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OWNERSHIP STRUCTURE AND INFORMATION DISCLOSURE IN SUB-SAHARAN AFRICAN COUNTRIES

Munisi, G.
Department of Business Studies, Ardhi University, Tanzania.
gibson2munisi@gmail.com

ABSTRACT

Purpose: This study examines the association between ownership structure and information disclosure using a sample of the listed non-financial firms in Sub-Saharan African countries.

Design/Methodology/Approach: This study employed quantitative methods to examine the relationship between ownership structure and information disclosure. The population was non-financial firms listed in eleven countries in Sub-Saharan Africa. Data were sourced from the listed firms' annual reports available online. The regression analysis was done using the fractional probit model. The dependent variable is the disclosure index which was developed using scores of various attributes of information disclosure through analysis of annual reports to identify whether the attributes were included in the annual reports. The firm scored 1 if the attribute was included in the annual report and zero otherwise. Thereafter, the scores were aggregated to obtain actual scores for each individual firm. Finally, the average score was computed by dividing aggregated actual score value by the expected score value.

Findings: Findings indicate that concentrated ownership is significantly negatively associated with disclosure. Furthermore, the findings show government and foreign ownerships are positively and significantly associated with information disclosure. This study shows the effects of ownership structure on disclosure. Overall, the findings indicate that ownership structure is related to information disclosure.

Research Limitation/Implication: This study focused on non-financial listed firms which their annual reports were available online. The interpretation of the results of these studies needs to consider this bias as may affect the generalizability of the results to all firms including those which do provide annual reports online.

Practical Implications: The finding implies reforms should consider the presence of different characteristics of firms, in particular ownership structure, and their impacts on the firm propensity to disclose information.

Social Implications: More specifically, the finding suggests that applying simple policies to specify types and levels of disclosure requirements to all firms may not be realistic because the concept of one size fits all may not be applicable.

Originality/Value/Novelty: The study provides highlights on determinants of information disclosure which is one of the mechanisms for monitoring agency problems resulting from the conflict of interests between internal and external stakeholders of the firm. In this regard, this study extends research on the nexus of ownership structure and information disclosure to developing countries' context and therefore contributes to understanding corporate governance around the globe.

Keywords: *Corporate. disclosure. firms. governance. ownership.*
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INTRODUCTION

Sub-Saharan Africa (SSA) countries are underdeveloped but with high potential for economic growth given enormous natural resources, growing middle-class income consumers and a youthful population. However, to exploit this potential, SSA countries must provide the enabling environment for doing business and facilitating economic growth. Effective institutions and corporate governance systems are pillars of the effective financial market required to attract investment flows and support economic growth. According to Bhasin and Garg (2020), a strong institutional environment is essential in emerging market countries as these countries aim to move towards more economic growth. Additionally, Bouchoucha and Benammou (2020) found that the appeal of foreign investment in African countries correlates positively with good governance systems. However, most countries in SSA lack a strong and effective institutional environment and corporate governance systems (Munisi, 2020), which could hinder investment flows, particularly from more risk-averse investors. As a result, this calls for measures to attract investors and assure them that their investments are protected and will generate returns and grow. These measures include the adoption of good governance practices. Bouchoucha and Benammou (2020) suggest that African countries improve governance systems and implement good governance practices. In effect, a study by Shahid and Abbas (2019) suggests that the investment level is high in firms which implement good governance practices. These practices include those related to the disclosure of information to minimise information asymmetry and related agency costs.

Information disclosure aims to create openness and transparency for the stakeholders. Firms have internal and external stakeholders. The internal stakeholders have access to more information than the external stakeholders. The inequality of access to information creates information asymmetry which benefits more informed stakeholders at the expense of less-informed stakeholders (Lin et al., 2017)). Therefore, one of the objectives of disclosure is to provide all stakeholders access to information that can enable them to make decisions on various matters such as investment and resource allocation.

More disclosure is likely to decrease information asymmetry between external and internal stakeholders (Louie et al., 2019). But, the internal stakeholders, who are more involved in the internal affairs of firms, are likely to influence the information disclosed. Owners of the firm are internal stakeholders involved in managing, controlling and supervising the affairs of the firm (Jara et al., 2019). Therefore, owners are likely to affect different decisions of firms such as disclosure. The influence of key internal stakeholders on different matters of firms is one of the subjects which attract interest in corporate governance research. In this regard, the relationship between the internal stakeholders and various outcomes of firms is the area of research which attracts researchers to study the determinants of disclosure. However, a greater number of these studies are conducted in emerging markets and developed countries, with only a few studies in developing countries, particularly SSA (Bokpin et al., 2015;). Developing countries have poor institutional environments compared to emerging markets and developed countries where many of these studies are done. Therefore, previous studies such as Waweru (2020) suggest that the findings of studies from these countries might not be very relevant in developing countries with weak institutional

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environments. Therefore, there is a need to do further research in developing countries to extend corporate governance research to this context and contribute to our knowledge of global corporate governance. In view of that, this study extends the research of corporate governance to the context of developing countries in SSA by studying the effects of ownership structure on disclosure in the listed firms in SSA countries.

This study makes a contribution to corporate governance research literature. The paper contributes to the overall understanding of the drivers of information disclosure by focusing on listed firms in SSA. SSA countries are among developing countries with a weak institutional environment in comparison to developed and emerging countries (Kaufmann et al., 2011), where there are many studies. SSA countries have ineffectual enforcement of laws, highly ineffective and bureaucratic governance systems, poor quality regulatory mechanisms and high levels of corruption (Kaufmann et al., 2011) and underdeveloped financial markets. Consequently, this causes the external governance systems to be unreliable mechanisms to address agency problems. Extant literature suggests that firm internal governance is more important in countries which have weak institutional environments (Munisi et al., 2014). This makes SSA countries interesting and unique context of corporate disclosure research which can increase our understanding of corporate governance in different parties of the world. Therefore, the investigation of the nexus between internal governance characteristics and different outcomes of the firm is an appropriate research agenda in SSA countries.

Some studies (e.g. Agyei-Mensah, 2016; Agyei-Mensah, 2019; Waweru et al., 2019; and Waweru, 2020) have examined the association between ownership structure and disclosure in SSA. But, a good number of these studies covered only one country except for Waweru et al. (2019) and Waweru (2020) studies which covered two countries and four countries respectively. The current paper extends this research stream by using a sample of the firms listed in eleven SSA countries. Additionally, some studies (e.g. Agyei-Mensah, 2016; Agyei-Mensah, 2019; Waweru et al., 2019; and Waweru, 2020) have taken a broad view of firm characteristics to examine determinants of information disclosure. However, this paper focuses on the ownership structure as one of the determinants of information disclosure. In addition, this paper identifies different kinds of structures of ownership that have diverse impacts on information disclosure. Recognition and separation of impacts of various ownership structures on information disclosure are important in SSA. In SSA, not only the ownership concentration is high, but also foreign, government and managerial ownerships are very common (Munisi et al., 2014). For that reason, this paper identifies different types of ownership structures and examines how they relate to information disclosure.

THEORIES UNDERPINNING THE STUDY

The theoretical framework of this study is developed based mainly on the assumption of agency theory and signalling theory which are the key theories in corporate governance and information disclosure in particular. These theories are employed to build propositions related to ownership structure and information disclosure.

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Agency theory

Agency theory is useful in explaining both principal-agent and principal-principal relationships which result from the separation of control and ownership of a firm. The principal-principal relationship is concerned with the conflict of interests between large shareholders and minority shareholders in the firm (Ward & Filatotchev, 2010). This may lead to a principal-principal agency problem whereby controlling shareholders may misuse their control and power to expropriate minority shareholders (Ward & Filatotchev, 2010). On the other hand, principal–agent relationship is concerned with the conflict of interests between shareholders and managers (Jensen & Meckling, 1976). The theory suggests that agents may pursue different objectives contrary to the interest of the principal which may lead to agency costs.

Separation of control and ownership of firms leads to information asymmetry as parties (i.e. internal stakeholders) who are closely involved in firms' affairs have more access to information than external stakeholders who are not closely involved in firms' operations. Accordingly, agency problems are more significant in high information asymmetry environment (Lucas-Pérez et al., 2015). Therefore, firms reduce agency problems by establishing effective and appropriate governance mechanisms (Nadeem, 2020) such as information disclosure. In this regard, therefore, this study employed agency theory by arguing that agency problems create information asymmetric which in turn influences information disclosure. In this study, agency theory is used to build the arguments both for and against information disclosure. On one hand agency theory suggests that firms may disclose more information to monitor agents and reduce agency problems. This is because voluntary disclosure is one of the mechanisms for mitigating the agency problem. Therefore, the disclosure of more information reduces agency costs (Enache & Hussainey, 2020). On the other hand, agency theory suggests owners with the intention to obtain private benefits from firms at expense of other stakeholders may reduce information disclosure to external stakeholders. In this regard, agency theory focuses on the motive of principals or agents to disclose information rather than the motive of firms to disclose information. Therefore, on a basis of agency theory this study argues that given the different motives of different shareholders, the types, quality and quantity of information disclosed will vary with the ownership structure of the firm.

Signalling Theory

Signalling theory is suitable for explaining behaviour once two different parties have access to different types and amounts of information. The theory is therefore concerned with reducing information asymmetry between two different parties with different information (Connelly et al., 2011). The theory predicts the behaviour of firms on information disclosure. Signalling theory suggests that firms with high-quality attributes disclose information on those attributes to differentiate themselves from other firms (Connelly et al., 2011). For instance, firms which have good governance practices and financial performance are very likely to disclose those attributes to send signals to stakeholders. As a result, firms make more disclosure, which in turn reduces information asymmetry among the firms' stakeholders. In this regard, this study uses signal theory

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as the foundation of the argument that firms' owners will provide more information with the intention to portray good attributes of firms to external stakeholders (Waweru, 2019). This paper argues that since different owners have different preferences with regard to information disclosure, it is expected information disclosure relates to the ownership structure.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Concentrated ownership

Separation of firm control and ownership creates agency problems (Jensen & Meckling, 1976). Agency problem increases when the firm has highly dispersed ownership, with many shareholders holding a small percentage of shares, which does not motivate shareholders to engage closely in the firm. As a result, the dispersed shareholders have less control over the management of the firm (Jia et al., 2020). Therefore, managers take advantage of this passive situation of shareholders to expropriate shareholders. To address the situation, the firm must establish mechanisms to monitor the actions of managers to reduce agency costs.

Concentrated ownership is one of the efficient internal monitoring mechanisms of agency problems. High ownership concentration leads to more benefits or costs to the same owner. Since concentrated shareholders have a high stake in the firm residual value, they are motivated to engage closely in the affairs of firms (Munisi et al., 2014). The involvement of large shareholders in management enables them to access information and reduces information asymmetry between them and managers. Additionally, the shareholders, who are closely involved in firm affairs, can obtain information directly from internal sources rather than annual reports. Accordingly, Enache and Hussainey (2020) suggest that investors, who have a strategic informational advantage, may not like the firm to disclose more information. As a result, a firm with concentrated shareholders is likely to reduce the amount of disclosure.

In addition, the principal-principal agency approach, which is concerned with conflict of interests between controlling shareholders and other shareholders (Young et al., 2008), can explain the relationship between concentrated ownership and information disclosure. Conflict of interest resulting from the principal-principal is more critical in developing countries due the to existence of a weak institutional environment and low protection of minority shareholders' interests (Young et al., 2008). In this environment, controlling shareholders may take advantage of the institutional environment and their controlling position to extract private benefits from the firm.

SSA countries have weak legal protection, and poor enforcement of laws and regulations (Kaufmann et al., 2011). Moreover, these countries are characterised by highly concentrated large shareholders (Munisi, 2020). This situation can allow controlling shareholders to limit access to information to other shareholders by reducing disclosure (Khalil et al., 2019). This creates information asymmetry between controlling shareholders and other shareholders, which provides room for controlling shareholders to exploit other shareholders (Lin et al., 2017). Therefore, firms

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which have more concentrated shareholders are likely to have low disclosure because large shareholders may benefit from the information asymmetry resulting from low disclosure.

In addition to agency theory, the signalling theory, which is concerned with reducing information asymmetry (Connelly et al., 2011), can predict the behaviour of firms on information disclosure. The signalling theory suggests that firms which have high-quality attributes provide information about those attributes to differentiate themselves from others (Connelly et al., 2011). Accordingly, firms with good governance practices and financial performance are likely to disclose those attributes to send signals to stakeholders. As a result, firms make more disclosure, which in turn reduces information asymmetry among stakeholders. This helps firms to enhance their reputation, legitimacy and market value (Balakrishnan et al., 2014), therefore, the firms are in a better position to attract more investors. However, firms with highly concentrated ownership could be less motivated to attract more shareholders because existing large and controlling shareholders would not prefer to dilute their shares and firm control. For that reason, these firms are unlikely to have more disclosure. Given the arguments above, the following hypothesis is recommended.

H1: There is a negative association between concentrated ownership and disclosure.

Managerial ownership

Delegation of control of the firms to managers creates a conflict of interest between shareholders and managers (Jensen & Meckling, 1976). Inadequate management of conflict of interests poses risks to the firms as may increase agency costs. These conflicts are controlled by using various governance mechanisms both in forms of monitoring and providing incentives to managers. One of the incentives is to offer managers ownership of shares of firm (Munisi, 2020), which is known as managerial ownership. This incentive aims to align interest of managers with interest of shareholders, and therefore motivate managers to improve the value of firms (Munisi, 2020). Interest alignment induces shareholders to believe the conflict of interests and agency problem will decrease and make managers to enhance firm value. As a result, shareholders reduce monitoring activities which reduces monitoring costs. In addition, monitoring costs are linked to disclosure as managers attempt to reduce monitoring costs by disclosing more information (Agyei-Mensah, 2019). More shares held by a manager are likely to relate to lower agency problems and related monitoring costs. Consequently, firms are likely to reduce using disclosure as means to reduce monitoring costs which in turn leads to disclose of less information.

The above discussion follows the alignment effect perspective, which assumes the firm value is positively associated with managerial ownership (Munisi, 2020). However, contrary to the alignment effect perspective, the entrenchment view suggests that firm value is negatively associated with managerial ownership (Munisi, 2020). The entrenchment view assumes that high managerial ownership makes managers more powerful. This implies that powerful managers can control important decisions (van Essen et al., 2015), including those related to disclosure. In this regard, entrenched managers are likely unwilling to pursue good governance practices such as

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disclosure of more information (Munisi, 2020) with the expectation to obtain private benefits from firms. Based on the explanations above, the following hypothesis is given.

H2: There is a negative association between managerial ownership and disclosure.

Foreign ownership

International business literature indicates that domestic and foreign countries have different characteristics which increase the psychic distance (Liou et al., 2016). Psychic distance causes foreign shareholders to face high information asymmetry (Ferreira et al., 2017). Information asymmetry creates an imbalance of power among stakeholders, which increases agency problems. This has implications for decisions made by these stakeholders, particularly foreign investors, because most investors would like to reduce the risk associated with information asymmetry by obtaining more information. Therefore, firms disclose more information to reduce information asymmetry effects on foreign investors (Cho et al., 2013). This situation helps firms to attract more investment from foreign countries.

Additionally, investors from foreign countries are subjected to more agency problems and information asymmetry associated with high environmental uncertainty in new hosting countries (Khalil et al., 2019). In this regard, since foreign investors in SSA countries are likely to be less informed about firms listed in SSA countries, they are likely to demand more disclosure than domestic investors, who are more knowledgeable about the domestic market (Hansen et al., 2015). This implies that firms in which there is high foreign ownership are likely to have more disclosure.

Most SSA countries have a weak institutional environment associated with inadequate laws and rules and weak enforcement of existing ones (Kaufmann et al., 2011). This raises the risks of information asymmetry between different stakeholders of firms, particularly between inside and outside stakeholders. This is more disadvantageous to outside stakeholders as inside stakeholders may take advantage of inside information to expropriate outside stakeholders. Accordingly, foreign investors in a weak institutional environment are less informed and more disadvantaged in comparison to domestic investors (Khalil et al., 2019). This is in agreement with proposition that investors from foreign countries are more exposed to information asymmetry than hosting countries investors (Giofré, 2013). This makes countries with a weak institutional environment less attractive to investors from countries with well-function governance systems and institutions and those who like to operate in countries with effective governance systems. Accordingly, firms that need to attract more foreign investors should establish mechanisms that can attract those investors. One of these mechanisms is to adopt good governance practices, including those related to more information disclosure.

Disclosure helps foreign investors to make informed decisions. Accordingly, information disclosure provides investors with information required to exercise the rights to protect their investment. Furthermore, according to Hansen et al., (2015), foreign shareholding is positively

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associated with investor protection which is often related to disclosure. This argument is appropriate to foreign investors in SSA region that have weak institutional environments. Additionally, foreign investors in countries in SSA are largely from countries with relatively better governance than SSA countries (Munisi, 2020). Since foreign investors have a tendency to transfer good practices that are advocated in their home countries (Albuquerque et al., 2018), it is expected foreign investors to imitate best practices from their home countries in SSA countries. This creates spillover effects on disclosure practices. Accordingly, firms that have high foreign ownership are likely to have more disclosure. Thus, the hypothesis is recommended as follows.

H3: There is a positive association between foreign ownership and disclosure.

Government ownership

The extant literature indicates that disclosure is related to government ownership; however, direction of this association is inconclusive (Alfraih & Almutawa, 2017). There is an argument that government ownership is associated negatively with disclosure (Al-Janadi et al., 2016). This view relates to the assumption that the firm can use disclosure as one of techniques to enhance value of firms and attract more investors. However, enhancing the value of firms and attracting more investors may not be the primary objective of government-controlled firms (Munisi, 2022. Mostly, governments are more concerned with social and political legitimacy, which may not necessarily relate to maximising the firm value. Accordingly, firms are less motivated to disclose more information (Alfraih & Almutawa, 2017). Furthermore, governments have less dependence on information presented in the annual reports because governments can obtain information from alternative sources. In this regard, there is less pressure on firms which have high government ownership to provide more disclosure.

Contrary to above argument, there is another argument that government ownership is associated positively with disclosure as government demand more information (Al-Janadi et al., 2016). This argument assumes governments act as market regulators. Therefore, they would like all firms to have more disclosure to promote and enforce compliance with good governance practices. In addition, the government that intends to promote reforms of good governance practices will like firms to disclose more information to implement these reforms. Therefore, when government promotes reforms to adopt good governance practices, firms under more government influence are likely to disclose more information to conform to government reforms (Al-Janadi et al., 2016). Furthermore, according to signalling theory, firms which have high government ownership may publish more information to demonstrate they are implementing reforms according to changes required by financial markets.

The argument related to positive relationship between government ownership and information disclosure is more relevant to SSA as many countries are reforming corporate governance and financial markets (Munisi et al., 2014). These reforms include ensuring firms adopt good

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governance practices on information disclosure. Following the above arguments, the following hypothesis is suggested.

H4: There is a positive association between government ownership and disclosure.

METHODOLOGY

This study uses relational research design in secondary panel data. The population was non-financial firms listed in eleven SSA countries. These countries were purposely selected because they had active stock markets during the period of data collection. However, the population excludes Zimbabwe, South Africa and Cote d'Ivoire. Zimbabwe was excluded due to hyperinflation existed in the country during the time of data collection which could lead to heterogeneity in the sample. South Africa was not included because country has more developed stock exchange relative to other countries in SSA. Lastly, Cote d'Ivoire was excluded due to fact that information was only available in French language which researcher was not able to translate to obtain meaningful information.

Data was manually collected from firm's annual reports covering the period 2005-2009. We obtained these reports from the websites of the respective firms, which contains many reports of firms listed in African countries' stock exchanges. However, we did not find some of the annual reports online. As a result, the study uses a sample of the unbalanced panel dataset for data analysis. Table 1 shows a distribution of sample by country and year.

Table 1: Sample Distribution by different countries and years

Country	**Years**					**Total**
	2005	**2006**	**2007**	**2008**	**2009**	
Botswana	9	9	11	10	7	46
Kenya	19	20	23	22	14	98
Tanzania	3	4	5	5	3	20
Ghana	7	11	14	11	6	49
Mauritius	12	13	13	16	16	70
Zambia	12	14	10	7	6	49
Malawi	4	4	5	5	5	23
Namibia	2	2	2	2	2	10
Nigeria	32	36	39	30	10	147
Mozambique	0	0	1	1	1	3
Uganda	4	4	3	3	2	16
Total	**104**	**117**	**126**	**112**	**72**	**531**

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The table shows that stock markets of these countries are comparatively small in the number of listed firms. Table 1 shows that the Nigerian stock exchange has more listed firms followed by Kenya, Mauritius and Ghana while the other countries have a handful of listed firms.

The study focuses on identifying the association between ownership and disclosure. The study uses the following regression model to estimate this relationship:

$$Disclosure\ Index_{ij} = \beta_{1j} + \Sigma_p \beta_p \chi_{pij} + \Sigma_r \beta_r Z_{rij} + e_{ij}$$

The dependent variable is the Disclosure Index, which was constructed by using some different attributes of information disclosure. The statements shown in Table 2 represent those attributes.

Table 2: Disclosure Index

S/N	Statements for disclosure
1	Firm discloses share ownership
2	Firm discloses financial statements prepared by using IFRS
3	Firm releases annual reports within a period of 3 months after the year-end
4	Firm indicates audit committee composition
5	Firm discloses CEO remuneration
6	Firm discloses each director's total remuneration
7	Firm indicates professional/academic qualifications of senior management
8	Firm discloses senior management academic/professional qualifications
9	Firm discloses senior management remuneration
10	Firm discloses directors' professional/work qualifications of directors
11	Firm indicates directors' academic qualifications
12	Firm discloses directors' ages
13	Firm discloses directors' appointment date
14	External auditor of the firm is "big four" audit firm.
15	Firm discloses the composition of the remuneration committee
16	Firm indicates the prices and market performance of its shares
17	Firm indicates is committed to good corporate governance practices
18	Firm presents a commentary summary of financial performance and position
19	Firm presents five-year financial trends highlights
20	Firm indicates involvement in Corporate Social Responsibilities activities

We developed the index by using information from annual reports. We reviewed the annual reports to look for information corresponding to each statement indicated in Table 2. If information is available, the firm is assigned a value of one (1), but if the information does not exist, the firm is rated a zero (0) value. We aggregated these values to arrive at the actual score for each firm. Next, we computed the disclosure index score of every individual firm as the proportion of the actual total score to the expected total score.

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This study focuses on the ownership structure as a key driver of disclosure in firms. Therefore, X represents a vector of ownership structure and index p is an indicator of ownership structure variables. The ownership structure is represented by concentrated ownership, managerial ownership, foreign ownership and government ownership. Concentrated ownership is measured by the percentage of shares held by shareholders who have more than five per cent of outstanding total shares at year-end. Managerial ownership is the ratio of the stake of shares held by the CEO to all outstanding shares at year-end. Foreign ownership is the ratio of shares held by foreign shareholders to all outstanding shares at year-end. Lastly, the government ownership variable is the percentage of shares held by the government at year-end.

Z represents the control variables vector, while index r shows control variables. The variables are selected based on literature related to determinants of disclosure. Specifically, previous studies (e.g. Agyei-Mensah, 2016; Bokpin et al., 2015) identify specific characteristics of firms associated with disclosure. According to these studies, information disclosure is one of the mechanisms of monitoring agency costs and also of signalling the quality of good governance practices and firm performance to different stakeholders such as investors and debtholders. Besides, disclosure involves the generation and dissemination of information which requires resources and expertise. In this regard, this study control for firm size, profitability and leverage.

First, the firm size represents resources owned by the firm and the ability of the firm to source and use expertise to undertake various activities. The generation of information increases a firm's operational cost; therefore, large firms have more expertise and resources to generate detailed and quality annual reports. Additionally, large firms have various stakeholders; as a result, they have more exposure to public attention and scrutiny than small firms (Agyei-Mensah, 2016). Accordingly, the firms respond to the attention and scrutiny by disclosing more information. Moreover, large firms are more likely associated with information asymmetry, which leads to high agency costs. Accordingly, large firms provide more information to minimise agency costs resulting from information asymmetry existing between different stakeholders (Zamil et al., 2021). In this regard, therefore, the size of the firm is regarded to relate positively to disclosure. Measurement of firm size is the natural logarithm of total assets net book value.

Second, making a profit is always good news. As a result, more profitable companies are willing to have more disclosure of information to send messages of good profitability to different stakeholders (Bokpin et al., 2015). Moreover, firms which generate more profit are more likely to have high net positive cash flows that they can use to finance generation and dissemination of high-quality information. Additionally, these firms are likely to have relatively good governance arrangements as profitability is more often associated with good governance (Bhagat &Bolton, 2019). Therefore, more profitable companies are more motivated to make more disclosure of information in relation to the quality of good governance practices (Agyei-Mensah, 2016) as it may help firms sustain good performance. In addition, signalling theory suggests that companies with high profitability and good governance are likely to disclose more information to signal these

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qualities (Waweru, 2019). Based on this argument, profitability is positively related to disclosure. Profitability is proportion of profit before tax to total net asset book value.

Third, highly indebted firms are more under the attention and scrutiny of lenders as they closely monitor their performance (Danisewicz et al., 2021) and ability of the firm to repay their debts. Also, lenders may require firms with debts to disclose more information about some attributes (Danisewicz et al., 2021) including those related to good governance and financial performance. Accordingly, high leveraged firms are expected have more disclosure to meet demand of information of lenders and enhance possibilities to obtain more financial support (Agyei-Mensah, 2016). Furthermore, it is generally argued that high monitoring costs are incurred by highly leveraged firms and lenders impose different monitoring requirements mostly at the firm expense. As a result, firms tend to reduce monitoring costs by disclosing more information (Enache & Hussainey, 2020). High-indebted firms disclose more information to signal good quality to debt-holders which helps to reduce agency costs. Therefore, in this respect, leverage is positively associated with disclosure. The leverage is measured as a ratio of debts to assets.

Moreover, this study controls for a country dummy, industry dummy and year dummy. The industry dummy is controlled to alleviate endogeneity problems (Munisi et al., 2014). The industry sector dummy follows a one-digit Standard Industrial Classification. The year dummy is included in the model to take care of differences in years while the country dummy is included to control for countries' differences. The indices i and j indicated in the equation model refer to firm and year.

Some firms prepare their annual reports using the respective country's domestic currency. Therefore, before the analysis of data, all monetary data were converted into United States Dollars based on the yearly average rates of exchange reported by the central bank of each respective country in which each firm is listed.

FINDINGS AND DISCUSSION

Summary statistics and correlation of variables

Table 3 provides a descriptive statistics summary.

Table 3: Summary of Descriptive Statistics

	Obs	Min	Max	Mean	Std. Dev.
Disclosure Index	421	0.13	0.92	0.54	0.18
Concentrated Ownership	470	0.00	1.00	0.62	0.22
Foreign Ownership	479	0.00	0.96	0.31	0.32
Government Ownership	433	0.00	0.88	0.05	0.16
Managerial Ownership	463	0.00	0.48	0.03	0.08
Size	520	0.41	9.38	7.75	0.89

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Leverage	520	0.00	3.19	0.53	0.28
Profitability	531	-0.69	0.96	0.15	0.17

Table 3 indicates disclosure index scores range from 13 to 92 per cent, with average scores of 54 per cent. This implies that most firms have slightly above 50 per cent disclosure index scores. Moreover, the table indicates that concentrated ownership ranges between zero and 100 per cent with a mean of 62 per cent. The results show that ownership of firms in SSA countries is in the hands of shareholders who own more than five per cent of shares. This implies that the decisions of firms, including disclosure decisions, are likely influenced by highly concentrated ownership as large shareholders are more likely to be involved in the affairs of firms (Agyei-Mensah, 2016). Additionally, a high percentage of concentrated shareholding is associated with agency problems related to the principal-principal relationship (Aguilera & Crespi-Cladera, 2016). The mean of managerial ownership is three per cent with a minimum value of zero and a maximum of 48 per cent. Table 3 indicates that foreign ownership ranges between zero and 96 per cent and has a mean of 31 per cent. This implies that the decisions of firms are expected to be affected by foreign owners as foreign investors are likely to imitate governance practices from the source countries to host countries (Albuquerque et al., 2018). Government ownership ranges between zero and 88 per cent, and a mean of five per cent. The results suggest the existence of government ownership which is likely to the influence decisions of the firms (Munisi, 2020) including information disclosure.

Furthermore, table 3 indicates that the mean value of leverage is 53 per cent and ranges between zero per cent and 319 per cent. The results suggest the firms have a high debt ratio which suggests that on average the firms have high debts. This implies that the creditors are likely to influence information disclosure as they are likely to have close monitoring (Danisewicz et al., 2021) of these firms, including requiring the firms to have more disclosure of information. Profitability ranges between a minimum of negative 69 per cent to a maximum of 95 per cent; and has a mean value of 14 per cent. This indicates fairly performance of firms in SSA in terms of profitability (Munisi & Randøy, 2013).

Table 4 presents the pair-wise correlation between the variables. The table indicates disclosure index and concentrated ownership have a negative but not significant correlation. The negative correlation suggests the existence of a principal-principal agency problem which is associated with a large concentration of shareholding (Aguilera & Crespi-Cladera, 2016). The correlation between the disclosure index and managerial ownership is negative and significant. The result of a negative relationship may be an indication of the existence of managerial entrenchment (Munisi, 2020) which may lead to low disclosure. The table indicates a negative but not significant correlation between the disclosure index and foreign ownership. Furthermore, the correlation between government ownership and the disclosure index is positive and significant. The result of a positive relationship implies that firms with significant government ownership are expected to disclose more information as part of reforms of corporate governance being undertaken by many governments in SSA countries (Munisi et al., 2014).

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As for control variables, table 4 indicates there is a positive and significant correlation between the size of the firm and the disclosure index. This agrees with the argument that large firms provide more information as these firms are more exposed to more attention and scrutiny by various stakeholders (Agyei-Mensah, 2016). However, correlations between all other control variables and the disclosure index are not significant. Furthermore, the table indicates coefficients of all independent variables are significant and hence these variables are highly correlated. In this regard test of multicollinearity is performed by using the Variance Inflation Factor (VIF) test. However, the results not indicated in this paper, indicate there is no concern for multicollinearity.

Table 4: Variables Correlations matrix

		1	2	3	4	5	6	7	8
1	Disclosure Index	1							
2	Concentrated Ownership	-0.009	1						
3	Managerial Ownership	-0.101**	-0.089*	1					
4	Foreign Ownership	-0.083	0.456***	-0.207***	1				
5	Government Ownership	0.206***	0.085*	-0.098*	-0.184***	1			
6	Size	0.294***	0.039	-0.172***	0.147***	0.119***	1		
7	Leverage	-0.072	-0.022	0.063	0.050	-0.022	0.072*	1	
8	Profitability	0.042	0.101**	-0.141***	0.210***	-0.026	-0.023	-0.290	1

*Significance level: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.*

Regression Results

The study uses the disclosure index as the dependent variable. The variable is constrained between zero and one, which implies that this is a fractional variable. According to Papke and Wooldridge (1996), a variable of this nature requires a method of data analysis that can estimate an equation comprising the fractional dependent variable. Therefore, this paper follows Papke and Wooldridge (1996) recommendation by using the fractional probit model to estimate the association between firm ownership and disclosure.

Table 5: Fractional Probit regression results

	[1]	[2]	[3]	[4]	[5]
Concentrated ownership	-0.223***				-0.381***
	(0.082)				(0.146)
Managerial ownership		-0.230			0.043
		(0.310)			(0.424)
Foreign ownership			0.115**		0.207**
			(0.055)		(0.084)
Government ownership				0.305***	0.384***
				(0.085)	(0.119)
Size	0.117***	0.128***	0.125***	0.139***	0.149***

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African Journal of Applied Research
Vol. 9, No. 1 (2023), pp. 51-77
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	(0.022)	(0.026)	(0.021)	(0.021)	(0.029)
Leverage	0.053	0.027	0.063	0.078*	0.058
	(0.058)	(0.064)	(0.057)	(0.047)	(0.044)
Profitability	0.144	0.141	0.312***	0.209**	0.239**
	(0.107)	(0.107)	(0.108)	(0.095)	(0.101)
Constant	-0.225	-0.371	-0.367	-0.507**	-0.373
	(0.102)	(0.011)	(0.201)	(0.208)	(0.250)
Observations	387	378	382	343	305
Pseudo R2	0.064	0.067	0.067	0.059	0.066

Notes: In the table, models 1 to 4 show the results of fractional probit regression when the disclosure index, that is the dependent variable, is regressed with each respectively individual ownership structure independent variable (other ownership structure variable are excluded to isolate their effects on variable included in the model) and all control variables. Model 5 indicates results of the fractional probit regression on all independent and control variable with disclosure index: z-statistics are in parentheses.
Significance level: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 5 shows the results of the fractional probit models that estimate the association between firm ownership structure and disclosure index. The table shows one separate model for each four ownership structure independent variables and one model that includes all four variables simultaneously.

The results in Table 5 show concentrated ownership is significantly negatively associated with the disclosure index both in models 1 and 5. These results support hypothesis one. These results suggest that concentrated ownership has negative impacts on information disclosure. These findings are similar to other studies that reported that concentrated ownership is related negatively to disclosure (Khlif et al., 2017). The findings support the argument which suggests that concentrated shareholders don't prefer firms to have more disclosure of information in the annual reports. There are different plausible explanations for the negative association between concentrated ownership and firm disclosure index. First, large and concentrated shareholders may be motivated by an ill intention to withhold certain information from the public to take advantage of information asymmetry to obtain private benefits from firms at expense of other shareholders. This is consistent with the agency problems associated with the principal-principal relationship, which exists when there is a dominance of largely concentrated shareholding (Aguilera & Crespi-Cladera, 2016). Second, since large shareholders are closely involved in the firm's affairs (Munisi, 2020), they may have advantageous access to information as a corporate insider (Cheng et al., 2020) even before it is in annual reports. For that reason, they may not require firms to provide more information in annual reports. Third, information disclosure is one of the methods to reduce pressure related to agency problems (Boshnak, 2022). However, the close involvement of large shareholders in monitoring reduces the risks of agency problems. In this regard, managers are not under pressure to disclose information to reduce monitoring costs resulting from high risk of agency problems associated with widely held shareholders who require more disclosure to reassure their investments are safe (Al-Janadi et al., 2016). In addition, the results are consistence with the argument that in a weak institutional environment, large shareholder may prefer to withhold

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information for their own benefit rather than to disseminate it to minority shareholders (Choi et al., 2013).

The findings show that the relationship between managerial ownership and disclosure is insignificant in models 2 and 5. Therefore, these findings do not support hypothesis 2. Furthermore, table 5 indicates both in models 3 and 5 that foreign ownership is positive and significantly associated with disclosure. The finding supports hypothesis 3. The findings are similar to the findings of other studies which found that foreign ownership is positively associated with disclosure (Khlif et al., 2017). The finding of consistent results in both models supports the argument that foreign owners in SSA demand disclosure of more information as one of the best practices. The results support the assertion that most investors from foreign countries are less informed than local investors (Khalil et al., 2019). Therefore, these shareholders are likely to demand the disclosure of more information to minimise agency problems resulting from information asymmetry (Zamil et al., 2021).

In addition, these findings are consistent with the argument that more disclosure by firms that have high foreign ownership is more relevant to SSA because the existing weak institutional environment cannot provide sufficient assurance to foreign investors that their investments are protected. Moreover, foreign investors face high environmental uncertainty in foreign countries (Giofré, 2013) which is more common in developing countries because of the weak institutional environment (Munisi & Randøy, 2013). A weak institutional environment is associated and high information asymmetry (Choi et al., 2013). This calls for more information disclosure to make foreign investors more informed to reduce information asymmetry and uncertainties.

The results presented in models 4 and 5 show government ownership is related positively and significantly to the disclosure index. The findings are similar to previous studies which found a significant positive association between government ownership and firm disclosure (Khlif et al., 2017) Therefore, these results support hypothesis 4. These results could be explained by signalling theory. Most governments in SSA are pursuing reforms agenda on capital markets and corporate governance systems (Oduor & Kebba, 2019) to comply with the demand imposed by requirements of globalisation and trade liberalisation. As a result, firms under government ownership influence are likely to have more disclosure as one way to signal compliance with requirements. In addition, these results are consistent with the argument that firms with high government ownership disclose more information to win the support and legitimacy of the government (Al-Bassam et al., 2018).

Regarding control variables, Table 5 indicates firm size is associated with disclosure positively and significantly in all models. The findings are consistent with other similar studies which found large firms disclose more information (Zamil et al., 2021) The results echo the argument that big firms have more capabilities and resources to generate comprehensive information (Habbash et al., 2016). Furthermore, large firms have many stakeholders who keep close attention on these firms (Zamil et al., 2021). Therefore, to meet the informational demand of these stakeholders, firms need to disclose more information. Additionally, Table 5 indicates the relationship between

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leverage and disclosure is positive in all models, but it is only significant in model 4. As for profitability, Table 5 shows that the association between profitability and information disclosure is positive in all models. However, results are significant in models 3, 4 and 5. Overall results in Table 5 indicate that all control variables (firm size, leverage and profitability) are related positively to information disclosure but at varying levels of statistical significance. This suggests that information disclosure is related to specific characteristics of firms (Zamil et al., 2021).).

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African Journal of Applied Research
Vol. 9, No. 1 (2023), pp. 51-77
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Table 6: Comparison of Fractional Probit regression (Fracreg probit) results and Average Marginal Effects results

VARIABLES	[1] Fracreg probit	[2] Average margin effects	[3] Fracreg probit	[4] Average margin effects	[5] Fracreg probit	[6] Average margin effects	[7] Fracreg probit	[8] Average margin effects	[9] Fracreg probit	[10] Average margin effects
Concentrated ownership	-0.223***	-0.082***							-0.381***	-0.143***
	(0.082)	0.030							(0.146)	0.053
Managerial ownership			-0.230	-0.085					0.043	0.022
			(0.310)	0.114					(0.424)	0.157
Foreign ownership					0.115**	0.043**			0.207**	0.079**
					(0.055)	0.020			(0.084)	0.031
Government ownership							0.305***	0.114***	0.384***	0.142***
							(0.085)	0.032	(0.119)	0.044
Size	0.117***	0.043***	0.128***	0.048***	0.125***	0.046***	0.139***	0.052***	0.149***	0.055***
	(0.022)	0.008	(0.026)	0.010	(0.021)	0.008	(0.021)	0.008	(0.029)	0.011
Leverage	0.053	0.021	0.027	0.011	0.063	0.025	0.078*	0.030*	0.058	0.023
	(0.058)	0.202	(0.064)	0.024	(0.057)	0.021	(0.047)	0.018	(0.044)	0.016
Profitability	0.144	0.052	0.141	0.051	0.312***	0.113***	0.209**	0.077**	0.239**	0.087**
	(0.107)	0.039	(0.107)	0.039	(0.108)	0.039	(0.095)	0.035	(0.101)	0.037
Constant	-0.225		-0.371		-0.367		-0.507**		-0.373	
	(0.102)		(0.011)		(0.201)		(0.208)		(0.250)	
Observations	387	387	378	378	382	382	343	343	305	305
Pseudo R2	0.064		0.067		0.067		0.059		0.066	

Notes: Models 1 to 8 show comparative analysis of coefficients Fractional probit regression (Fracreg probit) and Average marginal effects of each independent variable on dependent variable: z-statistics are in parentheses. Significance level: * p < 0.1, ** p < 0.05, *** p < 0.01.

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African Journal of Applied Research
Vol. 9, No. 1 (2023), pp. 51-77
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Furthermore, following the statistical results presented in Table 5, we employed average margin effects to determine the economic significance of statistical results (Williams 2012) shown in Table 5. Table 6 shows the results of average margin effects in comparison to the results of fractional probit regression presented in Table 5.

The results of average margin effects shown in model 2 indicate that a one per cent change in concentrated ownership decreases the disclosure index by 8.2 per cent while the results in model 10 suggest that a one per cent change in concentrated ownership reduces disclosure by 14.3 per cent. Model 6 indicates that a one per cent change in foreign ownership increases information disclosure by 4.3 per cent while model 10 shows a one per cent change in foreign ownership increases information disclosure by 7.9 per cent. Additionally, model 8 indicates an increase of government ownership by one per cent improves the disclosure index by 11.4 per cent. The results in model 10 suggest that a one per cent change in government ownership increases the disclosure index by 14.2 per cent. The overall results in Table 6 indicate impacts of concentrated ownership, foreign ownership and government ownership on the disclosure index are statistically and economically significant. Therefore, the overall results suggest ownership structure plays a pivotal role in firm disclosure (Zamil et al., 2021). Specifically, this study indicates that concentrated, government and foreign ownership each has significant effects on information disclosure for the firms listed in SSA.

Robustness checks

Generally, corporate governance models are susceptible to endogeneity problems mainly because of the existence of reverse causality. This study examines the association between firm ownership structure and disclosure index as independent and dependent variables respectively. This is based on the hypothesis that ownership structure influences information disclosure. However, there is a possibility of a reverse relationship in which information disclosure can affect ownership structure and cause endogeneity problems. In this regard, we re-run the models presented in Table 5 to address the endogeneity problem. Following previous studies (e.g. Munisi, 2020), the models are re-run by considering ownership structure and profitability as the endogenous variables and the lagged values of the same variables as instruments. Additionally, since the dependent variable is fractional, the fractional instrumental variable probit (Fracivp), developed by Williams (2018), is used for analysis. Table 7 presents comparative results of Fracivp and fractional probit regression.

Models 1 and 2 indicate there is a negative and significant association between concentrated ownership and disclosure. Additionally, models 9 and 10, which include all independent variables, show that relationship between concentrated ownership and information disclosure is negative and significant. Therefore, similar negative and significant results presented in Table 6 are maintained.

Models 3 and 4 indicate the association between managerial ownership and disclosure is consistently negative but insignificant. However, the comparative results between models 9 and 10 indicate the coefficient of managerial ownership in model 9 is positive but not significant.

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Furthermore, however, in model 10, there is a positive and significant coefficient. Therefore, overall findings show the association between managerial ownership and firm disclosure is not consistently significantly positive.

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African Journal of Applied Research
Vol. 9, No. 1 (2023), pp. 51-77
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Table 7: Comparative Results of Fractional Probit regression (Frareg probit) and Fractional Instrumental Variable (Fracivp)

VARIABLES	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
	Frareg probit	**Fracivp**	**Frareg probit**	**Fracivp**	**Frareg probit**	**Fracivp**	**Frareg probit**	**Fracivp**	**Frareg probit**	**Fracivp**
Concentrated ownership	-0.223***	-0.295**							-0.381***	-0.500**
	(0.082)	0.152							(0.146)	0.229
Managerial ownership			-0.230	-0.004					0.043	1.080**
			(0.310)	0.431					(0.424)	0.537
Foreign ownership					0.115**	0.081			0.207**	0.168
					(0.055)	0.072			(0.084)	0.113
Government ownership							0.305***	0.406***	0.384***	0.301
							(0.085)	0.126	(0.119)	0.203
Size	0.117***	0.122***	0.128***	0.159***	0.125***	0.140***	0.139***	0.153***	0.149***	0.267***
	(0.022)	0.027	(0.026)	0.033	(0.021)	0.033	(0.021)	0.029	(0.029)	0.039
Leverage	0.053	0.098	0.027	0.106*	0.063	0.094	0.078*	0.082 *	0.058	0.071*
	(0.058)	0.069	(0.064)	0.061	(0.057)	0.063	(0.047)	0.050	(0.044)	0.043
Profitability	0.144	0.109	0.141	0.183	0.312***	0.494***	0.209**	0.292**	0.239**	0.407**
	(0.107)	0.159	(0.107)	0.152	(0.108)	0.146	(0.095)	0.133	(0.101)	0.135
Constant	-0.225	-0.752***	-0.371	-1.237***	-0.367	-1.033***	-0.507**	-1.298***	-0.373	-2.529***
	(0.102)	0.257	(0.011)	0.262	(0.201)	0.255	(0.208)	0.265	(0.250)	0.268
Observations	387	286	378	278	382	286	343	249	305	211
Pseudo R2	0.064		0.067		0.067		0.059		0.066	

Notes: Table presents comparative results of Fractional probit regression (Frareg probit) and corresponding fractional instrumental variable probit(Fracivp) on the relationships between ownership structure and disclosure. Models 1 to 8 show a comparison of coefficients of Frareg probit and Fracivp of each independent variable on the dependent variable. Models 9 and 10 show coefficients of Frareg probit and Fracivp for each independent variable when all variables are included in the model. Significance level: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

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Overall results in Table 7 suggest that ownership is indeed related to disclosure. However, the significance of the association varies with the types of ownership structure. Moreover, except for concentrated ownership, the results show that associations between ownership structure variables and disclosure are not consistent and significant in all models. In this regard, only concentrated ownership is a consistent and significant key determinant of information disclosure in the firms listed in SSA.

CONCLUSION

Most developing countries are undertaking various reforms, including those related to capital markets and good governance. These reforms aim to develop capital markets and attract investments, particularly foreign direct investment. One of the features of reforms of good governance is to ensure transparency through more disclosure. Disclosure is regarded as one of the mechanisms used to reduce information asymmetry. Information asymmetry is related to agency costs which increase the cost of capital. Investors who are not well informed have little confidence in firms because of fear of the unknown. Thus, these investors could be reluctant to invest in firms that do not disclose sufficient information. However, disclosure is not costless to firms because the generation and dissemination of information consume resources. Furthermore, the firms which disclose more information may provide valuable and strategic internal information to competitors. These competitors may take advantage of disclosed information to formulate strategies that could enhance their competitive advantages at expense of the firm disclosing information.

This paper argues that information disclosure practices may not be homogeneous across the firms given the expectation of different outcomes resulting from decisions to disclose information and motives behind voluntary information disclosure. In addition, information disclosure is a rational and intentional decision by the insiders within the firm, specifically the owners, after consideration of different factors which may or may not be related to disclosure. In this regard, this study argues that firm ownership influences firm disclosure. Therefore, the study examines the relationship between ownership structure and disclosure in SSA countries.

Overall findings indicate ownership structure variables are associated with disclosure. In particular, these findings indicate that concentrated ownership is consistently significantly negatively associated with information disclosure. Moreover, the findings indicate government and foreign ownerships are significantly positively associated with information disclosure.

The results of the significant negative association between concentrated ownership and disclosure support the argument that the involvement of large shareholders in the management of firms reduces agency costs and other costs, including those related to the generation and dissemination of information. The reduction of agency costs decreases the pressure on firms to use information disclosure as a mechanism for minimizing monitoring costs. As a result, firms with highly concentrated ownership decrease information disclosed in annual reports. Furthermore, the

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findings support the proposition that since concentrated shareholders engage in close monitoring, they would not want firms to disclose more information. This is because concentrated shareholders can access more information from different sources than annual reports. In addition, the extant literature suggests that firms disclose information as a means to minimize agency costs and subsequently reduce the cost of capital. However, concentrated shareholders may not need to attract more external investors to firms under their control. In this regard, firms with concentrated shareholders have no pressure to disclose more information to attract investors. In addition, these findings suggest negative implications as concentrated shareholders may require firms to disclose less information to create information asymmetry. This provides an opportunity to concentrated shareholders to exploit minority shareholders.

The findings indicate that foreign ownership is positively and significantly related to disclosure. The spillover effect view supports these findings. According to the spillover effect view, foreign owners in SSA, who originate mainly from countries which have relatively better governance practices, will imitate disclosure practices from their home countries. This implies that foreign owners demand firms disclose more information. Furthermore, the results show that government ownership and disclosure are positively related. These findings support the argument that most governments in SSA are promoting reforms in corporate governance practices which encourage high transparency through the disclosure of more information.

The findings of these studies have implications both for research and policy. Regarding policy, the study proposes that policy reforms targeting disclosure practices should consider the roles of different owners of the firms and their impacts on the propensity of the firms to disclose information. More specifically, the findings imply that applying simple policies to specify types and levels of disclosure requirements to be adhered to by all firms may not be realistic because the concept of one size fits all may not be applicable. In addition, the findings of the positive relationship between government ownership and firm disclosure suggest that governments are promoting information disclosure. This provides essential input to government policies aiming at reforming firms owned by the government. These findings are interesting because they are contrary to the argument which suggests that government is associated with poor disclosure. The policy lesson from these findings would be having a certain degree of government ownership in firms in developing countries can be one way to enhance disclosure and other practices of good governance in these countries. Additionally, the findings of the positive association between foreign ownership and disclosure provide a policy and strategic lesson for developing countries to attract and allow a certain percentage of foreign ownership in local firms. This ownership can act as a catalyst for improving corporate governance. Finally, the finding of a negative relationship between concentrated ownership and disclosure supports the policy to regulate ownership concentration threshold in listed firms to limit adverse effects resulting from highly concentrated ownership. In particular, this is important if concentrated ownership limits the disclosure of information to obtain personal benefits by expropriating other shareholders.

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The findings have implications and contributions to research. Specifically, findings support the argument that research on international corporate governance should take into account different and specific characteristics of individual firms and the context in which firms operate. The findings support the argument which suggests that concentrated ownership is negatively related to disclosure due to either the close involvement of large shareholders in the affairs of firms or the ill intention of large shareholders to create the information gap to expropriate minority shareholders. In addition, the findings of a positive association between foreign ownership and firm disclosure support the argument of spillover effects of corporate governance. Having foreign investors in firms operating in weak institutional environments makes these firms have more disclosure similar to those practised in foreign countries where most foreign investors originate. Additionally, the paper contributes to the existing inconclusive academic debate on the influence of government ownership on disclosure practices adopted by firms.

More interestingly, the findings show that the relationship between concentrated ownership and disclosure is consistently significantly negative. These findings reveal that concentrated ownership is the most critical ownership structure variable in the firms listed in SSA as far as information disclosure is concerned. In this regard, concentrated ownership should be one of the issues to consider in corporate governance policy reforms and research in SSA countries and other similar developing countries. This is important taking into consideration that ownership of firms listed in SSA is highly concentrated. Therefore, this study recommends that further research should examine different antecedents and consequences of concentrated ownership in SSA.

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