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OWNERSHIP ATTRIBUTES AND STOCKS RETURN OF QUOTED CONSUMERS GOODS COMPANIES IN NIGERIA

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Abstract

The significance of ensuring a consistent return on stocks for publicly traded companies cannot be overstated. This is due to the fact that returns inform investors about managerial and market performance and enable them to forecast the company's future earnings. However, global corporate scandals at the turn of the century, as well as the global financial crisis, eroded investor confidence. Seven firms were dropped from the study, which included all 23 consumer goods firms, during the filtration process. Data was extracted from the annual reports of the sampled companies (2010 to 2019) as well as the Nigerian Stock Exchange as of 2020. The ex-post facto approach with agency theory was chosen because the event under consideration has already occurred. Stock returns are the profits or gains made by investors in the stock market. Managers may view the payment of investor returns as a positive indicator of the company's market prospects. The significance of ensuring a consistent return on stocks for publicly traded companies cannot be overstated. The purpose of this research is to look into the effects of three corporate properties on the stock returns of publicly traded consumer goods firms in Nigeria. It was discovered that concentration of ownership, institutional ownership, and ownership all have a significant impact on Nigerian stock returns. It also implies that the SEC should provide an incentive to firms that disclose accounting information in the form of a commendation.

Keywords; Ownerships attributes, Stock Return, Nigeria

1. Introduction

In order to make investment decisions, capital market participants must seek information about capital market conditions. The company's return distribution

policy is one of the pieces of information required in the capital market. Announcements about investor returns include information about future company profits. Managers may view the payment of investor returns as a positive indicator of the company's market prospects. Stock returns are a great way for investors to forecast volatility and expected return rates over time (Mbatuegwu & Ogoh, 2021, Ali, 2017). Stock market returns refer to the profits or gains made by investors in the stock market. Secondary market trading is the most common way to generate a stock market return. An investor can earn stock market returns in the secondary market by purchasing a stock at a lower price and selling it at a higher price.

Furthermore, when it comes to stock investing, all investors, whether institutional or individual, have the same goal in mind: to maximize expected return while maintaining a certain level of risk. Using various types of information, researchers on firm value Economic and financial factors, for example, have been widely used to explain the behavior of various stock markets worldwide. The stock price, according to signaling theory, should reflect the expectation of corporate performance. Due to these changes in stock prices brought on by a variety of factors, equity investment stock returns may fluctuate. These effects may be both positive and negative. These elements may be internal to the business (firm-specific) or external (macro). Internal factors such as ownership structures are subject to the same constraints as external factors such as interest rates, global oil prices, foreign reserves, inflation rate, money supply, GDP, and output production. Stakeholders are likely to gain when internal factors are managed, improved, and controlled by the business. It is believed that a company's ownership composition has a strong ontology with stock returns. For instance, institutional ownership affects stock returns because a company has more external control with the more institutional ownership it has. Because there is no need for an incentive system to motivate management, managerial ownership lowers a firm's agency costs (Mbatuegwu and Musa, 2021; Kazeem, 2015).

Nigeria, a developing market, differs structurally and institutionally from developed stock markets. It is crucial to ascertain whether firm-level characteristics have a different impact on Nigerian stock returns. The ownership traits and stock returns of publicly traded consumer goods companies in Nigeria are examined in this study. It is impossible to overstate how crucial it is for publicly traded companies to guarantee a steady return on their stocks. This is so that investors can forecast the company's future earnings and learn more about managerial and market performance from stock returns. However, at the turn of the century, both the global

financial crisis and corporate scandals around the world reduced investor confidence.

Another significant difference between this study and previous domestic studies is variable selection, with Bawa and Isa (2014) using the proportion of management interest in firm equity and Hajara (2015) using the ratio of equity share of the firm held by an institution. Many Nigerian studies have not thoroughly addressed the factors influencing the level of stock returns. To the best of researchers' knowledge and as far as literature reveals, the macroeconomic factors such as ownership attributes are investigated to investigate their combined individual impacts on stock returns. Most studies in Nigeria have ignored governance and ownership structures. Meanwhile, research has revealed that governance and ownership structures are critical in determining a company's success.

Additionally, the time periods covered by earlier studies in Nigeria leave a gap in the area of study's coverage. For instance, Sayumwe and Amroune (2017), Adedoyin (2011) covered the period from 2004 to 2009; Uwubanmwun and Obayagbona (2012), the period from 1996 to 2010; Bala and Idris (2015), the period from 2007 to 2013; Kazeem (2015), the period from 2006 to 2013; and Akwe, Garba, and Dang, the period from 2006 to 2013. 2018 research by Akwe, Garba, and Dang examined the years 2007 to 2016. The researchers mentioned above used relatively recent study periods.

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H01 Ownership attributes has no significant impact on the stock returns of quoted consumer goods companies in Nigeria.

2. Literature Review

According to Mbatuegwu and Ogoh (2021), Johnson, Daily, and Ellstrand (2000), Ownership serves as a check on management. Due to a lack of monitoring expertise, inadequate shareholder protection, and the free-rider issue brought on by expensive monitoring, individual shareholders lack strong incentives to oversee management

in atomistic markets. In the case of large, concentrated ownership, the issue of free riding brought about by diffuse shareholders might be less severe. Large shareholders are also more likely to vote wisely and be well-informed. Controlling shareholders may use their personal benefits of control to divert assets and profits away from the company, depending on the regulatory and legal environment. Firm ownership is highly concentrated in some countries, especially in continental Europe (Becht & Roell, 1999). In comparison to European financial firms, US firms have more institutional ownership and fewer large shareholders. However, institutional ownership of banks in the United States is significantly lower than in non-financial firms, according to Adams and Mehran (2003).

Managerial Ownership

The agency theory, which contends that a manager's equity holdings motivate them to act in a way that maximizes the firm's value, is the basis for the rise of this corporate governance variable (Mbatuegwu, Uwaleke, and Aza, 2019). According to Warfield (1995), the interests of shareholders and management start to align when management owns a portion of the company's equity. (Jensen & Meckling, 1976; Healy, 1985; Houlthausen, 1995; Warfield, 1995; and Mbatuegwu, 2021). The contracting agency website depicts those shareholders as having to make a decision. Managers' incentives become more aligned with those of shareholders as their stake in the company grows. Owners benefit from increased managerial ownership because incentives are better aligned, but they incur additional costs because they must pay managers more. According to the theory, managers make decisions within the constraints imposed by shareholders.

Ownership Concentration

The amount of time spent on the existence of large block holders in a firm is referred to as ownership concentration (Thomsen & Pedersen, 2000). A major stockholder is typically defined as someone who owns 5% or more of the company's equity. An owner's shareholding should be substantial enough to allow for oversight of management actions. An individual, a domestic or foreign corporation, an institutional investor, or the state can be the majority shareholder. Large block holders have a stronger incentive to monitor management because the costs of monitoring are less than the benefits of large equity stakes in the company. According to Ramsey and Blair (1993), increased ownership concentration provides large block holders with enough incentives to monitor managers. Demsetz and Lehn (1983) and Stiglitz (1985) discovered that large block holders have an incentive to bear the fixed cost of gathering information and participating in monitoring mechanisms. Ownership concentration refers to the distribution of

shares held by a particular number of people or institutions; ownership mix, on the other hand, refers to the presence of particular institutions or groups among shareholders, such as governments, private companies, or foreign partners (Claessens & Djankov, 1998). The ownership structure's function in the context of concentrated ownership is to assess the cash flow contents in relation to the block holder's function.

Institutional ownership

Institutional ownership refers to the ownership of shares by other businesses or institutions like banks, insurance companies, investment firms, and other formally organized owners. In monitoring management, institutional ownership is crucial because it promotes more effective supervision. As a mechanism to safeguard the interests of institutional investors, institutional investors' participation has so far become a significant force in corporate monitoring. (Bange & De Bondt, 1998; Bushee, 1998; Chung et al., 2002; Cornett et al., 2008; Ebrahim, 2007; Koh, 2003). Given the importance of corporate governance in the management of an organization, shareholders' active involvement in overseeing management activities is essential to ensuring good corporate governance practices. As a mechanism to safeguard the interests of institutional investors, institutional investors' participation has so far become a significant force in corporate monitoring. A sizable and influential constituency with the potential to play a significant role in corporate governance has been formed as a result of the significant increase in institutional investor shareholdings. Accounting data, which includes earnings data, gives investors pertinent information to help them with asset pricing and investment decisions (Yuan & Jaing, 2008). Institutional investors are long-term investors with strong incentives and motivations to closely monitor management action, according to the active monitoring hypothesis (Jung & Kown, 2002). The same arguments imply that institutional investors may not restrict managers' discretion over how to manage earnings, but rather may increase managerial incentives to do so and project confidence.

Stock Returns

The term "return" refers to the financial benefits that come from an investment. For instance, a business that makes investments in fixed assets and operations expects to see increased cash flows as well as profits. An investor's ownership of shares is represented by a stock certificate. When buying common stock, an investor expects dividends and capital gains (share price increases). The profits made by investors on the stock market are known as stock market returns. This return may come in the form of trading gains or sporadic dividend payments made to shareholders by

the company. Companies' dividend declarations can be used to increase stock market returns. A profitable business typically distributes a portion of its profits to its shareholders at the end of each quarter. This is one of the potential sources of stock market return for an investor. The most typical method of producing returns on the stock market is trading in the secondary market. By buying a stock on the secondary market at a discount and then selling it at a premium, an investor can benefit from the stock market return. Investors and investors interact in a setting known as the capital market. Corporate firm characteristics determine the share price at which it is sold, which usually influence the amount of capital a company can raise from the stock market. The stock market connects the need for firms to raise funds for business continuity or expansion with the desire of investors to invest their excess resources. As a result, it is a place to buy and sell shares, and share prices are determined by demand and supply, which are typically influenced by firm-specific factors and/or macroeconomic variables (Adedoyin, 2011).

Ownership Characteristics and Stock Returns

Mbatuegwu and Ogoh (2021) Examine the effect of firm characteristics on the stock returns of publicly traded consumer goods companies in Nigeria. They use ex-post facto and descriptive research techniques, as well as a positivist research philosophy, to address the research problem. The study's findings suggest that a firm's size contributes positively to stock returns because firm size has a positive but marginal statistical impact on stock returns in the listed consumer goods sector. According to the results, this factor has no impact on the rate of stock returns for consumer goods companies in Nigeria. The results show that the level of stock returns is not always influenced by a company's size. While the current work is on firm attributes, this work was done on firm attributes.

Afriyani (2018) looked into how managerial ownership structure, institutional ownership, and investment opportunities affected the performance of stocks in manufacturing companies listed on the Indonesia Stock Exchange. Application of managerial ownership analysis, institutional ownership analysis, analysis of investment opportunities and stock performance, multiple linear regression analysis, the traditional assumption test (normality test, multicollinearity test, autocorrelation test, and test heterokedastisitas), and hypothesis testing are used for this purpose. The results showed that institutional ownership has a positive but not statistically significant impact on stock performance, whereas stock ownership structure has a significant positive impact on stock performance. While the discovery significantly improves the performance of the stock on the Indonesian stock exchange. The test results obtained by discovering that managerial

ownership, institutional and investment opportunities all affect the performance of the company's shares are listed on the Manufacturing Indonesia Stock Exchange. Because of the differences in legal and governance requirements between these countries, the findings of the studies cannot be used to make decisions in Nigeria.

Amal and Ahmed (2017) looked into how institutional ownership and ownership concentration affected the performance of firm stock returns using a panel data model. Our main measures of ownership are the institutional ownership split by type of institution and the proportion of a company's outstanding stock held by the top three block holders. Ex post and ex ante returns show no discernible correlation with institutional ownership or concentration. It was also found that institutional ownership represented by some institutions and ex post risk have a negative and significant relationship, but only with ex ante risk does institutional ownership represented by employee associations have this relationship. To make the current study more robust for decision-making, ownership attributes and stock return were used.

In Canada, Sayumwe and Amroune (2017) investigated the relationship between board ownership and the market price per share. The study used a sample of 50 Toronto Stock Exchange-listed Canadian companies. Data was gathered from the annual report over a five-year period, from 2009 to 2013. The effect of board ownership on the market price per share was investigated using a regression analysis technique. The findings provided substantial and positive support for the effect of board ownership and directors on the market price per share. This study was conducted in Canada, which has a different investment climate than Nigeria; thus, a domestic study was required.

An agency relationship develops as a result of the division of owners and managers. An agency relationship exists when one or more people (the principal or principals) hire another person or people (the agent or agents) to perform a service. Hoskisson, Ireland, and Hitt (2011) top managers are hired guns who prioritize their own interests over those of the shareholders more than anything else (Berle & Means, 1932). When management prioritizes measures to increase firm ownership or diversify the company into unrelated businesses at the expense of shareholders, which lowers dividends and stock price, an agency problem occurs. In dealing with relationships between principals and shareholders and their agents (boards of directors), agency theory aims to investigate and resolve two problems: Corporate governance research places a lot of emphasis on the "control" role, or the functioning of the board (Boyd, 1990; Johnson, Daily, and Ellastrand, 1996).

(Hillman & Dalziel, 2003). The agency theory, which asserts that ownership and control separation can lead to conflicts of interest in organizations, is the main theoretical framework that links this monitoring function to firm performance, which explained the Philosophy of the study.

3. Methodology and Model Specification

The ex-post facto approach was chosen because the event under consideration has already occurred. This study is based on historical data. The study will use the multiple regression technique to determine the impact of independent variables on the dependent variable because it is the most appropriate technique for determining the extent of the impact of independent variables on the dependent variable. The Stata Statistical Package was used because it allows for determining the impact of independent variables on the dependent variable as well as testing for robustness using tests like the heteroscedasticity test, fixed and random effect test, and multicollinearity test. In this instance, the study looked into how ownership structure affected stock returns following the occurrence of the relevant event. In order to address the research problem, this study used a descriptive ex-post facto research methodology and a positivist philosophy. All 23 consumer goods companies that were listed on the Nigerian Stock Exchange as of 2020 made up the study's sample. Purposive sampling was used in the study to create a sample size of sixteen (16), and seven (7) consumer goods companies marked with an asterisk (**) were removed from the list. This number results from the demand that a company have complete data for the number of years being taken into account. Additionally, information was gathered from the sampled companies' annual reports (2010 to 2019). On the Nigerian Stock Exchange, these firms are listed as public limited companies. The study's data is based on a panel of participants (i.e., cross-sectional time series data).

Variable Measurement

A model was created to look into the variables affecting the ownership characteristics and stock returns of publicly traded consumer goods companies in Nigeria. To predict stock returns, the factors influencing ownership structure will be taken into account. As a result, the statistical analysis for this study will be based on the Arbitrage Pricing Theory (APT), which asserts that a number of economic factors determine stock returns. The factors influencing stock returns in consumer goods companies were looked into by the researchers. Below are images of the models.

$$SR_{it} = b_0 + 1OC_{it} + 2IO_{it} + 3MO_{it} + \epsilon_{it} \quad (i)$$

Where: *OC* = ownership concentration, *IO* = institutional ownership, *MO* = managerial ownership,

b_0 = (constant) intercept, *i* denotes cross-sectional time, *t* = time series, ϵ = Error phrase

Measurement of variables

S/N	Variables	Definitions	Type	Measurement	Construct Validity Source
1	SR	Stock Returns	Dependent	Annual all-share index (ASI)	Tripathi and Seth (2014), Ntshangase, Mingiri and Palesa (2016), Khalid and Khan (2017).
2.	OC	Ownership Concentration	Independent	the proportion of shares held by a certain number of block holders greater than 5%?	Iqbal, Siddiq and Gul (2016); Erivelto and Fernando (2016); Foroughi and Fooladi (2012).
3.	MO	Managerial Ownership	Independent	measured as the proportion of management interest in the firm's equity shareholding	Ezazi, Sadeghi and Amjadi (2011); Bawa and Isa (2014); Teshima and Shuto (2008); Wafa and Younes, (2014).
4.	IO	Institutional Ownership	Independent	Measured by the ratio of equity shares of the firm held by institutional investors to	Iqbal, Siddiq and Gul (2016); Hajara, (2015); Yang, Chun and Ramadili (2009).

				the total shares outstanding.	
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Source: compiled from prior literature by the researchers, 2022.

4. Results and Discussions

Descriptive Statistics

This section describes the variables' properties, encompassing each variable's mean as well as its minimum, maximum, and standard deviation. The descriptive statistics for the variables are listed in the table.

Table 4.1 Descriptive statistics

Variables	Obs	Mean	Std Dev	Min	Max
SR	160	84.73062	264.197	17	1485
OC	160	.5958285	.1879737	.01	.861
MO	160	.0559345	.0400227	.001	.168
IO	160	.1894311	.0703284	.092	.392

Source: STATA OUTPUT, 2022.

The data in the table demonstrates that the share return (SR) measure, which is the opposite of how share prices behave for consumer goods companies, has an average value of 84.73062 and a standard deviation of 264.197. This suggests that there are significant differences in the deviation between companies over the period. In addition, the values ranged from 17 to 1485, respectively. The returns on the companies' stocks vary greatly from year to year. The descriptive statistics in the table show that ownership concentration has a mean value of .5958285 and a standard deviation of .1879737 on average. The value of the standard deviation confirms that an average of 59 percent of the firms under study have concentrated owners in their ownership structure. The lowest percentage is 1%, while the highest percentage is 86%.

The table also shows that during the study period, the average managerial ownership of the sampled consumer goods firms was .0559345 with a standard deviation of .0400227. This means that an average of 5% of consumer goods firms in Nigeria have top-level executives who are also shareholders. The standard deviation confirms this assertion, indicating that the data is distributed around the mean. The lowest and highest values are .01 and 0.168, respectively. The highest figure implies that only 16% of companies have managerial shareholders. The table's descriptive statistics show a mean value of .1894311 and a standard deviation

of 0.073284. This means that, on average, 19% of companies had institutional investors during the study period. However, the standard deviation value, which is far from the mean, indicates that there are significant differences in the level of institutional ownership among the sampled firms. The minimum and maximum institutional ownership values are 0 and 0.33333, respectively. This means that the highest proportion of institutional owners is 39%. The table also shows that during the study period, the sampled consumer goods firms in Nigeria had an average of 1.1337542 independent directors on their boards of directors, with a standard deviation of 0.069604. This suggests that an average of 13% of directors are independent. This is supported by the fact that the standard deviation is close to the mean. Meanwhile, the minimum and maximum values stood at 0% and 33%, respectively.

Matrix of Correlation

The Pearson correlation analysis matrix depicts the relationship between the explanatory and explained variables, as well as the relationship between each pair of independent variables. It is useful in determining the degree or extent of relationship between all independent variables, because excessive correlation can lead to multicollinearity, which can lead to misleading findings and conclusions. Although the correlation matrix does not allow for statistical inference, it is useful in determining the direction and extent of association between the variables. The correlation matrix for all variables is shown in Table 2.

Table 4.2: Correlation Matrix

Variable	SR	FZ	FA	PROF	OC	MO	IO
SR	1.0000						
OC	0.2344	0.0662	-0.2215	0.1245	1.0000		
MO	-0.1972	0.3509	0.0424	0.3717	0.0044	1.0000	
IO	0.2695	0.1183	0.3172	-0.0485	0.2259	-0.1536	1.0000

Source: STATA OUTPUT, 2022

On the one hand, the table displays the correlation between the independent variables themselves as well as the correlation between the dependent variable, SR, and the independent variables, OC, MO, and IO. In general, it is anticipated that there will be a high correlation between the dependent and independent variables and a low correlation between the independent variables. Gujarati (2004) asserts that a correlation coefficient of 0.80 or higher between two independent variables is excessive, and as a result, specific actions are needed to fix that data anomaly.

The correlation coefficients between the independent variables are all less than 0.80, as shown in the table. This suggests that multicollinearity is not a possibility, but the assumption still needs to be verified using the variance inflation factor (VIF) and tolerance value (TV) tests. The ownership concentration and institutional ownership explanatory variables, which move in the same direction as stock returns, are correlated positively with the dependent variable stock returns in the table. However, the table demonstrates a -0.1972-coefficient negative correlation between managerial ownership and real stock returns. In other words, the outcome variable is moving in the opposite direction of the explanatory variable.

Test for Multicollinearity

Lack of multicollinearity is a fundamental premise of linear regression analysis. Multicollinearity happens when the explanatory variables are not unrelated to one another. To test for multicollinearity, tolerance and variance inflation factor (VIF) values are used. The table below displays the results of the multicollinearity test.

Tolerance and VIF Values

Variable	VIF	1/VIF
OC	1.40	0.714286
MO	1.77	0.564972
IO	1.76	0.568182
Mean VIF	1.63	

Source: STATA Output, 2022.

It is possible to draw the conclusion that there is no multicollinearity issue based on the data in the table. This is due to the fact that all of the variables' tolerance values and VIF values are both greater than 0.10 and less than 10, respectively. (Generally speaking.)

Test for Heteroscedasticity

This test was designed to determine whether the error terms' variability is constant. Inferences about the study's beta coefficient, coefficient of determination (R²), and F-statistic can be affected by heteroskedasticity, which is the term used to describe the fact that the variation of the residuals or term error is not constant. The Breusch and Pagan's Tests were used to determine the heteroscedasticity. The table below lists the outcomes.

Table Test for Heteroscedasticity

Variable	Chi2	Prob>Chi2
Ownership Structure	0.59	0.0910

Source: STATA OUTPUT, 2020

The table displays the heteroscedasticity results for the study's aggregated variables. The goodness of fit test, a statistical hypothesis test used to determine how well sample data fits a distribution from a population with a normal distribution, yields a pearson chi2 value of 0.59 and a probability of 0.0910. This indicates that the model's adjustment of the observed problems is working properly and that no errors exist, highlighting the model's overall fitness.

Hausman Specification Test

The Hausman Test can assist in determining which of two fixed effects models or random effects models is appropriate for interpretation in panel data analysis. The tests essentially look to see if there is a relationship between the unique errors and the regressors in the model. The preferred model has random effects, according to the null hypothesis; the model has fixed effects, according to the alternate hypothesis.

Variable	Chi2	Prob>Chi2
Ownership Attributes	0.01	0.08900

Source: STATA OUTPUT, 2020

The Hausman Speciation Test is utilized to select between the fixed and random effect models. The outcome of the Hausman Test indicated that the chi2 value for ownership attributes is 0.01. The prob> chi2 for ownership butes is currently 0.08900. The Hausman Test favors the random effect model, as indicated by the likelihood that chi2 will report an insignificant value. Furthermore, the Breusch and Pagan Lagrangian Multiplier Test for Random Impact was carried out to ascertain which result, random impact or pooled OLS regression, is more appropriate in order to meet the requirement that one or more equations must be satisfied precisely by the chosen variable values. The outcome showed that 0.0000 is indicated by the prob> chi2 for variables. From this result, the best model to be interpreted is the pooled OLS regression model since the prob> chi2 is less than 0.05 for all variables.

Data Analysis and Results

The impact of institutional and managerial ownership as well as ownership structures on stock returns were all examined using two regression models. The outcomes of the Breusch and Pagan Lagrangian Multiplier Test were used to specify the models for random impacts that used pooled OLS regression.

The H01 Ownership Structure has no significant impact on the stock returns of quoted consumer goods companies in Nigeria.

Pooled OLS Regression Result

SR	Coefficient	T	p-value
OC	4.282942	3.85	0.000
MO	-36.9705	-1.79	0.076
IO	964.9211	3.26	0.001
R-Square	0.1854		
Adjusted R-Square	0.1678		
F-Statistics	54.86		
Prob> F	0.0029		

Source: output from STATA, 2022.

As shown in the table, the R-square is 0.1854, indicating that the ownership structure variables in the study were responsible for 18% of the stock returns. The F-statistic is 54.86 with a probability of $\chi^2 = 0.002$. The χ^2 probability is significant at 1%, indicating that the model is fit. This demonstrates that the ownership structure variables chosen for the study are appropriate and can be used to explain the stock return behavior of Nigerian consumer goods firms. Ownership concentration has a positive and significant impact on the stock returns of Nigerian publicly traded consumer goods companies. This is demonstrated by the coefficient of 4.282942 and the p-value of 0.0001, both of which are significant at a 5% level of confidence. Given this result, the study has strong evidence to reject the hypothesis that ownership concentration has no effect on stock returns.

Managerial ownership has a negligible negative relationship with the stock returns of Nigerian listed consumer goods firms. The 5% significance level reveals that managerial ownership has no statistically significant influence on stock returns. The study accepts the null hypothesis, which states that managerial ownership has no significant impact on the stocks of Nigerian consumer goods companies. In the study's sample, institutional ownership has a statistically significant positive impact on stock returns. This claim is supported by the coefficient and p-value values of 964.9211 and 0.001, respectively. This suggests that institutional owners can be used to predict the level of stock returns for investors in the consumer goods sector.

The combined OLS regression results demonstrate that ownership structure can be used to forecast stock return behavior in the areas under investigation. This study aims to investigate the effects of institutional ownership, managerial ownership, and ownership concentration on stock returns (as determined by market price per share) in Nigerian consumer goods companies. The likelihood that ownership

concentration affects stock returns is high. As a result, stock returns in the study's coverage area will increase as concentrated ownership increases by units. Large block holders have a stronger incentive to monitor management because the costs are less than the advantages of large equity holdings. Lehn and Demetz (1985), show empirically, however, that high stock price volatility is correlated with high ownership concentrations. Outside investors have little information and there is a high chance of insider trading because of the closed corporate governance system and high ownership concentration. The incentive to oversee management is weak in a variety of situations where shareholders hold less stock in a company because the costs outweigh the benefits. and is consistent with the findings of Shindu, Hashmi, Haq, and Ntim (2016), as well as Faten, Adel, and Mohammad (2017), Amal and Ahmed (2017), and (2016). (2015).

The impact of managerial ownership on the stock returns of Nigerian consumer goods companies is also examined in this study. The study's findings demonstrate that managerial ownership in the study's focus area has no statistically significant effect on stock returns. As a result, holding managerial stock has no impact on stock returns. Changes in the management's shareholding have no impact on shareholder returns as a result. A change in managerial shareholding has no effect on shareholder returns as a result. This finding challenges the conventional wisdom that managerial ownership enhances firm performance because directors are expected to act wisely because they hold stock in the company and have an interest in the results. As a result, with more shares held by directors, the stock price should rise. According to the literature. This finding is in line with that of Boubaker (2018) and contradicts those of Afriyani (2018), Otieno (2016), and Oyerogba, Olaleye, and Zaccheus (2014).

This study also explores how institutional ownership impacts the stock returns of consumer goods companies listed on the Nigerian stock exchange as a monitoring mechanism. The results demonstrate that institutional investors significantly influence how stocks of companies in the study's area return. This finding suggests that institutional ownership affects stock returns. This conclusion might be accurate given the evidence from numerous studies that institutional ownership influences stock returns. Stronger external control over the company may encourage managers to raise dividend payments as institutional ownership increases. Due to the fact that institutional ownership encourages more efficient supervision, it is crucial to management monitoring.

However, a number of arguments contend that institutional investors may not restrict managers' ability to decide how to allocate their profits and may even increase their incentives to do so. This is based on the justification that institutional investors are unable to oversee management because they are overly focused on short-term financial results. The agency theory, which aims to resolve the conflict of interest between management and owners, is supported by this finding. The findings of Amal and Ahmed (2017) are at odds with those of the present study, whereas those of Mbatuegwu, Uche, and Azah (2019), Boubaker (2018), and Afriyani (2018) are in agreement.

5. Conclusion and Recommendations

In the literature on accounting and finance, stock returns and how they affect business operations have gained a lot of attention. This study made an effort to look into how three corporate properties affected publicly traded consumer goods companies in Nigeria's stock returns.

When the factors are taken into account separately, the effect is diminished. In particular, the study concludes that managerial ownership has no discernible effect on stock returns. The study finds that ownership concentration, institutional ownership, and ownership all have a significant impact on stock returns in consumer goods companies listed on the Nigerian stock exchange, despite the lack of statistical evidence to support the conclusion that these variables are determinants of stock returns of Nigerian publicly traded consumer goods companies. With this outcome, there is statistical evidence to conclude that these characteristics are determinants of stock returns in the study area.

Additionally, this study offers statistical support for the conclusion that, among the corporate assets examined, ownership structure is a more significant factor in determining stock returns in the study's coverage area. This conclusion is supported by the 18 percent R-squared result.

Based on interviews with a variety of people and organizations involved directly or indirectly with ownership attributes, other corporate properties, and stock return processes in Nigeria, the study makes the following recommendations:

- i. To start, the study offered statistical and empirical proof in support of the idea that ownership characteristics significantly affect stock returns among Nigerian publicly traded consumer goods firms. Therefore, in order to safeguard investors and potential investors from potential scams, it is advised that the Securities and Exchange Commission (SEC) subject

consumer sector ownership to regular stress quality tests. According to the study, consumer goods companies should promote greater institutional ownership. This is based on the idea that institutional ownership has an effect on stock returns because it strengthens the company's external control, which can incentivize managers to raise dividend payments, as institutional ownership increases.

- ii. The SEC should provide an incentive in the form of a commendation to firms that disclose accounting information necessary for assessing the quality of their profitability and earnings, as well as a penalty through rebuttal to firms that do not disclose fully. This is because fraudulent reporting misinforms the market, causing stock prices to rise based on false representations

This paper's significant contributions will include the following: First, it will add to the existing body of knowledge and expand the literature on the various factors that determine stock returns of companies listed on the Nigerian Stock Exchange (NSE), specifically consumer goods firms. Second, the study will go further in providing additional knowledge on the factors that rank as the most efficient in predicting and explaining the behavior and variations of stock returns in Nigeria, which will be extremely useful in adjusting their operations to that impact. Third, Second, it will provide policy guidance to regulators and/or policymakers, including the Securities and Exchange Commission (SEC) and the Central Bank of Nigeria. This will be with respect to regulating the composition of variables to achieve better management, governance, and performance standards. Limitations of the Study: Only publicly traded consumer goods companies in Nigeria are included in the study; The conclusions and suggestions only apply to consumer goods firms; Other studies may take into account other properties that were not considered in this study.

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