nigerian financial services companies at the 5% level of significance, having a coefficient of 0.012 and t value of 4.10.

Test of Hypothesis

Hypothesis

H_0: managerial ownership has no significant impact on the voluntary disclosure.

The hypothesis was tested using random effect regression analysis. Regression result in Table 5: shows a positive and insignificant relationship between managerial ownership and voluntary disclosure. Therefore, the findings of this study show that Hypothesis Four is accepted. This is also confirmed by the t value of 1.27 and p value of 0.205. It indicated that managerial ownership has a insignificant impact on voluntary disclosure. This gives the basis of accepting H_0.

Conclusion and Recommendations

The need for good corporate governance arises because in corporations, the owners (who are also providers of funds) are usually separate from managers of such corporation even when the owners of corporation form part of the management (especially in the Board of Directors, as is the case of when institutional investors own controlling shares in the company), there is need to protect the interest of individual stakeholders. Ownership structure is also seen to have a positive association with the level of voluntary disclosure. The study finds that Managerial ownership having a positive relationship with voluntary disclosure in the Nigerian financial services firms. The implication of these findings is that it provides evidence to the society, investors and regulators that larger boards are associated with the CSR disclosure in Nigerian financial service firms.

On the basis of the findings of the study the paper conclude that managerial ownership is found to be positive and insignificant with the extent of the voluntary disclosure of listed financial services companies in Nigeria. The finding suggests that the variation in the extent of voluntary disclosure in the annual reports of the Nigerian listed financial services companies cannot be explained by the managerial share holdings, because of the fact that the shares owned by the directors in the sampled financial companies were largely insignificant. Therefore, for managerial shareholdings to impact on the extent of voluntary disclosure, the holdings must be substantial.

Both of the control variables (size and age) have a positive and significant impact on the voluntary disclosure of listed financial services companies in Nigeria.

Hence, the study recommends among others that in order to improve the board's monitoring capabilities of corporate management, decision control and management and reduce agency problems. Directors on the board of Financial Services Firms in Nigeria should be encouraged to have more shares in the firms they manage. This will make the board more efficient and discourage managerial self-interest and make the directors protect the interests of all stakeholders.

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APPENDIX A
Population of the study

S/N	NAME	Year of Incorporation	Year of Listing
1	Abbey Mortgage Bank, Plc.	1991	2008
2	Access Bank, Plc.	1989	1998
3	Africa Prudential Registrars, Plc.	2006	2013
4	African Alliance Insurance Company, Plc.	1960	2009
5	Allco Insurance,Plc,	1963	1990
6	Aso Savings and Loans, Plc.	1995	2008
7	Axamansard Insurance, Plc.	1989	2009
8	Consolidated Hallmark Insurance	1991	2008
9	Continental Reinsurance, Plc.	1985	2007
10	Cornerstone Insurance, Plc.	1991	1997
11	Custodian and Allied, Plc.	1991	2007
12	Deap Capital Management & Trust, Plc.	2002	2007
13	Diamond Bank, Plc.	1990	2005
14	Eco Bank Transnational Incorporation	1985	2006
15	Equity Assurance, Plc.	1984	2007
16	FBN Holding, Plc.	2010	2012
17	FCMB Group, Plc.	1982	2004
18	Fidelity Bank, Plc.	1987	2005
19	Fortis Microfinance Bank, Plc	2007	2012
20	Gold Link Insurance, Plc.	1993	2008
21	Great Nigerian Insurance, Plc.	1960	2005
22	Guaranty Trust Bank, Plc.	1990	1996
23	Guinea Insurance, Plc.	1958	1991
24	Infinity Trust Mortgage Bank, Plc.	1992	2013
25	International Energy Insurance	1969	2007
26	Lasaco Assurance, Plc.	1979	1991
27	Law Union and Rock Insurance, Plc.	1969	1990
28	Linkage Assurance, Plc.	1991	2003
29	Mutual Benefits Assurance	1995	2002
30	N.E.M. Insurance Co. (Nig), Plc.	1970	1990
31	Niger Insurance Co, Plc.	1962	1993
32	Nigeria Energy Sector Fund	1998	1999
33	NPF Microfinance Bank, Plc.	1993	2010
34	Omoluabi Savings and Loans, Plc.	1999	2014
35	Prestige Assurance Co, Plc.	1970	1990
36	Regency Alliance Insurance.	1993	2008
37	Resort Savings & Loans, Plc.	1992	2009
38	Royal Exchange, Plc.	1969	1990
39	Sim Capital Alliance	-	2011
40	Skye Bank, Plc.	1989	2005
41	Sovereign Trust Insurance, Plc.	1980	2006
42	Stanbic IBTC Holding,Plc	2012	2012
43	Standard Alliance Insurance, Plc.	1981	2003
44	Standard Trust Assurance, Plc.	1991	2007
45	Sterling Bank, Plc.	1960	1993

S/N	NAME	Year of Incorporation	Year of Listing
46	UNIC Insurance, Plc.	1965	1990
47	Union Bank Nigeria, Plc.	1969	1971
48	Union Homes Savings and Loans, Plc.	1992	2006
49	United Bank for Africa, Plc.	1961	1970
50	United Capital, Plc.	2002	2013
51	Unity Bank, Plc.	1987	2005
52	Unity Capital Assurance, Plc.	1973	2009
53	Universal Insurance Company, Plc.	1961	2008
54	Wapic Insurance, Plc.	1958	1972
55	Wema Banks	1945	1990
56	Zenith International Bank, Plc.	1990	2004
57	Investment & Allied Insurance, Plc.	Nil	2008

Source: Generated by the researcher from NSE 2015.