Global Journal of Accounting
Department of Accounting, Faculty of Management Sciences
University of Lagos

Ownership Structure and Financial Reporting Timeliness of Listed Insurance Companies in Nigeria

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Abstract

In view of the rising intricacies of business operations and the investment community growth, greater demands are being made by investors for timely information. Accounting information is thus essential to be made readily accessible within a short period of time else, it loses relevance in terms of its economic value. This untimeliness issue of financial reporting is more peculiar to companies in the insurance sub-sector which is consequently making stakeholders develop poor insight about insurance companies in Nigeria. Ownership structure as an internal control mechanism, is a critical factor influencing effective corporate governance practices to ensure timely financial reporting. This study therefore investigated the effect of director shareholding and institutional ownership of shares on financial reporting timeliness of listed insurance companies in Nigeria. The sample consisted of twenty-one (21) listed insurance companies considering panel data covering 7 years' period ranging from 2012-2018. Annual reports used were obtained from Nigerian Stock Exchange (NSE) website. Panel corrected standard error regression analysis was used test for the selected influencing variables (director shareholding and institutional ownership) of financial reporting timeliness. The result of the study shows that director shareholding and institutional ownership both has significant negative effects on timeliness of financial reporting of listed insurance companies in Nigeria. The study concluded that both director shareholding and institutional ownership significantly reduce delays

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associated with financial reporting of listed insurance companies in Nigeria. It is therefore recommended that insurance firms encourage director's interests in shareholdings and institutional investors to exercise their monitoring role in ensuring timely financial reporting.

Keywords: *Director ownership; Institutional ownership; Financial reporting timeliness; Insurance firms; Nigeria.*

1. Introduction

The delay associated with financial reporting timeliness is a sensitive issue that increases attention of stakeholders, brings about their disagreements and also creates fluctuations in economic decisions. This delay could cause interruptions in equity transactions, which in turn can hinder market performance. Today's market Investors rely on the management to provide timely information by speeding up financial reporting process which will allow decision makers to access information on time before it loses its significance to influence financial choices (Shukeri & Md-Islam, 2012). Timeliness is therefore a qualitative feature that increases the importance and relevance of financial information, which is a crucial quality of financial information IASB (2010). The timeliness of financial reporting is hence considered an imperative standpoint that impacts the value of financial information for critical business decisions. Companies are aiming at achieving added value through proper governance mechanisms. A number of internal monitoring factors were identified to affect timely readiness of financial reporting by different researchers. Jensen and Meckling (1976) postulate a sensible structure of share ownership helps financial information users achieve their goals and minimize delays associated with financial reports release. Sakka and Jarboui (2016) posit that ownership structure is a vital internal control tool of efficient governance culture that its structure could sturdily affect the power concentration and authority connection between the management and the shareholders. Ownership concentration therefore refers to the cluster with the most power among the shareholders (Haniffa & Cooke, 2002).Including the interests of directors in the shareholding structure can be a great step which can lead to a lower timeliness of financial information (Boubakri, Cosset & Guedhami, 2005). This stance stems from the strident attitude of the directors when they have a substantial stake in a company. Also, the authors claim that the directors might be manipulative of the timing of earnings releases since they already have access to this information internally and they also know that inducing these less informed stakeholders might be advantageous to the company.

According to Bowen, Johnson, Shevlin and Shores (1992), the stakeholders with big commitments e.g. institutional investors are more concerned in supervision than other minority parties who have smaller share interests in the company. As such, institutional investors necessitate timely information compared with individual shareholders because this information will serve as a source of argument against the management actions that oppose their interests (Hessel & Norman, 1992). Continuously, institutional investors have the supremacy to impose and make it a requirement for the management to deliver financial information in a timely manner because they can use their high voting rights to impact management decisions. Higher percentage of share held by institutional investors will lead to more efficient monitoring because it can influence unscrupulous conduct of the management (Bowen et al., 1992).

Continuously, while undergoing recurrences as a result of the Enron era and some other financial crisis, it is not shocking that various stakeholders including the regulatory authorities have put stern focus towards the timely availability of financial statements, not overlooking the transparency characteristic also. Therefore, it cannot be doubted that compliance with the Securities and Exchange Commission (SEC) and the Companies and Allied Matters Act (CAMA) requirements is compulsory (Ibadin & Izedonmi, 2012). The SEC and the CAMA necessitates that all listed companies must make available their audited annual reports for publication on or before ninety (90) days, which is three (3) months after their financial year-end. In addition, the National Insurance Commission (NAICOM) sets 120 days (6 months) after their financial year-end for all insurance firms to present their audited financial statement. Yet, most of the listed insurance firms are still finding it difficult to meet up with the deadlines (Uthman, Ajadi & Asipita, 2018).

Based on these identified deficiencies, this study aims to contribute by using samples from insurance companies in Nigeria, and also contributes to existing literatures by exploring the impact of director shareholdings and institutional ownership on financial reporting timeliness.

2. Literature Review

Timeliness is an essential concept in accounting, although it is an old concept but still trending, it emphasizes the importance of providing information to decision makers, while still being relevant and worthwhile. Therefore, timeliness can be defined as the ability of decision-makers to access information prior to the loss of relevance and ability to influence decisions.

From the director ownership point of view, this could be seen as the amount or number of shares held by the board of directors (Ahmed & Duellman, 2007). Jensen and Meckling (1976) point out that as ownership of shares by directors' increases, the interests of managers and outsiders align more closely. On the other hand, Davis and Steil (2001) define institutional investors as specialized financial institutions, which manage savings on behalf of other investors in order to achieve a specific objective in terms of acceptable risk, maximization of returns and claims maturity. Given the considerable weight that institutional investors enjoy within the company, they are liable to play an active role in monitoring and disciplining of manager discretionary powers as well as monitor financial reporting process (Zureigat, 2011).

Agency Theory

Agency theory is the theoretical basis for this study. It confers the problems inherent in agent-principal relationships. The agency problem stems from diffusion of ownership structure and control. The shareholders who own the business appoint knowledgeable individual as managers to run the affairs of their business. In effect, the owners seldom meet regularly with managers thereby giving the management team freewill to exhibit some opportunistic behaviors which cause moral hazard on the business and the business owners. In addition to the first issue of moral hazard on the business, these managers also have more information on the business than the owners and most times choose to act in their own best interest thereby leading to another major problem of information asymmetry as recognized by Jenson and Meckling (1976).

To eliminate the issue of moral threats, agency theory advocates that shareholders should create vigorous monitoring diplomacies to accomplish oversight responsibilities, guarantee financial information timeliness released as well as aligning the interests of the shareholders to that of the management. Agency theory also expresses that companies use shareholding structures to lessen conflicts of interest between the managers and the owners as well as aid timely reporting of financial information (Yunos, Smith, Ismail & Ahmad, 2011; Habbash, 2010; Al-Ajimi, 2008). Thus, director shareholding and institutional ownership are the monitoring devices put forward by this study.

Since agency theory already shows that agents can adopt opportunistic behavior at the principal’s expense, there is need for distinction of management and ownership which consequently leads to agency costs connected with bringing solutions to the conflict of interest between the principal and the agent. This indicates that the managers cannot be entirely relied-upon, a solution to lessen this problem of conflicts of interest is for the owners to setup a monitoring structure through which managers are controlled to act in their best interest (Bushman & Smith, 2001). Over the years, several ownership structures such as the formation of director shareholdings have been presumed to address the issues surrounding information asymmetry and curtail the conflict of interest linked with agency relations. Since agency theory contends that the individual differences between the principals and managers leads to the agency complications, it is expected that the greater the amount of share owned by directors, the greater the incentive for directors to monitor management, resulting in a decrease in timeliness of financial reporting (Shleifer, Conyon & Vishny, 1986). Directors with shares in the company are expected to be more serious in ensuring the timeliness of financial reporting. Alsmady (2018) argued that shareholding motivates directors to monitor managers carefully to ensure timely financial reporting in order to minimize pressure from different stakeholders.

In the same vein, agency theory argues that because of institutional shareholders’ large share of ownership, they have the monitoring potential to influence manager’s actions, thereby reducing agency costs. In line with theoretical expectations, Barako, Hancock and Izan (2006) posit that managers are always eager to meet up with the hopes of shareholders with high stakes and institutional investor’s large interests give them sturdier inducements to timely observe corporate reporting practices. As argued above, regarding the monitoring ability of institutional investors and their interests in timely financial information, institutional contributions are likely to intensify the prospect of improved timely reporting practices for companies.

Hypotheses Development

Grounded on the above argument, to examine the impact of ownership structure on financial reporting timeliness, we focus on the following mechanisms: director ownership, and institutional ownership. These influencing factors are important as they are likely to influence the decision of management to timely release financial information. This study therefore attempts to abridge some noteworthy works undertaken so far on each of the shareholding structure and financial reporting timeliness.

Director Ownership

The arguments resulting from the awkward attitude of concentration of ownership while exercising a weighty influence over companies cannot be overemphasized. Also, ownership structure is one of the most important governance mechanisms that can influence decisions of the management, including those related to financial reporting timeliness (Habbash, 2015). In the same vein, the larger the directors' ownership, the more they pay attention to internal mechanics, which in turn can lead to longer process of financial reporting and consequently brings about delay in publishing financial statements. Furthermore, there is limited empirical evidence regarding the relationship between director shareholding and financial reporting timeliness in the developing and the developed countries. Therefore, this study reviews the literature regarding director ownership and financial reporting timeliness.

For example, in the developing countries, the negligence of director and institutional investors has contributed immensely to the collapse of several companies in this region. Although most countries in this region do not have enforceable measures in place to ensure other stakeholder's interests are protected in the presence of concentration of ownership which has not been favourable to financial reporting timeliness. To approve this, Alsmady (2018) examined the effect of characteristics of the board and ownership type on financial reporting timeliness. Data were extracted from financial report of quoted firms on Amman Stock Exchange from 2011 - 2015. The study hypotheses were tested using multiple regression analysis. The result disclosed that director ownership has significant effect on financial reporting timeliness. The findings also agree with the agency theory that higher diffusion of ownership structure leads to improved governance and timely financial reporting release.

In another study, Halder and Mishra (2016) examine corporate governance and financial reporting timeliness in pharmaceutical industries in India. Data were extracted from financial report of the sampled firm from 2011-2014. The study concluded that ownership concentration in possession of some shareholders do not affect the timeliness in the release of the annual financial report to the public.

Similarly, Yoke, Jiaying, Ju-Ann, Boon-Yan and Shinn-Yi (2017) studied the effect of corporate governance on financial reporting timeliness. The study used 250 public listed companies by using secondary sources of data in the year 2015, exploring multiple linear regression (MLR). The results showed that ownership concentration has significant negative association with the lags associated with financial reporting. However, Habib, Bhuiyan, Huang and Muhammad (2018) investigated the various determinants of audit report lag, this study was undertaken in New Zealand. The study employed a meta- regression technique while using the Stouffer combined test to examine the developed hypotheses. It was revealed in the study that ownership concentration reduces audit report lag. In a recent study, Okechukwu, Aruwa, and Ame (2021) investigated the effect of board characteristics and ownership concentration on financial reporting timelines of quoted oil and gas companies in Nigeria. The results revealed managerial ownership has a positive but statistically insignificant effect on financial reporting timeliness.

From the agency theory point of view, shareholding motivates directors to strictly monitor the management of the firm (De Villiers et al., 2011), the higher the directors' ownership, the more they pay attention to internal mechanics, which in turn can lead to longer process of financial reporting and consequently brings about delay in publishing financial statements. Based on the earlier argument, the following hypothesis was proposed in alternate form:

H1: *Director Ownership has a significant impact on financial reporting timeliness.*

Institutional Ownership

Institutional investors are known to be influential stakeholders because they mostly have huge shares, therefore, greater voting privileges. They are therefore expected to use their greater voting power to influence management to timely release financial reports for timely decision making. Hence, this study reviews literatures in respect of institutional ownership and timeliness of financial reporting.

For example, Alfraih (2016) empirically studied the impact of corporate governance mechanisms on audit delay in Kuwait. The study utilized a sample of 174 quoted companies that are listed on the Kuwait Stock Exchange (KSE) in 2013. Multivariate regression model was used to analyse the association that exists between the selected corporate governance mechanisms and audit delay. The result hence revealed that institutional ownership has negative and insignificant effect on financial reporting delay.

However, Sakka and Jarboui (2016) also investigated the timeliness of audit reports in Tunisia considering 28 Tunisian companies listed on the Tunisian Stock Exchange (TSE) covering from 2006 to 2013 excluding companies belonging to the finance sector. The regression results revealed ownership concentration has a negative but significant relationship between audit lag level. Basuony, Mohamed, Mostaq and Omar (2016) carried out a study on Board characteristics, ownership structure and audit report lag in the Middle East. A regression analysis indicates that institutional ownership significantly affects audit report lag.

Furthermore, Hassan (2016) examined the determinant of audit report lag in Palestine. Data used were collected from annual reports of all quoted firms on Palestine Stock Exchange (PSE) as at 2011, as well as from the listed Companies Guide of 2011. Multiple regression analysis was performed. The result showed that audit reporting delay is statistically influenced by ownership dispersion status. In contrast, Fujianti (2016) conducted an analysis of the reaction of the public on timeliness reporting in Indonesia. Ninety-Six (96) companies were taken from the population which were listed on Indonesia Stock Exchange as at 2013. Using logistic regression, the results revealed that there is no significant relationship between management ownership and reporting timeliness. Therefore, management ownership has insignificant influence and plays no influencing part on the accomplishment of timeliness reporting. However, the results showed that institutional ownership has significant influence on financial reporting timeliness.

In line with agency theory, institutional investors press for greater accountability and are positively associated with timely financial reporting practices, Sakka & Jarboui (2016). The monitoring role of institutional investors would encourage companies to timely disclose financial reporting. Based on the aforementioned argument, the following hypothesis was proposed in alternate form:

H2: *Institutional ownership has a significant impact on financial reporting timeliness.*

3. Methodology

In order to attain the study's objective, ex-post facto research design was applied to examine the impacts of director shareholding and institutional ownership on financial reporting timeliness because the data used were already published annual financial statements.

This study's population comprises of all listed insurance firms on Nigerian Stock Exchange (NSE) as at March 2020. According to NSE Fact Book this amount to twenty-five (25) and this makes up the sample size of the study. The study utilized census method because the entire population of the study was considered. However, listed insurance firm(s) that do not have annual reports with complete data during the period covered were excluded. As a result, only twenty-one (21) listed insurance firms were considered. The study's primary source of data is the annual reports of the sampled firms. Data were taken from annual reports from the 2012 to 2018 accounting periods; this is because annual reports are readily available and accessible by various users.

To achieve the purpose of this study, Tayo and Olayeye (2019) model was adopted and modified to suit this study's objectives. This is necessary because the researchers reported on audit characteristics and timeliness of financial reporting. Hence, since this study's objectives is to investigate the impact of director shareholding and institutional investors on financial reporting timeliness as raised earlier, the model is thus specified as follows:

TIMS = β0 + β1 (DIRSH) it + β2 (INSOWN) it + β3 (AFTYP) it + β3 (PROF) it + εi it

Where:
TIMS: Financial Reporting Timeliness
DIRSH: Director Shareholding
INSOWN: Institutional Ownership
AFTYP: Audit Firm Type
PROF: Profitability
β1, and β2 = coefficients of the variables to be estimated
β0: intercept
εi: random error term
This implies that variables β1 & β2 < 0 were expected to have a negative association with the explained variable.

The Dependent Variable (Financial Reporting Timeliness)

Timeliness refers to the duration of days between the financial year-end of a company and the date its audited financial report is released to the public (Owusu-ansah, 2000). Some prior studies, specifically in Nigeria measured timeliness as the interval between the company year-end date to the external auditor's report date (Uthman *et al*., 2018; Adebayo & Adebiyi 2016). In contrast and for more credibility, this study utilized the date the financial reports were released to the public; the total lag of financial reports because, the relevance of accounting information can be considered only when reaches the entire users and not just the management and board of directors. Hence, the interval between the accounting year-end and the date the financial report was publicly published was used to measure the timeliness. This method was also used by previous researchers such as; (Dibia & Onwuchekwa 2013; Apadore & Noor 2013; Arowoshegbe *et al*., 2017).

Independent Variables

The independent variable used in this study are; director shareholding and institutional ownership. These independent variables will be measured as shown below.

Table 1: Measurement of Variables

Variables	Definition	Measurement	Sources
Dependent			
TIMS	Financial Reporting Timeliness	Measured as the period between accounting year-end of a firm and the date the financial report is published.	Ika & Ghazali, (2012) Dibia & Onwuchekwa (2013); Ilaboya & Iyafekhe (2014); Arowoshegbe *et al*. 2017
Independent variables			
DIRSH	Director Shareholding	Measure as proportion of ordinary shares owned by a company's directors.	Masud, Bae & Kim (2017), Alsmady, (2018)
INSOWN	Institutional Ownership	Measured as proportion of ordinary shares of a firm owned by institutional investors	Fujianti (2016), Fakhfakh, Sakka & Jarboui (2016)
Control Variables			
AFTYP	Audit Firm Type	Measured by a dummy variable with a value of ! if the firm is a Big -4 audit firms and 0 otherwise	Turel (2010)
PROF	Profitability	Return on Assets (ROA) of the company	Oshodin & Ikhatua, (2018)

Author's Compilation from Literature, (2020)

4. Result and Discussion

The section presents the descriptive statistics, correlation matrix and regression analysis. The study' hypothesis were tested to evaluate the effect of ownership structure on financial reporting timeliness.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std.Dev.	Min	Max
TIMS	147	171.367	101.339	76	579
DIROWN	147	.037	.057	0	.32
INSOWN	147	.489	.186	.117	.843
AFTYP	147	.531	.501	0	1
PROF	147	.024	.057	-.202	.208

Source: Author's Computation (2020)

The timeliness of financial reporting (TIMS) has an average value of 171.367 with min and max values of 76 and 579 respectively, and standard deviation of 101.339; all these could also be expressed in number of days. The mean value of 171.367 indicates that on average, the sampled firms used 171 days to complete their financial reports and make it available to users, while the standard deviation of 101 days indicates high timeliness variability across the sampled firms owing to the wide dispersion of the mean values. This arises from the gap between the lowest and highest values.

Looking at the minimum value of TIMS (76) presented in Table 2, it indicates that the earliest possible time the sampled firms has released their annual reports is 76 days, this reflects that the delays associated with timely financial reporting over the period under investigation is considered relatively high. This means some insurance companies took up to 579 days after the end of their accounting period to publicize their audited financial report to the public. This means that customers of such firm's financial report were deprived financial information for more than a year. This is a complete violation of the terms of CAMA 2004, the Insurance Act of 2003, and the Nigerian Stock Exchange's Listing Requirement.

Table 2 above also revealed that director shareholding had a minimum of 0.00 and a maximum of 0.32. This implies that the lowest proportion of shares owned by the directors was at 0.00%, while the highest proportion of shares owned by the directors was 32.0%. Director shareholdings have an average value of 0.037, indicating that, on the average, the sampled firms' directors had shares to the tune of 3.7%. The standard deviation recorded a value of 0.057 or 6% which implies high variability across the listed insurance firms in Nigeria.

Shareholding structure of the institution (INOWN) was measured and showed an average of 0.489 or 48.9%. This means that the average stock of the company sample obtained is 48.9% owned by the company or other institution, indicating that institutional ownership constitute the major and dominant kind of block holdings. The lowest value of the concentration of institutional ownership is at 0.117 or 11.7% and the highest institutional ownership is 0.843 or 84%. The range corroborates the discovery of a wide gap between the firms with minimum institutional shareholding and one with the maximum institutional shareholding. The value standard deviation of 0.186 (18.6%) is far from the mean indicates high variability across the listed insurance firms in Nigeria.

For the control variables, regarding Audit Firm Type (AFTYP). Table 2 above revealed that audit type (AFTYP) had an average value of 0.531 with lowest and highest of 0 and 1 respectively. The standard deviation is 0.501 which is below the average. This suggests that (AFTYP) examined considerably cluster around the average value. Table 2 above also revealed the mean value of FPERF (Financial Performance) of 0.024 with lowest and highest value of -0.202 and -0.208 respectively. The value standard deviation of 0.057 (5.7%) is far from the mean indicates high variability across the listed insurance firms in Nigeria.

Table 3: Correlation matrix

Variables	TIMS	DIROWN	INSOWN	AFTYP	ROA
TIMS	1.000				
DIROWN	-0.357	1.000			
INSOWN	-0.003	-0.330	1.000		
AFTYP	0.376	-0.490	0.375	1.000	
PROF	0.522	-0.013	0.081	0.236	1.000

Source: Author's Computation (2020)

From Table 3, the relationship between director ownership and financial reporting timeliness is negative with correlation coefficient of -0.357. Institutional ownership has a negative and weak association with financial reporting timeliness with a correlation coefficient of -0.003. More so, institutional ownership and director shareholding have a negative relationship each other with a correlation coefficient of -0.330. However, audit firm type has a positive and moderate correlation with financial reporting timeliness with correlation coefficient of 0.376, more so, a negative and moderate relationship also exists between audit firm type and director shareholding with correlation coefficient of -0.490. However, institutional ownership has a positive relationship with audit firm type with correlation coefficient of 0.375.

Furthermore, the association between profitability and financial reporting timeliness is positive with 0.522 correlation coefficient. Director shareholding and profitability have negative and weak correlation with -0.013. Also, institutional ownership and audit firm type have positive correlation with profitability with correlation coefficient of 0.081 and 0.236 respectively.

Residuals Test

This study did diagnostic test before conducting the final regression to retain the parameters' unbiasness, as suggested by Wooldridge (2011). This study used the Variance Inflation Factor (VIF) test to evaluate collinearity issues in our model. The VIF values span from a lowest value of 1.075 to a highest value of 1.507 indicating no multicollinearity as they are less than ten. To back up this assertion, the mean VIF is 1.292, indicating that there is no multi-collinearity among the study's explanatory variables (Hair, Black, Babin, & Anderson, 2014). Hausman test was also conducted to choose between random and fixed effect model. Fixed effect model is deemed appropriate for this research since it has a P-value of 0.013, which is significant at 1%.

This study also used Shapiro-wilk test to do a normality test on the model's residuals, and the study discovered that the residuals are normally distributed since the p-value was statistically insignificant. While the Wooldridge test was used to test autocorrelation in panel data. The p-value is significant indicating presence of autocorrelation.

The heteroskedasticity test performed using Modified Group Wise was also significant, with a p-value of 0.0063, indicating that there was no homoskedacity. This opposes the homoscedasticity assumption and can result to an incorrect inference. As a result, this study used a panel corrected standard error (PCSE) model to address the issue of heteroskedasticity and auto correlation. When assessing standard errors, PCSE retains observation weighting for autocorrelation but utilizes a sandwich estimator to integrate cross-sectional dependency (Mantobaye Moundigbaye, William S. Rea, 2017).Thus, the PCSE model was utilized in this study based on Gujarati (2004) recommendation.

Panel Corrected Standard Error (PCSE) Result

The study presents the panel corrected standard error regression result in Table 4 below.

Table 4: Regression Result

Panel Corrected Standard Error Model Regression Result for TIMS

Variables	Coefficient	Std. Err	Z-values	Sig
CONSTANT	0.1698478	0.009351	18.16	0.000
DIROWN	-0.3713643	0.0537106	-6.91	0.000
INSOWN	-0.0651666	0.0219645	-2.97	0.003
AFTYP	0.0220503	0.0088538	2.49	0.013
PROF	0.0777957	0.0097326	7.99	0.000
R^2	0.4459			
Wald chi^2	135.65			
Prob Wald chi^2	0.0000			
No of Observation	147			
Panels:	Correlated (balanced)			
Correlation:	No autocorrelation			

**** p<0.01, ** p<0.05, * p<0.1*

Source: Summary of STATA OUTPUT

The result in Table 4 displays the Panel Corrected Standard Error Regression (PSCEs) result, which was interpreted after all relevant tests were run. The coefficient of determination R-squared was 0.4459, indicating that the explanatory factors employed in the study account for about 44.59% of the overall variation in financial reporting timeliness of listed insurance businesses in Nigeria. The remaining 55.41% was attributable to other variables not captured in the model

The Wald chi2 of 135.65 for the model shown on Table above is greater than 2 (Gujarati, 2004). Therefore the model is fit to estimate the relationship between monitoring mechanisms and environmental disclosure quality. In addition, all explanatory variables used in the model are generally significant going by the probability of the Wald chi2, which is significant at the 1%.

From the result thus, the model of the study is:

TIMSit = 0.170 - 0.3713 DIROWN it - 0.065 INSOWN it + 0.022AFTYP it + 0.077PROF it

From the Table 4 above, director ownership has a Z-value of -6.91, a coefficient value of -0.371 and p-value of 0.000 which is significant at 1%. This indicates that director ownership has significant negative impact on the timeliness of financial reporting of listed insurance companies in Nigeria. This signifies that an increase in the percentage of shares owned by directors will improve the timeliness of financial reporting significantly. This is because intensive participation of directors in the equity capital would motivate them to disclose financial information on time as to enhance the value of the firm. This can also be linked to the argument that the more the board members own stock, the more likely they have keen interest on the activities of the company, thus, timeliness changes based on that interest (Brammer & Pavelin, 2008). Thus, their actions are expected to increase not only timeliness but the quality of such financial information.

Since the p-value is less than 5%, this study found sufficient evidence to provide basis for rejecting the null hypothesis which states that, director ownership has no significant impact on financial reporting timeliness of listed insurance firms in Nigeria. The result supports the a-prior expectation of the study as the researcher expects a negative association between director shareholding and financial reporting timeliness. The finding is also consistent with agency theory perspective that directors with shares have keen interest on the activities of the company will protect the image of the company in the eyes of the stakeholders by disclosing financial information on time. This finding of the study is in line with the studies of (Ishak, Muhamad & Rashid, 2010; Alsmady, 2018). However, the result is in contrast to the findings of (Abdelsalam & Street, 2007, Fujianti, 2016; Yoke et al., 2017; Halder & Mishra, 2016; Sakka & Jarboui, 2016).

The result in respect of institutional ownership has a Z-value of -0.297, a coefficient value of -0.652 and probability value of 0.003 which is significant at 1%. This shows that institutional ownership has significant effect on the timeliness of financial reporting of listed insurance firms in Nigeria. This signifies that an increase in the proportion of shares owned by institutions will reduce the timeliness of financial reporting significantly. This is due to their active role of stakeholder engagement in the corporate governance process due to their large shareholding. As a result, these types of investors influence management decisions with regards timely disclosure

Since the p-value is less than 5%, this study hence found sufficient evidence to provide basis for accepting the null hypothesis which states that, institutional ownership has no significant impact on timeliness of financial reporting of listed insurance firms in Nigeria. The result supports the a-prior expectation of the study as the researcher expects a negative association between institutional ownership and financial reporting timeliness. Similarly, the result also supports agency theory which argues that institutional shareholders because of their large share of ownership have the monitoring potential to influence manager's actions, thereby reducing agency costs. This finding of the study is in line with the studies of (Yoke et al., 2017; Habib et al., 2018; Fujianti, 2016; Haldar & Mishra, 2016; Hassan, 2016; Alsmady, 2018). However, the result is in contrast to the findings of (Abdelsalam & Street, 2007; Apadore and Noor, 2013; Alfraih, 2016).

5. Conclusion and Recommendations

The overall results support the general argument of the study that ownership structure has a major impact on how companies handle agency issues and respond to the demands and interests of diverse stakeholders and, consequently, in hastening the timeliness involved in the financial reporting processes. Director ownership has significant positive impact on financial reporting timeliness of quoted insurance firms in Nigeria. This implies that increase in the percentage of shares held by directors will enhance financial reporting timeliness. Similarly, Institutional ownership also has a significant impact on financial reporting timeliness of quoted insurance firms in Nigeria. This implies that the percentage of shares owned by institutions does influence board decisions to disclose annual reports on a timely basis. It is therefore recommended that policies are needed to regulate the number of shares (minimum) acquired by the directors on the board. This is in order to give motivation to act in the interest of other stakeholders. Also, our study recommends continuous and stringent measures to compelling institutional investors to exercising their monitoring role in ensuring timely financial reporting.

This study adds to the growing knowledge base on financial reporting timeliness and sheds more light on the factors that influence it. To be more specific, it aids in a better understanding of the potential significance of ownership structure. Policy implication can also be gleaned from the study's result. In this context, governance codes regulators should emphasize specific minimum number of shares acquired by the directors on the board should be regulated as it is statistically proven that director shareholding improves timeliness of financial reporting. Moreover, the regulators such as National Insurance Commission (NAICOM) should protect shareholders' interests by improving the timeliness and integrity of publicly available information.

Despite the contributions of the study, it has some limitations like other empirical studies. The study suffered some limitations among which the number of listed insurance firms as at the time of this study stood at 25 but only 21 companies were considered. This is because, some companies' financial report and accounts were not available and some of the reports available could not provide the information needed for this study. Hence, in the process, this study found only 21 companies suitable for this research. In addition, the study's population only consisted of listed insurance companies.

Therefore, the results cannot be generalized to other companies in other sectors. Secondly, the two independent variables selected in the study may not fully represent all the ownership structure mechanisms of timeliness of financial reporting. Notwithstanding, given the scantiness of prior studies examining the determinants of financial reporting timeliness in Nigeria with respect to ownership structure mechanisms, the results of the present study may provide a basis for future research. Despite these limitations however, the value of the study can be said to be observed as the study use rigorous method of measurement and proper establishment of the findings and adequate observations is considered. Therefore, the study concludes that, the limitation could not hinder the validation of this study but can only be improved as a springboard for future research if those limitations are considered.

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