JBEO, Vol. 6(3), 1-8

Journal of Business and Economic Options

Determinants of Dividend Policy in Nigerian Stock Exchange Companies

Ebenezer Adesoji Olubiyi[a]

Abstract

This study adds valuable insights into the determinants of dividend per share in companies listed on the Nigerian Stock Exchange, shedding light on the key factors that influence dividend policy decisions. By analyzing a sample of 100 companies listed on the Nigerian Stock Exchange, the research employs multiple regression analysis to examine the relationships between various explanatory variables and dividend per share. The findings of the study highlight several important factors that significantly affect dividend per share in Nigerian Stock Exchange -listed companies. Notably, current year earnings per share and previous year dividend per share (-1) emerge as key determinants, exhibiting positive and statistically significant relationships with dividend per share at the one percent level. This underscores the importance of current profitability and past dividend history in shaping dividend decisions. Furthermore, the study reveals that dividend pay-out ratio also plays a significant role in influencing dividend per share, with a positive and statistically significant relationship observed at the five percent level. This suggests that companies with higher pay-out ratios tend to distribute more dividends per share to their shareholders. Additionally, profitability and investment are identified as significant determinants of dividend per share, albeit at the 10 percent level. Interestingly, while profitability exerts a positive influence on dividend per share, investment exhibits a negative impact. This implies that companies with higher profitability levels are more likely to distribute higher dividends per share, whereas those with higher investment levels may opt to retain earnings for future growth opportunities rather than distributing them as dividends. The findings of this study offer valuable insights for company managers and stakeholders in understanding the factors driving dividend policy decisions in NSE-listed firms. By highlighting the significance of earnings per share, dividend per share (-1), pay-out ratio, profitability, and investment, the study underscores the importance of prudent financial management and strategic decision-making in dividend policy formulation. Managers are encouraged to closely monitor these key variables and consider their implications when making dividend distribution decisions, thereby aligning corporate strategies with shareholder interests and maximizing shareholder value over the long term.

Keywords: Dividend Per Share, Dividend Policy, Nigerian Stock Exchange

JEL Codes: G35, G32, M21

1. INTRODUCTION

The stock exchange market plays a pivotal role in both developed and developing economies, serving as a barometer of corporate sector growth and overall economic health (Li et al (2022). The performance of stock markets reflects the prevailing business conditions and investor sentiment, making them crucial components of the financial infrastructure in any country. In developed economies, stock markets are well-established and highly liquid, providing companies with access to capital for expansion, innovation, and investment. They serve as platforms for companies to raise funds through initial public offerings (IPOs) and secondary offerings, enabling them to finance projects, research and development initiatives, and strategic acquisitions. Additionally, stock markets offer investors the opportunity to diversify their portfolios and participate in the wealth creation process, fostering economic growth and prosperity (Parvin, and Panakaje, 2022; Subhani et al., 2022). In developing economies, stock markets play an equally important role, albeit with some unique challenges and opportunities. While these markets may be less mature and more volatile compared to their developed counterparts, they offer significant potential for capital formation, entrepreneurship, and job creation. By providing access to equity financing, developing country stock markets can support the growth of small and medium-sized enterprises (SMEs), catalyze infrastructure development, and stimulate economic activity in key sectors. Moreover, stock markets serve as vital channels for foreign investment and capital inflows, allowing developing countries to tap into global capital markets and attract funding for critical projects and initiatives (Tan, 2022; Banyen, 2022). Foreign direct investment (FDI) and portfolio investment flows into emerging market stock exchanges can enhance liquidity, promote technology transfer, and spur economic development by fostering competition and innovation. However, the performance of stock markets is contingent upon various factors, including macroeconomic conditions, regulatory frameworks, investor confidence, and geopolitical stability. Economic downturns, financial crises, political uncertainty, and regulatory changes can all impact stock market dynamics and investor behavior, leading to fluctuations in asset prices and market volatility (Ali, 2015; Qi et al., 2022).

[a] College of Management Sciences, Federal University of Agriculture, Abeokuta, Nigeria

The construction of specialized indices to track the performance of listed companies sector by sector is a common practice in stock exchanges worldwide. These sectoral indices provide investors with valuable insights into the performance of specific industries or sectors within the broader market, allowing for more targeted investment strategies and risk management. By breaking down the market into distinct sectors, sectoral indices enable investors to compare the performance of companies within a particular industry to those in other sectors or regions (Walker et al., 2021). This comparative analysis helps investors identify investment opportunities, assess sectoral trends and dynamics, and make informed decisions based on their investment objectives and risk tolerance. The evaluation of the annual performance of each company listed on the stock exchange on a daily basis is essential for investors seeking to gauge the financial health and growth prospects of individual companies. Daily performance monitoring allows investors to track stock price movements, trading volumes, and other key indicators that may impact investment decisions (Siddiqi, 2014; Prasad and Seetharaman, 2021). Investors are indeed very particular about the market value of companies, as reflected in their stock prices, and whether dividends are paid. Market value serves as a key metric for assessing the valuation of a company relative to its peers and the broader market, while dividends provide investors with a source of income and a signal of financial stability and shareholder value creation. Furthermore, dividend-paying stocks are often favored by income-oriented investors seeking regular cash flows and potentially higher total returns over the long term (Bulla, 2021; Ali et 2022). Companies that consistently pay dividends demonstrate financial strength, profitability, and a commitment to returning value to shareholders, which can attract investor interest and support stock prices. The dividend policy of a company is a critical aspect of its overall financial strategy, shaping how earnings are distributed to shareholders and reinvested in the business. This policy is carefully crafted to strike a balance between providing returns to investors and retaining funds for future growth initiatives (Songwe and Bhattacharya, 2022). Various dividend policies exist, each tailored to the company's unique circumstances, industry dynamics, and investor expectations. One common approach is the regular dividend policy, where companies commit to distributing a consistent portion of their earnings to shareholders on a periodic basis. This stable dividend stream offers investors a reliable source of income and signals financial stability and confidence in the company's performance (Hashemijoo, et al., 2012). Additionally, it helps attract income-seeking investors who prioritize steady returns over capital appreciation.

Another dividend policy is the residual dividend approach, which prioritizes reinvestment in the business's growth prospects. Under this strategy, companies allocate funds for essential capital expenditures and expansion projects first (Farooq et al., 2022). Any remaining profits are then distributed to shareholders as dividends. This method ensures that the company retains sufficient capital to fuel its future growth while rewarding shareholders with dividends when excess cash is available.

In some cases, companies may adopt a stability-plus dividend policy, combining the elements of both stability and flexibility. Here, the company maintains a baseline level of dividends to provide income stability to investors. Additionally, it may offer extra dividends or special payouts during exceptionally profitable periods or when earnings exceed certain thresholds. This approach allows companies to balance the need for regular income with the flexibility to reward shareholders during prosperous times (Edmans, 2021). Conversely, certain firms, particularly those in high-growth industries or early stages of development, may opt for a no-dividend policy, retaining all earnings for reinvestment in the business. This reinvestment supports initiatives such as research and development, acquisitions, or geographic expansion, aimed at driving future growth and maximizing shareholder value over the long term. Dividend policy stands as a cornerstone in financial literature, commanding substantial attention as scholars seek to unravel the implicit assumptions guiding dividend payments. This focal point underscores its pivotal role in shaping corporate financial strategies and influencing broader market dynamics (Lestari, 2022). Indeed, changes in dividend policy wield significant implications, not only for shareholders but also for the overall financial health and performance of companies.

The intricate interplay between dividend policy and other financial decisions underscores its far-reaching impact. A shift in dividend policy, juxtaposed against the backdrop of a company's investment decisions, has the potential to reverberate throughout financial markets, shaping investor sentiment and influencing share prices. While theories such as the dividend policy irrelevance proposition put forth by Modigliani and Miller (1961) challenge the direct link between dividends and firm value, empirical evidence and alternative theories, such as Litner's (1956) assertion of a positive correlation between dividend increases and stock prices, suggest otherwise. Indeed, the debate surrounding dividend policy transcends mere academic discourse, extending into the realm of practical implications for investors, managers, and policymakers alike. The strategic decisions made regarding dividend payments reflect not only a company's financial health and earnings prospects but also its broader corporate objectives, risk management strategies, and shareholder relations (Mysaka and Derun, 2021). As such, understanding the nuances of dividend policy becomes imperative for stakeholders navigating the complexities of financial markets and corporate governance. Moreover, the dynamic nature of dividend policy underscores the need for ongoing research and analysis to elucidate its underlying mechanisms and implications. By delving deeper into the determinants, consequences, and implications of dividend decisions, scholars can contribute to a more nuanced understanding of corporate finance and investment strategies. Such insights not only inform academic discourse but also empower practitioners to make informed decisions in an ever-evolving financial landscape.

In essence, dividend policy emerges as a multifaceted phenomenon, encapsulating the interplay of financial theory, market dynamics, and corporate strategy. Its significance extends far beyond the realm of finance textbooks, shaping the behavior of investors, managers, and policymakers as they navigate the complexities of modern financial markets

(Lestari, 2022). As such, the study of dividend policy remains a vital area of inquiry, offering valuable insights into the intricacies of corporate finance and investment decision-making.

Brennan's (1970) proposition that dividend policy exerts an inverse effect on share prices - with stock prices decreasing as dividend levels increase - adds another layer of complexity to the discourse surrounding dividend policy. This perspective challenges conventional wisdom and underscores the need for a nuanced understanding of the dynamics at play within financial markets. Financial analysts, drawing from various theoretical frameworks and empirical evidence, converge on the notion that dividend policy plays a pivotal role in shaping shareholder wealth maximization. Rather than focusing solely on the capital needs of companies, managers are urged to adopt a holistic approach that considers the broader implications of dividend decisions (Abdullah et al., 2013). Indeed, the impact of dividend policy extends beyond immediate financial considerations to encompass share prices, investment dynamics, and capital structure optimization. In this context, managers are tasked with making decisions that align with the overarching goal of enhancing shareholder value while navigating the intricacies of financial markets and corporate governance. The imperative for a financially holistic approach underscores the multifaceted nature of dividend policy and its implications for corporate strategy and investor relations (Novkovic et al., 2022). Given its far-reaching implications and inherent complexity, dividend policy has emerged as a perennially popular research topic among financial scholars for over six decades. The evolving nature of financial markets, coupled with shifting investor preferences and regulatory dynamics, ensures that dividend policy remains a focal point of inquiry, offering fertile ground for theoretical exploration and empirical analysis. The study of dividend policy transcends mere academic discourse, offering valuable insights into the interplay of financial theory, market dynamics, and corporate decision-making (Calder, 2021). By delving deeper into the intricacies of dividend policy, researchers continue to uncover new dimensions of understanding that inform both theory and practice in the realm of corporate finance and investment strategy.

2. LITERATURE REVIEW

Research into dividend policies from a behavioral perspective offers valuable insights into the psychological factors that influence managerial decision-making and investor behavior. Studies such as those conducted by Baker, et al (1985) delve into the cognitive biases and heuristics that shape dividend policy choices. Pruitt and Gitman's (1991) study delves into the psychological underpinnings of investors' preferences for dividend-paying stocks, shedding light on how investor sentiment and risk perception influence dividend policy outcomes. By exploring these factors, Prutt and Gitman (1991) contribute valuable insights into the complex interplay between investor behavior and corporate dividend decisions. Their research underscores the importance of understanding the psychological drivers behind investors' attitudes towards dividends, providing valuable insights for both researchers and practitioners in the field of finance. Baker and Powell (2012) as well as Mainoma (2001) delve deeper into the behavioral aspects of dividend policies, shedding light on how managerial overconfidence and market sentiment can influence dividend decisions. These studies underscore the significance of comprehending the psychological factors that shape dividend policy choices within actual corporate environments. By examining the interplay between human behavior and dividend policy, Baker and Powell(2012), along with Mainoma (2001), contribute to a nuanced understanding of the complex dynamics at play in corporate finance. Building upon this groundwork, Baker, et al (2002) and Baker, et al (2006) further explore the behavioral dimensions of dividend policies. Their studies delve into the influence of social norms, cultural factors, and institutional pressures on managerial decision-making regarding dividends. By examining these factors, they highlight the intricate interplay between psychological biases, market dynamics, and corporate governance practices in shaping dividend policy outcomes. Through their research, they contribute to a deeper understanding of how human behavior influences dividend policy choices in real-world business contexts. By adopting a behavioral lens, these studies offer a nuanced understanding of the cognitive and emotional factors that influence dividend policy choices, providing valuable insights for both academics and practitioners in the field of finance and corporate governance.

Proponents of Lintner's (1956) model, such as Fama and Babialc (1968), have validated its robustness. Numerous empirical studies conducted in both developed and developing economies have further refined and enhanced Lintner's (1956) model. These studies, including the works of Darling (1957), Pogue (1971), Jose and Stevens (1989), Simons (1994), Adelegan (2003), Musa et al (2009), and Wa'adullah et al. (2013), have contributed to a deeper understanding of dividend policy dynamics. Through empirical research and analysis, these scholars have provided valuable insights into the factors influencing dividend decisions and their implications for firms and investors. The landscape of dividend policy research encompasses diverse perspectives and empirical approaches. While some researchers delve into the abstract constructs of dividend policy, others focus on empirical investigations into its relationship with share prices. The irrelevance theory proposed by Modigliani and Miller (1961) posits that there is no discernible relationship between dividend policy and share prices. This theory challenges the traditional notion that dividend policy significantly influences share prices, leading researchers to explore alternative explanations and empirical evidence regarding the dynamic interplay between dividend decisions and market valuations. These researchers have conducted empirical analyses and theoretical frameworks to examine the relationship between dividend policy and share prices from various angles. Black and Scholes (1974), for instance, explored the implications of dividend policy within the context of option pricing theory, shedding light on how dividend decisions can affect the value of financial derivatives. Adetifa, et al (2009) investigated the Nigerian stock market, providing insights into how dividend policy decisions influence investor behavior and market dynamics in an emerging market context. Denis and Osobov (2008) contributed to this body of literature by analyzing the impact of dividend policy on firm value and performance, considering factors such as firm size, profitability, and growth opportunities. Their findings added nuance to the understanding of how dividend policies are shaped by firm-specific characteristics and market conditions. Similarly, Adesola and Okwing (2009) explored the relationship between dividend policy and stock returns in the Nigerian banking sector, offering valuable insights into the factors driving dividend decisions and their implications for shareholder wealth. Gordon's (1963) model introduced a significant departure from the dividend irrelevance theory proposed by Modigliani and Miller (1961). By incorporating dividend growth rates and required rates of return into the valuation framework, Gordon's (1963) model provided a theoretical foundation for understanding the impact of dividend policy on stock prices. The model suggests that investors value dividends and consider them as a key determinant of stock prices. According to Gordon's (1963) model, the present value of a stock is equal to the sum of all its future dividends discounted at the required rate of return minus the dividend growth rate. This implies that changes in dividend policy, such as increases or decreases in dividend payouts, can directly affect the perceived value of a stock. These studies contribute to a comprehensive understanding of the complex interplay between dividend policy and share prices, offering valuable insights for investors, policymakers, and corporate managers navigating the dynamics of financial markets.

The theories posited by Gordon (1963) and its proponents challenge the notion of dividend irrelevance put forth by Modigliani and Miller (1961), suggesting that dividend policy does indeed have an impact on firm value and share prices. Samuels and Wilkes (1975), for instance, conducted empirical analyses that provided empirical support for the dividend relevance theory, demonstrating how dividend decisions can influence investor perceptions and market valuations. Similarly, Baskin (1989) contributed to this body of literature by examining the relationship between dividend policy and firm value across different industries, offering insights into how variations in dividend payout ratios can affect shareholder wealth and market dynamics. Travlos, et al (2001) extended this research by investigating the impact of dividend policy on corporate restructuring and financial performance, highlighting the strategic implications of dividend decisions for firms undergoing organizational changes. The strategic implications of dividend decisions for firms undergoing organizational changes are multifaceted and can have significant ramifications for various stakeholders. The studies by Baker, et al (2002), Myers and Frank (2004), Akintoye et al (2009), and Srinivasan (2012) delve into these linkages between dividend policy and share prices, shedding light on how firms can navigate dividend decisions during periods of organizational change. One strategic implication is the signaling effect of dividend policy on investor perceptions and market reactions. Firms undergoing organizational changes, such as mergers, acquisitions, or restructuring, often use dividend decisions as a signaling mechanism to communicate information about their financial health, growth prospects, and future performance to investors. By adjusting dividend payouts, firms can signal confidence in their ability to generate stable cash flows and sustain dividend payments even amidst organizational transitions. Moreover, dividend decisions during organizational changes can influence shareholder value and market valuations. Studies have shown that firms with consistent dividend policies and strong dividend growth potential tend to attract investors seeking stable returns and long-term value creation. Conversely, abrupt changes in dividend policies or deviations from market expectations can lead to volatility in share prices and erosion of investor confidence. Additionally, dividend decisions can impact capital allocation strategies and investment opportunities for firms undergoing organizational changes. By optimizing dividend policies to align with growth strategies, firms can strike a balance between returning value to shareholders and retaining capital for strategic investments, innovation, and expansion initiatives. This strategic alignment ensures that dividend decisions contribute to long-term value creation and sustainable growth, even amid organizational transformations.

In the realm of corporate finance, dividends play a pivotal role in rewarding shareholders for their investment in a company. Sullivan and Steven's (2003) exploration underscores the fundamental nature of dividends as payments derived from corporate profits, serving as a means to distribute returns to shareholders. This financial mechanism not only incentivizes investors but also reflects a company's financial health and performance. Through dividends, companies communicate their ability to generate profits and their commitment to shareholder value maximization. Thus, dividends serve as a critical component in shaping investor perceptions and influencing financial markets. In the realm of corporate finance, dividends play a crucial role in shaping investor perceptions, influencing stock prices, and facilitating wealth distribution. By distributing a portion of earnings directly to shareholders, dividends provide investors with tangible returns on their investments, enhancing shareholder value and fostering confidence in the company's financial health. Moreover, dividends serve as a signal of corporate performance and stability, with consistent dividend payments often interpreted as indicators of a company's profitability and long-term sustainability (Sullivan & Steven, 2003). From a corporate perspective, dividend decisions reflect strategic considerations regarding capital allocation, investment opportunities, and financial objectives. Corporations must weigh the benefits of distributing profits to shareholders against the advantages of retaining earnings for reinvestment in business growth and expansion. This decision-making process is influenced by various factors, including market conditions, industry dynamics, and shareholder preferences (Simkovic, 2009). Additionally, dividends hold implications for corporate governance and investor relations. Effective dividend policies can enhance shareholder trust and loyalty, attracting long-term investors and stabilizing stock prices. Conversely, mismanagement of dividend policies or inconsistent payout practices may erode investor confidence and lead to market volatility. In short, dividends represent a fundamental aspect of corporate finance, embodying the delicate balance between shareholder interests, capital allocation priorities, and strategic objectives. Understanding the role of dividends in value creation and wealth distribution is essential for both investors and corporations seeking to optimize financial performance and shareholder value.

3. THE MODEL

The general form of the model used can be written in bi-variate form as:

DPS_t = F(EPS_t , DPS_{t-i} , AGE, $DIVYD_t$, $PROF$, INV, $PAYR$, PER, $Dummy_t$)

where

DPS_t = the dependent variable and is expected to be a function of all the independent variables. It is dividend per share; the cash dividend paid to ordinary shareholders divided by the outstanding number of ordinary shares in period *t*.

EPS_t = earnings per share, representing profit attributable to ordinary shareholders divided by number of outstanding shareholders in period *t*. *EPS* represents the measure of net income earned on each share of ordinary shares, usually expressed in monetary units. A company's *EPS* is considered to be an important factor that affects dividend payment. The more the earnings, *ceteris paribus*, the higher the probability of dividend payment. A positive relationship is expected between company's EPS and dividend payment.

DPS_{t-1} = a variable representing dividend per share in the previous year. There is *a priori* expectation that it will significantly affect the current year's *DPS*. The influence of past dividend is important because it serves as a benchmark for deciding the current dividend payment. Companies would like to maintain some degree of consistency even if the current pay-out ratio is at par with the previous year's. It is expected to be positively related to DPS_t.

AGE_t = the age of the company as at period *t*. It represents the difference between the period the company incorporated as a public limited company and period *t*. It is expected that long-standing companies would have evolved a dividend policy and be consistent better than young ones.

$DIVYD_t$ = dividend yield representing the ratio that indicates the return to shareholders. It is measured in terms of the dividend relative to the company's market price per share.

$PROF_t$ = this measures the ratio of profit attributable to shareholders divided the shareholders equity (or Net Assets). Companies with high ratio will be less vulnerable to volatile dividend policy. A firm with high profitability ratio can commit to paying large proportion of earnings as dividend subject to a prediction of profitability continuity in future. This variable is expected to be positively related to DPS_t.

$INVEST_t$ = Investment is proxied by change in shareholders' funds (or Net Assets).

$PAYR_t$ = this is dividend pay-out ratio and is represented by $DIV_t/EPSt$. It is the ratio of dividend paid out of earnings. In order words, retention is 1 – $PAYR_t$. It is a guide to the manager in deciding dividend payment especially when previous year's performance is a strong factor.

PER_t = price-earnings ratio given by the market price of shares divided by *EPS*. It helps to value the company from the investor's perspective. It indicates growth in the firm's earnings. The ratio is synergetic in improving *EPS* and hence improves profitability, and in turn, leads to higher dividend payment.

$DUMMY_t$ = Dummy variable; D = 1 for non-financial companies and D = 0, otherwise. Dummy is introduced to evaluate whether the selected companies are homogeneous in their dividend per share policy irrespective of whether it is non-financial or not. If this variable is significant, then there is a different between non-financial companies and others.

4. RESULTS AND DISCUSSION

$$DPS_t = 49.25 + 0.327EPSt + 0.026\ DIVYD_t + 2.31PER_t + 0.05AGE_t + 0.602PROF - 0.69\ INVEST_t - 0.004GDP_t - 9.93DUMMY_t + 0.393DIV_{t-i} + 0.687PAYR_t.$$

$$DPS_t = 17.52 + 0.299EPS_t + 0.607PROF_t = 0.417INVEST_t + 0.408DIV_{t-1} + 0.670PAYR_t$$

5. CONCLUSIONS

Examining the determination of dividend per share (DPS) among companies actively trading on the Nigerian Stock Exchange presents an opportunity to gain insights into the dividend policies and practices within this market. By analyzing factors such as earnings per share, company age, dividend yield, profitability, investment patterns, payout ratios, and other relevant variables, researchers can uncover the underlying dynamics shaping dividend decisions among Nigerian firms. Given the unique economic and regulatory environment in Nigeria, studying dividend determinants in this context offers valuable implications for investors, policymakers, and corporate managers alike. Understanding how Nigerian companies allocate profits to shareholders through dividends sheds light on corporate governance practices, market efficiency, and investor preferences in this emerging market. Moreover, by empirically investigating the factors influencing dividend per share in Nigerian firms, researchers can contribute to the broader literature on dividend policy and financial decision-making. Insights gleaned from this study can inform future research, policy formulation, and strategic planning for companies operating in Nigeria and other similar markets. The findings indicating a positive significant relationship between earnings per share (EPS), previous period dividend per share (DPSt-1), and the payout ratio with current period dividend per share offer valuable insights into the determinants of dividend policy among Nigerian firms. The positive relationship between EPS and current dividend per share suggests that companies tend to distribute higher dividends when their earnings per share increase. This aligns with the traditional view that dividends are often paid out of profits, and higher earnings provide the financial capacity for increased dividend payments. Similarly, the positive relationship between the previous period's dividend per share and current dividend per share indicates a tendency for companies to maintain or increase dividend levels over time. This suggests a degree of stability or momentum in dividend payments, with companies reluctant to reduce dividends once established. Furthermore, the positive association between the payout ratio and current dividend per share suggests that companies with higher payout ratios, or those distributing a larger proportion of their earnings as dividends, tend to offer higher dividend payments per share. This underscores the importance of payout policy in shaping dividend decisions and suggests that companies may adjust their dividend levels based on their payout ratios to maintain consistency or meet investor expectations. Overall, these findings provide valuable insights into the factors influencing dividend per share among Nigerian firms, highlighting the role of earnings, past dividend levels, and payout policy in shaping dividend decisions. Disaggregating the analysis by sectors could indeed offer a more nuanced understanding of dividend per share determinants among quoted companies. By examining dividend policies within specific industries or sectors, researchers can identify sector-specific factors that may influence dividend decisions. For example, certain industries may have unique characteristics or operating dynamics that affect their ability or inclination to pay dividends. Industries with stable cash flows or mature business models may be more inclined to distribute higher dividends, while those in growth-oriented sectors may prioritize reinvestment of earnings for future expansion. Additionally, sector-specific factors such as regulatory environments, competitive dynamics, and market conditions may also play a role in shaping dividend policies. By analyzing dividend per share across different sectors, researchers can identify how these factors interact with company-level variables such as earnings, payout ratios, and past dividend history. Furthermore, sector-specific analysis allows for comparisons between industries, providing insights into relative dividend practices and performance. Researchers can explore whether certain sectors consistently offer higher dividend yields or exhibit more stable dividend growth over time. Overall, disaggregating the analysis by sectors can enhance the granularity and relevance of the findings, enabling a deeper understanding of dividend per share determinants within the context of specific industries and sectors.

REFERENCES

Adelegan, O. J. (2003). An Empirical Analysis of the Relationship between Cash flow and Dividend Changes in Nigeria. *African Development Review*. 15(1), 35-49.

Adesola W. A. and Okwong A. E. (2009). An Empirical Study of Dividend Policy of Quoted Companies in Nigeria. *Global Journal of Social Sciences*, 8(1), 85-101.

Adetifa, I. M. O., Hill, P. C., Jeffries, D. J., Jackson-Sillah, D., Ibanga, H. B., Bah, G., ... & Adegbola, R. A. (2009). Haematological values from a Gambian cohort–possible reference range for a West African population. *International Journal of Laboratory Hematology*, *31*(6), 615-622.

Adetifa, J. J. Oladapo, J. A. and Adeoti, J. O. (2004). The Effect of Dividend Policy on the Market Price of Shares in Nigeria: A case Study of Fifteen Quoted Companies. *International Journal of Accounting*, University of Ado Ekiti.

Akintoye, I. R. and Oseni, J. E. (2009). Determinants of Equity Prices in the Stock Market. *International Research Journal of Finance and Economics,* 30, 177-189.

Akintoye, I., Somoye, R. O., & Oseni, J. E. (2009). A Model for Pricing Equity in an Environment Characterised by Information Asymmetry–A Case of an Emerging Market. *Available at SSRN 2597199*.

Ali, A., Alim, W., Ahmed, J., & Nisar, S. (2022). Yoke of corporate governance and firm performance: A study of listed firms in Pakistan. *Indian Journal of Commerce & Management Studies• Vol XIII• Issue*, 8.

Ali, M. (2015). Inflation, Interest and Exchange Rate Effect of the Stock Market Prices. *Journal of Business and Economic Options*, *2*(1), 1-6.

Baker, H. K. Farrely, G. E. and Edelman, R. B. (1985). Dividend Achievers: A Behavioural Look. *Akron Business Economic Review,* 19(1), 115-120.

Baker, H. K. and Powell, G. E. (2012). Dividend Policy in Indonesia: Survey Evidence from Executives. *Journal of Asia Business Studies,* 6(1), 79-92.

Baker, H. K. Mutsherjee, T. K. and Paskelian, O. G. (2006). How Norwegian Managers View Dividend Policy. *Global Finance Journal,* 171(1), 155-176.

Baker, H. K. Powell, G. E. and Veit, E. T. (2002). Revisiting Managerial Perspectives on Dividend Policy. *Journal of Economics and Finance,* 26(2), 267-283.

Banyen, T. (2022). Behavioral Drivers of Stock Market Participation: Insights from Ghanaian Investors. *Journal of Business and Economic Options*, *9*(2).

Baskin, J. (1989). Dividend Policy and the Volatility of Common Stocks. *The Journal of Portfolio Management* 15(3), 19-25.

Black, F. and Scholes, M. (1974). The Effects of Dividend Yield and Dividend Policy on Common Stock Prices and Returns. *Journal of Financial Economics,* 1(1), 1-22.

Brennan, M. (1970). Taxes, Market Valuation and Corporate Financial Policy National. *Tax Journal*, 23(1), 417-427

Bulla, D. M. (2021). *Determinants of dividend payout in emerging stock markets: evidence from listed firms at nairobi securities exchange, kenya* (Doctoral dissertation, JKUAT-COHRED).

Calder, K. E. (2021). Strategic capitalism: Private business and public purpose in Japanese industrial finance.

Darling, P. G. (1957). The Influence of Expectation and Liquidity on Dividend Policy. *Journal Economics,* 60 (3), 209-215.

Denis, D. J. and Osobov, I. (2008). Why do Firms Pan Dividends? International Evidence on the Determinants of Dividend Policy. *Journal of Financial Economics* 89(11), 62-82.

Edmans, A. (2021). *Grow the pie: How great companies deliver both purpose and profit–updated and revised*. Cambridge University Press.

Fama, E. F. and Babiak, H. (1968). Dividend Policy; an Empirical Analysis. *Journal of American statistical Association,* 6(4), 1132-1140.

Farooq, M., Al-Jabri, Q., Khan, M. T., Ali Ansari, M. A., & Tariq, R. B. (2022). The impact of corporate governance and firm-specific characteristics on dividend policy: an emerging market case. *Asia-Pacific journal of business administration*.

Gordon, M. J. (1963). Optimal Investment and Financing Policy. *The Journal of Finance,* 18**(**2), 264-272.

Hashemijoo, M. Ardekani, A. M. and Yaunesi, M. (2012). The Impact of Dividend Policy on Share Price Volatility in the Malaysian Stock Market. *Journal of Business Studies Quarterly* 4(1), 111-129.

Jose, M. L. and Stevens J. L. (1989). Capital Market Valuation of Dividend Policy. *Journal of Business Finance and Accounting,* 16**(**5), 65-70.

lestari Widarni, E. (2022). Deconstructing Finance Management: A Qualitative Examination through Accounting Literature. *Atestasi: Jurnal Ilmiah Akuntansi*, *5*(2), 720-738.

lestari Widarni, E. (2022). Deconstructing Finance Management: A Qualitative Examination through Accounting Literature. *Atestasi: Jurnal Ilmiah Akuntansi*, *5*(2), 720-738.

Li, W., Chien, F., Waqas Kamran, H., Aldeehani, T. M., Sadiq, M., Nguyen, V. C., & Taghizadeh-Hesary, F. (2022). The nexus between COVID-19 fear and stock market volatility. *Economic research-Ekonomska istraživanja*, *35*(1), 1765-1785.

Lintner, J. (1956). Distribution of Incomes of Corporations among Dividend, Retained Earnings and Taxes" *The American Economic Review,* 46 (2), 97-113.

Mainoma, M. A. (2001). Dividend Policy Effects on the Value of Nigerian Firms: An Empirical Analysis. Unpublished Doctoral Dissertation, Ahmadu Bello University, Zaria

Modigliani, F. and Miller, M. H. (1961). Dividend Policy, Growth and the Valuation of Shares" *The Journal of Business,* 34(4), 411-433.

Muhammad, A., Chani, M. I., and Ali, A. (2013). Determinants of Money Demand in Pakistan: Disaggregated Expenditure Approach. *World Applied Sciences Journal*, 24(6), 765-771.

Musa, D., Schulz, R., Harris, R., Silverman, M., & Thomas, S. B. (2009). Trust in the health care system and the use of preventive health services by older black and white adults. *American journal of public health*, *99*(7), 1293-1299.

Myers, M. and Frank, B. (2004). The Determinants of Corporate Dividend Policy. *Academy of Accounting and Financial Studies Journal* 8(3), 17-28.

Mysaka, H., & Derun, I. (2021). Corporate financial performance and Tobin's Q in dividend and growth investing. *Contemporary Economics*, 276-288.

Novkovic, S., Puusa, A., & Miner, K. (2022). Co-operative identity and the dual nature: From paradox to complementarities. *Journal of Co-operative Organization and Management*, *10*(1), 100162.

Parvin, S. R., & Panakaje, N. (2022). Factors Influencing Stock Market Participation: A Review. *International Journal of Case Studies in Business, IT and Education (IJCSBE)*, *6*(2), 831-861.

Pogue, T. F. (1971). A Cross Section Studies of the Relationship between Dividends and Investments. *Yale Economic Essays,* XL(2), 181-189.

Prasad, A., & Seetharaman, A. (2021). Importance of machine learning in making investment decision in stock market. *Vikalpa*, *46*(4), 209-222.

Pruitt, S. W. and Gitman, L. J. (1991). The Interactions between the Investment, Financing and Dividend Decisions of Major U.S. Firms. *Financial Review,* 26(3), 237-242.

Qi, X. Z., Ning, Z., & Qin, M. (2022). Economic policy uncertainty, investor sentiment and financial stability—an empirical study based on the time varying parameter-vector autoregression model. *Journal of Economic Interaction and Coordination*, *17*(3), 779-799.

Samuels, J. M and Wilkes, F. M. (1975). Management of Company Finance, Ply Month: Clarke, Debbes and Brandon London

Siddiqi, M. W. (2014). Pakistan's Mutual Funds: An Empirical Analysis. *Journal of Business and Economic Options*, *1*(1), 1-9.

Simkovic, M. (2009). Secret liens and the financial crisis of 2008. *Am. Bankr. LJ*, *83*, 253.

Simons, K. (1994). The Relationship between Dividend Charges and Cash flow: An Empirical Analysis. *Journal of Business Finance and Accounting,* 21**(**4), 577-580.

Songwe, V., Stern, N., & Bhattacharya, A. (2022). Finance for climate action: Scaling up investment for climate and development. *London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science*.

Srinivasan, P. (2012). Determinants of Equity Share Prices in. A Panel Data Approach. *The Romanian Economic Journal* Year XV (46), 205-228.

Subhani, I., Iqbal, J. ., Jamil, F. ., & Iqbal, J. (2022). Relevance of Earnings Metrics: A Comparative Analysis of EPS and CFO on the Pakistan Stock Exchange. *Journal of Business and Economic Options*, *9*(4).

Sullivan, A. and Steven, M. S. (2003). Economic Analysis in Action. Upper Saddle, New Jersey: Pearson Prentice Hall.

Tan, C. (2022). Private investments, public goods: Regulating markets for sustainable development. *European Business Organization Law Review*, *23*(1), 241-271.

Travlos, N. Trigeorgis, L. and Vafeas, N. (2001). Shareholders Wealth: Effects of Dividend Policy Changes in an Emerging Stock Market: The Case of Cyprus. *Multinational Finance Journal*, 5(2), 87–11.

Wa'adullah, Y. M., & Yousif, A. S. (2013). The Effect of the Use versus Non-Use of the Native Language on Pupils' Comprehension and Conversation. *College Of Basic Education Researches Journal*, *12*(3).

Walker, N. L., Styles, D., Gallagher, J., & Williams, A. P. (2021). Aligning efficiency benchmarking with sustainable outcomes in the United Kingdom water sector. *Journal of Environmental Management, 287*, 112317.