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Ownership Structure and Going Concern Evaluation of Listed Oil and Gas Companies in Nigeria

Ibrahim Danjuma¹, Mohammed Abba², Saleh Muhammad Bahamman³, Adamu D. Ahmed⁴

¹Department of Management Technology, School of Management and Information Technology
Modibbo Adama University of Technology, Yola, Nigeria
ibro.danjuma@mautech.edu.ng

² Department of Accountancy, School of Management and Information Technology
Modibbo Adama University of Technology, Yola, Nigeria
abbagombe@gmail.com

³ Department of Accounting, Faculty of Arts and Social Sciences, Gombe State University, Gombe, Nigeria
sbahamman@gmail.com

⁴Department of Accounting, Faculty of Arts and Social Sciences, Gombe State University, Gombe, Nigeria
adamud.ahmed@gmail.com

Abstract

Going concern is an important assumption that underlies the preparation of financial statements. Based on this assumption, financial statements are prepared to reflect the ability of a company to continue operation in perpetuity. In spite of the importance of oil and gas industry to the growth and development of the Nigerian economy, research on Ownership Structure in Nigeria is skewed to other industries of the Nigerian economy especially financial sector with little emphasis to the oil and gas companies. The study is set out to examine the impact of Ownership Structure on Going Concern Evaluation of listed Oil and Gas companies in Nigeria, over the period 2011-2017. The research covers Eight (8) out of the twelve (12) listed companies in the industry. The study made use of secondary data generated from Annual Reports and Accounts of the companies and the Nigerian Stock Exchange Fact book. The data were analyzed by means of descriptive statistics, correlation and OLS regression analysis using STATA₁₂ package. The study revealed that Directors ownership of shares and institutional ownership of shares significantly influences Going Concern ability of listed oil and gas companies while Chief Executive Ownership of shares shows an inverse insignificant impact on Going Concern Evaluation. The study concluded that Ownership Structure play an effective role on companies' ability to remain as going concern. It is therefore, suggested that companies in Nigerian oil and gas industry should encourage directors' ownership and Institutional Ownership of shares as its motivate and increase ease of contact to resources, thereby improve corporate performance.

Keywords: ownership structure, going concern evaluation, listed, oil and gas, Nigeria

1 Introduction

An entity's ability to continue as a going concern is a fundamental principle in the preparation of financial statements. Whether the organization is public, private, non-profit, or governmental stakeholders want to know that the organization will be around in the near future. Apart from profit making objective, all business concerns share one fundamental objective that

is to remain as Going Concern. The assumption is that business unit will operate in perpetuity; that is the business is not expected to be liquidated in the foreseeable future. A business is considered a going concern if it is capable of earning a reasonable net income and there is no intention or threat from any source to curtail significantly its line of business in the foreseeable future.

Going concern evaluation therefore is a financial indication that used to provide a clear image about the financial situation of the company. Altman Z Score bankruptcy prediction model is a formula developed by Altman to detect corporate bankruptcy at some period prior to the bankruptcy. Altman has categorized the firms into three levels based on his model, which are strong; moderate and weak based on the Z score percentage (Altman, 1968). For the purpose of this study, the updated version of Altman quantitative model (1968) commonly known as Altman Z-score Plus developed in 2012 is used to demonstrate how to predict failure, which analyzes combination of financial ratios on financial statement. This prediction model had about 95% accuracy rate (Altman, 1993). Therefore, the perpetual existence of the companies can be linked to the proportion of firm's shares owned by a certain number of institutions, individuals or families (Oluku, 2017).

Previous studies show that ownership structure is correlated with company going-concern (e.g., Noor Amran & Ahmad, 2010; Oluku, 2017; Ramadan, 2016). Oluku (2017) concludes that the firm's going concern depends on its ownership structure. Sunusi Garba (2017) points out that the managers who have a major ownership in a firm are unlikely to participate in the elusive work that may affect the firm's going-concern. When a company collapses or is involved in accounting and other Corporate Governance related scandals, stakeholders are affected in different ways. Shareholders lose practically all their investment, many or all employees lose their jobs as well as their pensions and other entitlements, the government loses tax, the society loses corporate social responsibility and creditor and bondholders lose their money (Dabor and Tijjani, 2011).

Many companies declared bankrupt and went out of business rapidly, often in the midst of the reporting cycle. Stakeholders were left wondering, "What happened? The suppliers of capital, investors, creditors, government, management and employees are severely affected by and from business failures. The most critical cost is that threat to External Auditors whom are also likely to face a potential law suit if they fail to provide an early warning signal through the issuance of qualified audit opinions (Zavgren, 1988). Going concern therefore is a bone of contention at the global and local level today on whether ownership structure would have any impact on ability of the firm to remain as going concern. Agency theory argues that ownership structure such as directors' ownership, institutional ownership and managerial ownership may reduce conflicts of interest between the managers as agent and shareholders as principal, which may mitigate the agency costs and improves the corporate performance and enhance going concern principle.

Despite the importance of petroleum industry to the growth and development of the Nigerian economy, research on ownership structure in Nigeria is skewed to other industries of the Nigerian economy especially financial sector with little emphasis to the oil and gas companies. Consequently, there is the need to examine the impact of ownership structure on going concern evaluation of listed oil and gas companies in Nigeria. This study is therefore to explore whether the ownership structure affects the going-concern ability of listed oil and gas companies in Nigeria.

2 Literature review

2.1 Concept of Ownership Structure

Whenever there is a division of ownership and management in a firm there exist a well-known principal-agent problem. The essence of the problem comprises in how owners/investors can be ensured that the hired professional managers run the company in line

with the best interests of its owners or that they work with greatest possible efficiency that consequently maximizes the added value of the firm and the welfare of the owners (Makhlouf & Al-Sufy, 2018). Ownership structure refers to the proportion of firm's stock owned by a certain number of institutions, individuals or families (Oluku, 2017). Ownership structures are of major importance in corporate governance because they affect the incentives of managers and thereby the efficiency of the firm. The ownership structure is defined by the distribution of equity with regard to votes and capital but also by the identity of the equity owners. Ownership structure can be distinguished by the level of concentration of ownership rights as well as by the identity of the owner. In general ownership structure may include inside as well as outside owners. Inside owners are managers and employees, and outside owners are individuals, organizations and state.

2.2 Concept of Going Concern

Going concern is an important assumption that underlying the preparation of financial statements. Based on this assumption, financial statements are prepared to reflect the ability of a company to continue operation in a foreseeable future (Dabor & Tijjani, 2011). Any financial difficulties that may affect the appropriateness of the application of going concern assumption need to be disclosed accordingly in the financial statements and the matter must be highlighted in the audit report (Salawu, Oladejo & Inneh, 2017). Thus, the going concern opinion is the result of auditors' assessment on the reasonableness of the assumption and acceptability of the basis for the assumption. Audit reports would, therefore, reflect the going concern status of a company (Laitinen & Kankaapaa, 1999). Depending upon the going concern status of the company, the report would show the intention or the necessity to liquidate, cease trading or seek protection from creditors pursuant to laws or regulations. The types of going concern opinion to be issued vary from modified audit opinion, qualified audit opinion, and adverse opinion. A modified audit opinion is issued for companies that are facing going concern problem and when the information on the problem is adequately disclosed in the financial statements.

In this regard, auditors include a modification paragraph in the report drawing the users' attention on the disclosure of the matter in the notes to the account. A qualified audit report is issued when the unresolved issue of the company going concern problem is insufficiently disclosed in the financial statements. The report would include specific reference to the fact that there is a material uncertainty that may cast significant doubts about the entity's ability to continue as a going concern. Lastly, an adverse opinion is issued if auditors are in the opinion that going concern assumption is not an appropriate basis for the preparation of financial statements. The auditor's conclusion is arrived on the basis of whether or not the disclosure of the company going concern has been made adequately or not. Overall, the issuance of any of these types of going concern opinion indicates that the company is facing some forms of financial difficulties such as increasing dependence on debt, poor liquidity position, and declining profit or increasing loss over period of some years and increasing trend of debt (Fanny & Saputra, 2012).

2.3 Ownership structure and going concern evaluation

There is a heavy discussion on the effects of ownership structures on company performance in the world. Much of empirical research was done to determine the influence of different kinds of owners and concentration of ownership rights on the performance of a firm.

Previous studies show that an ownership structure is correlated with company going-concern (e.g., Noor Amran & Ahmad, 2010; Oluku, 2017; Ramadan, 2016). Oluku (2017) concludes that the firm's going concern depends on its ownership structure. Sunusi Garba (2017) points out that the managers who have a major ownership in a firm are unlikely to participate in the elusive work that may affect the firm's going-concern. Moreover, agency theory argues that

concentrated ownership (i.e., family ownership, directors' ownership) may reduce the interests' conflicts between the managers as agent and shareholders as principal, which may mitigate the agency costs and improves the corporate performance and enhance going concern principle. Thus, the association between the concentrated ownership and going concern is significant.

Hashim (2009) argues that the relationship between directors' ownership earnings quality is significantly and negatively, which directly maximizes earnings management and then leads to a going-concern problem. Elsayed (2007) finds a positive and significant relationship between directors' ownership and firm performance which will decline the risks of the going-concern problem. In Jordan, Zureigat, Fadzil and Ismail (2014) point out that the association between executive ownership and going-concern problem is positive. In Malaysia, Ali, Salleh, and Hassan (2008) and Iskandar, Rahmat, Noor, Saleh, and Ali (2011) found that directors' ownership negatively affect the earnings management which will sequentially decrease a going-concern problem. Using a sample of 161 financially distressed companies for the period 1988-1996, Parker, Peters, and Turetsky (2005) examined the relationship of corporate governance factors and going concern assessments in Portugal. Their results indicate that managers' ownership is negatively correlated with going-concern evaluations. This finding is consistent with Alves (2012); Alzoubi (2016) and Ramadan (2016). In Jordan, Makhoul et al. (2017) examined the association between directors' ownership and firm performance for a panel of 120 of Jordanian companies. The findings indicate that the relationship is positive and significant. The authors argued that this result implies that the increase in directors' ownership enhances the firm's continuity and improves the performance.

Managerial ownership is considered as a crucial characteristic of ownership structure which may limit going concern problem in a company (Zureigat, Fadzil & Ismail, 2014). Managerial ownership is a fraction of the executive directors' ownership of shares of the total number of shares issued (Bekiris, 2013). Managerial ownership can align the interest between management as agent and owners as principal, hence; reduce the total agency costs. According to the agency theory, it is anticipated that management equity ownership has a significant negative relationship with the going-concern problem. It is then likely that the larger the level of management ownership in the business, the lesser the degree of conflict of interest (Jensen & Meckling, 1976). This sequentially would, increase the performance of the firm and avoid companies from facing the going-concern problem.

Santoso (2012) explained management ownership as the proportion of ownership by company's management which is measured by the shares owned by the management of the company. The management ownership percentage includes the ownership by members of commissioner and directors who also take part in making decisions and the amount of shares is calculated in certain period of time. Managerial ownership indicates the shares owned by insider or the management of the company itself. A study from Ramadan (2016) showed that managerial ownership has a positive effect on financial performance of the company. To that concern, Santoso (2012) further explains how management works reflecting to the firm's stock circumstances. Company management is motivated to do a stronger control over the financial of the company as it may improve their stock value. They also agree that a bigger managerial ownership lead to a better quality of financial reporting. It is because the more share that management owns, the less likely they will misuse the company's wealth and act according to company's interest that will benefit them. Thus, management will have to increase performance and produce satisfying financial information. Company with promising financial performance have tendency to run well in the future.

Board ownership, scholars such as Alves, (2012); Iskandar et al., (2011); and Ramadan (2016) are of the opinion that managerial ownership is inversely associated with firm going-concern variables. Institutional ownership indicates the company's share ownership by other institutions. These institutional investors usually make better investors because they also act to monitor the company's activities. As explained by Katan and Noor (2015), institutional

investors have the incentive to monitor the management activity because they have more voting power and ability to influence the management. Fazlzadeh, Hendi and Mahboubi (2011) and Fauzi and Locke (2012) also find the positive impact of institutional investors toward the company performance. As company with good performance will sustain in the future, it will be exempted from going concern issue. Thus, company with large institutional investors will less likely to have going concern audit opinion because the probability of agency problem is reduced as it has third monitoring-party as their shareholders

It can be concluded that the better the quality of financial reporting, the less likely that the company will receive qualified audit opinion. There is clear evidence that the structure of company ownership can significantly influence the financial performance of the company, for example, its impact on incentive mechanism, decision-making procedures as well as performance-monitoring system. However the theoretical and empirical evidence on the effect of ownership structure on company's efficiency is very controversial.

3 Methodology/Materials

The study used Descriptive research design, considering the nature of the phenomenon which focuses more on “what” of the research subject rather than “why” of the research subject. The study relied on annual reports and accounts of the sampled companies.

3.1 Population and Sample size of the Study

The population of this study consists of all the twelve (12) quoted oil and gas companies in the Nigerian Stock Exchange as per NSE Daily Listing, 2018. According to Asika (1991), the best sample is the complete population itself, because every element of the population is represented in it. However, availability of relevant data is very important for studies of this nature. Therefore for any company in the population to qualify as a sample size, the researcher come-up with a filters so as to have complete data and accurate analysis. Firstly, only those companies who had been in operation between 2011 and 2017 were considered as the appropriate sample for this study and secondly only those companies who had been listed without being delisted between 2011 and 2017 and it must have the required data for the study. These criteria are established with a view to ensuring that the oil and gas companies have their published financial statements for the period covered by this study. Upon applying the filters for the selection of sample size, Seplat Petroleum Development Company Plc. was excluded because it was listed in 2014 thus not fulfilling the stated time frame condition. While Amino International Plc, Conoil Plc. (formerly National Oil Plc.), and Rak Unity Pet. Comp. Plc are also disregarded, because they were once suspended by the Nigerian stock exchange for failure to submit audited financial statement in due time and thereby resulted to incomplete data for the period of study. The researchers therefore came up with a sample size presented in Table 3.1

Table 3.1
Sample Size

S/No.	Name of company	Year of Listing
1	11 Plc	1991
2	Capital oil Plc	1989
3	Eterna Oil and Gas Plc.	1998
4	Forte oil plc	1978
5	Japaul oil and maritime services plc	2005
6	MRS Oil Nigeria Plc	1978
7	Oando Plc. (formerly Unipetrol Nigeria Plc.)	1992
8	Total Nigeria Plc.	1979

Source: Generated by Researcher from Nigerian Stock Exchange Daily listing, Feb. 2019

3.2 Variables of the Study and their Measurements

Basically there are two set of variables in this study; dependent variable and explanatory variables (independent and control variables). The dependent variable is going concern proxy by Altman Z-score (ratio analysis) while the Independent variable is; Ownership structure (proxy by directors ownership of shares, chief executive ownership of shares & institutional share ownership) and Control variables are Firm Size and Age.

3.2.1 Dependent variable:

The dependent variable of this study is going concern proxy by Altman Z-score plus which is measured as follows:

Altman Z-Score: the financial strength of the company affects the evaluation of its going concern. This strength has been measured by financial ratios in most cases (Altman, 1968; Ohlson, 1980; Mutchler, 1985; Boritz, 1991; Citron and Tafler, 1992). Altman (1968) released an updated version in 2012 called the Altman's Z-Score plus Model that can be used to evaluate both manufacturing and non-manufacturing firms, public and private companies in both U.S and non-U.S companies. Altman Made use of a multivariate, linear, discriminate analysis (MDA) and identified a cut-off value that allowed him to decide on the condition upon which companies are financially distressed or otherwise. His prediction had a 95% successful accuracy. Hence, this study employed Altman's Z-score plus to determine the company's going concern.

$$\text{Z-Score} = 1.2 \text{ WC/TA} + 1.4 \text{ RE/TA} + 3.3 \text{ EBIT/TA} + 0.6 \text{ MV/BV} + 1.0 \text{ SA/TA}$$

Where;

Z score	= Firms' financial condition
WC/TA	= Working capital ÷ total asset
RE/TA	= Retained earnings ÷ total asset
EBIT/TA	= Earnings before interest and tax ÷ total asset
MV/TA	= Market value of share ÷ book value of debt
SA/TA	= Sales ÷ total asset

Based on the Z score, Altman categorizes companies as strong, moderate and weak. Z score values for strong, moderate and weak are as follows:

- Strong when Z score is > 2.99
- Moderate when Z score is 1.811–2.98
- Weak when Z score is < 1.811

3.2.2 Independent variables:

The independent variable is ownership structure proxy by directors' ownership of shares, chief executive ownership of shares, and institutional ownership of shares.

- i. Directors Ownership of Shares (DOS) is the proportion of board of directors' shareholding to total number of outstanding shares (Mohammad 2012; Kabara 2013).
- ii. CEO Ownership of Shares (CEOS) is the proportion of CEO shareholding to total number of outstanding shares (Muhammad 2009; Kabara 2013).
- iii. Institutional Share Ownership (ISO) Institutional ownership is measured as the proportion of shares owned by institutions to total number of company's shares (Al-Fayoumi, Abuzayed & Alexander, 2010).

3.2.3 Control variables:

Control variables also known as constant variables are element that is not changed throughout an experiment, because its unchanging state allows the relationship between the dependent and independent variables to be better understood. They are important because it can have an effect on the results. The control variables included in the model are size and age:

- i. Size (SIZE) is measured by taking the natural Log of total assets (Mohammad, 2012; Hassan, 2011; Abbott, parker & peter, 2004; Abubakar, 2013).
- ii. Age is proxied as the number of years from the date listed. This is consistent with Kantudu (2006), Mohammad (2012) and Samaila (2014) who proxied age as the year of listing on Stock Exchange.

3.3 Techniques for Data Analysis

Various statistical methods have been utilized to determine the impact of ownership structure on Going Concern Evaluation of Listed Oil and Gas Companies in Nigeria. Descriptive, Correlation and Regression Analysis were used as in the study of Iskandar et al (2011) and Zureigat (2015).

3.4 Model Specification

In order to evaluate the impact of CGM on going concern evaluation, the following regression models to be tested is expressed as applied by zureigat (2015) and Intan, Rahmawaty & Hasan, (2017) with some modifications in order to achieve the research objectives.

$$GCE = \beta_0 + \beta_1 DOS_{it} + \beta_2 CEOS_{it} + \beta_3 ISO_{it} + \beta_4 FS_{it} + \beta_5 FA_{it} + \varepsilon_{..it} \dots \dots I$$

Where;

GCE = Going Concern Evaluation, DOS = Directors Ownership Share, CEOS = CEO Ownership Share, ISO = Institutional Ownership, FS = Firm Size, FA = Age of the Company, $\beta_1 - \beta_5$ = Partial derivatives or gradient of the independent variables, β_0 = Overall intercept (i.e. value of Going Concern when the values of all other independent variables are zero), ε = Error term which account for other possible factors that could influence Going Concern that are not captured in the model, i = Firm, t = time

4 Results/Findings

This section presents the results of the descriptive statistics, correlation and multiple regressions of the study data based on the research objectives and hypotheses formulated

4.1 Descriptive Statistics Result:

Descriptive analysis shows computed mean, standard deviation, minimum and maximum values of both the dependent and explanatory variables of the study as has been describe by Gujarati and Dawn (2009).

Table 4.1
Descriptive Statistics

Variables	Mean	Std. Dev.	Min	Max.
GCE	2.8580	2.4324	-3.46	8.69
DOS	0.1323	0.2096	0	0.60
CEOS	0.0124	0.2814	0	0.16
ISO	0.5359	0.2634	0	0.9
SIZE	8.0506	0.6364	7.11	9.44
AGE	26.125	9.6050	7	40

Source: Computed using Stata 12.0 from Annual Reports and Accounts of the sampled firms

Table 4.1 presents the basic features of the data used in the study, computation of the summary statistics that describe the central tendency, as well as how the data spread out around this value. The descriptive statistics displayed the mean, standard deviation, minimum and maximum value of each variable. As for going concern evaluation (GCE) the mean was 2.85 this ratio means that the average of oil and gas companies in Nigeria are on the grey zone meaning that they are moderate in their ability to remain as going concern. The results further indicate that an average of 13.23 % indicate the directors' ownership of Shares out of total outstanding shares. Also, only 1.24% of outstanding shares owned by the chief executive directors while an average 53.59% share of the Nigerian oil and gas companies are owned by institutions.

The control variables used in the study showed the mean of Firm size is 8.05 and a standard deviation of 0.63 indicates a considerable level of dispersion in size of the industry during study period. The minimum value indicated as 7.11 and the maximum value of 9.44 indicates that the firms in oil and gas industry did not differ significantly in size. The age of firms measured as age of listing has a mean value of 26.25 and a standard deviation of 9.60 respectively. The minimum value and maximum value of firm age before 2011 were 7 and 40. This means that some firms had been listed on the floor of Nigerian stock exchange as far back as the last 40 years.

4.2: Correlation Result

Table 4.2
Correlation Result of the Study Variables

VARIABLES	GCE	DOS	CEOS	ISO	SIZE	AGE	VIF
GCE	1.0000						
DOS	0.0158	1.0000					1.39
CEOS	-0.4342	-0.2092	1.0000				2.20
ISO	0.3719	0.1133	-0.6816	1.0000			3.38
SIZE	-0.3064	-0.2505	-0.0432	0.4305	1.0000		1.57
AGE	0.3017	0.4082	-0.5106	0.6439	0.1769	1.0000	2.13

Source: Computed using Stata 12.0 from Annual Reports and Accounts of the sampled firms

Table 4.2 shows the summary of correlation between dependent variables GCE and explanatory variables (DOS, CEOS, ISO, FS and AGE). 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 values of the correlation coefficient indicates the strength, with larger values indicating stronger relationships. The correlation coefficients on the main diagonal are 1.0000, because each variable has a perfect positive linear relationship with itself. The correlation coefficient of the independent variables (DOS, and ISO) and dependent variable (GCE) are positively correlated, which indicates a positive relationship meaning that an increase in directors' ownership and institutional ownership may increase the possibilities of company to remain as going concern. While CEOS shows an inverse relationship with going concern evaluation (GCE). Similarly, to determine the presence of 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 ranges from a minimum of 1.39 to a maximum of 3.38. VIF of less than 10 can still be a proof of absence of collinearity (Gujarati & Dawn, 2009).

4.3 Regression Results

The Regression Analysis is used to examine the impact of ownership structure on the going concern evaluation of the sampled firms. The regression results show the summary of the Ordinary Least Square (OLS) estimation which is presented in Table 4.3.

Table 4.3

Regression results

Variables	Coef.	Std. Err.	t	P>/t/
DOS	-3.2454	1.4135	-2.30	0.026
CEOS	-8.0272	13.254	-0.61	0.548
ISO	4.7667	1.7555	2.72	0.009
SIZE	-2.4033	0.4949	-4.86	0.000
AGE	0.0373	0.0382	0.98	0.334
Cons	19.2058	3.6382	5.28	0.000
R-squared		0.4649		
Adj R-squared		0.4114		
F value		8.69		
Prob>F		0.0000		

Source: Computed using Stata 12.0 from Annual Reports and Accounts of the sampled Firms 2011-2017

In appraising the study model based on the regression result in Table 4.3, the overall aggregate influence of ownership structure included in the model are able to explain GCE up to about 46.49% indicated by R-square and the remaining 53.51% are controlled by other factors that are not included in the model. The overall probability is significant at 1% meaning that the model is fitted and therefore provides substantial evidence that ownership structure significantly influences going concern evaluation of listed oil and gas companies in Nigeria.

The relationship between directors' ownership and going concern evaluation as presented in table 4.3 reveals that directors' ownership of shares has a negative and significant effect on going concern ability of listed oil and gas companies in Nigeria ($\beta = -3.2454$; $t = -2.30$; $p = 0.026$). This implied that as directors' ownership of shares increases, the chances of companies to liquidate will decrease by the same percentage. Both t-value and p-value revealed a significant relationship between directors ownership of shares and going concern evaluation, thus it can be concluded that there is a negative and significant relationship between the directors' ownership of shares and going concern evaluation of listed oil and gas companies in Nigeria. This is affirmed by the findings of Iskandar et al., (2011) and Garba and Mohammed (2017) whose postulate negative relationship but contrary to the apriori expectation and Zureigat, Fadzil and Ismail (2014).

The results in Table 4.3 show that Chief Executive Officer Ownership of Shares (CEOS) has a negative insignificant impact on the going concern evaluation. This means that an increase in CEOS by one more unit, other independent variables remaining constant decreases going concern problems. This is in line with the findings of Parker, Peter and Turetsky (2005), Hashim (2009), Alves (2012), Ramadan (2016) and Garba and Mohammed (2017)

The institutional share ownership of shares shows a positive and significant effect on going concern evaluation of listed oil and companies in Nigeria. This implies that an increase in the institutional ownership of shares other things remain constant will increase the going concern

ability of the sampled firms. This is in line with the findings of Fauzi and Locke (2012) and Parker, Peter and Turetsky (2002)

5.0 Conclusion and Recommendation

The study aimed at examining the impact of ownership structure and going concern evaluation of listed oil and gas companies in Nigeria. The findings reveal that Directors ownership of shares and Institutional share ownership has a significant impact on going concern evaluation. Thus directors' ownership of shares is negatively related with the going concern evaluation and institutional share ownership is positively related with going concern evaluation. While chief executive ownership of shares has no significant impact on going concern evaluation. It is therefore concluded that, Ownership structure plays a crucial role in ensuring continuity of listed oil and gas companies in Nigeria.

Consequently, it is recommended that Institutional share ownership and Directors ownership of shares of listed oil and gas companies in Nigeria should be encouraged the holders to have more shares in the companies. To reduce the principal-agent problem between managers and shareholders, and to increase the viability of going concern, management should discourage CEO's shareholding since they reduces going concern evaluation. Also, external shareholders (institutional shareholders) are therefore expected to increase their efforts in monitoring the manager's behaviour against the possible self-interest seeking actions by the managers instead of maximizing the firm's value.

This study therefore, contributed to the field of financial accounting literature, particularly going concern, as it sought to study whether the ownership concentration leads to improve the firm performance and provide great benefits to firm's continuity. It is also hoped that the current study will open various avenues for more future studies on going concern not only in Nigeria, but also in other countries where this field of study is lacking. Moreover, it opens up opportunities and provides avenues for more in-depth studies related to going concern. There is much to be done regarding ownership structure and going concern evaluation in Nigeria. This study may also be replicated using different scales of variables measurements, different source of data and different tools of analysis.

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