http://journals.uonbi.ac.ke/index.php/adfj
ISSN 2522-3186

http://journals.uonbi.ac.ke/index.php/adfj
ISSN 2522-3186

Do Corporate Governance Mechanisms and Firm Life Cycle Theory matter in Firm Dividend Payments: Empirical evidence from Selceted Sub-Sharan African Countries

By: AIGBOVO Omoruyi (PhD) [1] & OGIEVA, Osazee Frank (PhD, ACA)[2]

Abstract
This paper empirically explored the effect of corporate governance mechanisms and firm life cycle stage on dividend payouts of quoted non-financial companies in Nigeria, South Africa and Kenya and the study period covers 2007 to 2017. System generalized method of moments (Sys-GMM) was employed in the analysis using dependent variables (dividend payout), explanatory variables (board size, board gender diversity, board independence, managerial ownership, retained earnings to total equity and firm age) and moderating variables (profitability and firm size). Results of the estimated dynamic panel analysis revealed that both corporate governance mechanisms and life cycle are not important factors influencing firm dividend pay-out in the chosen Sub-Sahara Africa nations. Based on the results, the study recommends inter alia that board attributes (like board size, board gender diversity, board independence and managerial ownership) and life cycle stage of firms need not to be considered with respect to explaining payouts of dividend among the firms in the selected sub-Sahara Africa countries. Apparently, larger independent members in boards are not desirable if the goal is increasing and sustaining dividend payout among the firms.

Keywords: *Corporate Governance, Firm Life Cycle Theory, Dividend Policy, Non-Financial Firms, System GMM*

JEL CLASSIFICATION: *G14, G32*

Introduction

The critical importance of a sound corporate governance mechanisms and the stage a firm occupy in his life cycle on investment in terms of dividend payouts cannot be over-emphasized**.** Corporate governance protects stockholders' portfolio and guarantees optimal returns on investment. Dividend policy is a critical and effective financial decision making tool in the enhancement of firm performance. Firm's dividend policy plays a key role in the efficiency and financial performance of the firm. Thus, the determination of sound dividend policy is an arbiter in the agency cost hypothesis wherein a balance has to be set between the objectives of the firm and maximization of stockholder's wealth. According to Gul, Khan, Ahmad, Rehman and Shah (2012), dividend payout is a means of increasing the wealth of shareholders and reducing

[1] *Department of Banking and Finance, University of Benin; PMB 1154, Edo State, Nigeria; +2348027364552; omoruyi.aigbovo@uniben.edu*
[2] *Department of Banking and Finance, University of Benin; PMB 1154, Edo State, Nigeria; +23480614944; osaze.ogieva@uniben.edu*

the agency problems. This is because payout of dividend assists in monitoring of the firms activities (Griffin, 2010). Dividends are used to reduce the resources at the disposal of the managers and discourage guard against the opportunity to use this resource for personal gains (Jensen, 1986). Thus, companies with sound corporate governance quality experience less agency conflicts which make the decision to pay dividend a key corporate governance component, therefore; corporate governance is belief to influence dividend policy (Thomas, 2013).

Research Problem

The dividend life cycle theory of firm explains changes in firms dividend policy based on changes linked with life cycle of the firms. Thus, the dividend life cycle theory is predicated on the notion that as a firm gets older or matured; its cash generating ability surpasses its ability to discover lucrative investment prospects. Ultimately, it turn out to be optimal for such firms to disburse its free cash flow to stockholders by means of dividend payment, therefore, the dividend life cycle theory posits that as the firm gets older/mature, the more it pays dividend. Therefore, firms' payment of dividend appears to be influenced by their financial "life-cycle" (DeAngelo et al., 2006).

Prior researches have either studied the influence of corporate governance mechanisms or firm life cycle on dividend payout, but little is still known about the joint influence of corporate governance mechanisms and firm life cycle on payout of dividend. An analysis of the dividend policy discussion might provide more information on the interactive role of firm life cycle stage on the nexus between corporate governance mechanisms and dividend payout of firms in developing nations, particularly for sub-Saharan Africa countries. Hence we will develop a dynamic panel model that accounts for the joint influence of corporate governance mechanisms and life cycle of firms on dividend payment of quoted non-financial companies in chosen sub-Saharan Africa nations (Aigbovo, 2018).

Also, there has been a considerable cross country studies investigating the influence of corporate governance mechanisms as well as life cycle stage on dividend payout of firms in developed countries of Western Europe and North America as well as emerging Asia and Latin-American countries (Mitton, 2004; Sawicki, 2006; Von Eije & Megginson, 2008; Dennis & Osbov, 2008; O'Conner, 2012; Gonzales, Molina & Rosso, 2016 and Abubakar & Muhammad, 2017 among others) while Camilo de Oliveira (2016) examines an international dataset. However, empirical literature show that the few existing researches that

explore the influence of corporate governance mechanisms and firm life cycle on payment of dividend of companies in Sub-Saharan Africa nations are single-country studies [Asamoah (2005), Bokpin(2011) and Twum (2015) for Ghana; Abdulkadir (2015), Uwuigbe, Olusanmi & Iyoha, (2015), Nwidobie (2016) and Odeleye (2017) for Nigeria; Papo (2014) and Nadia (2015) for South Africa while Ikunda, Muiru and Kamau (2016) focus on Kenya], which reduce the generalizability of the findings to other countries in the sub-region. Hence, limited cross country studies specifically examining the link between corporate governance mechanisms, firm life cycle and dividend payout in Sub-Saharan Africa nations exist. In this paper, we attempts to fill this void in knowledge by adding to the few existing cross country studies in sub-Saharan Africa nations.

Research Objective

The study sought to analyze the effect of corporate governance mechanisms and firm life cycle stage on dividend payouts of quoted non-financial companies in Nigeria, South Africa and Kenya.

Literature Review

Theoretical Framework

The model, which incorporates the influence of corporate governance procedures and firm life cycle stage on dividend distribution, is based on the agency theory and the dividend life cycle theory. The model that captures the influence of corporate governance systems on dividend distribution is based on the agency theory. On the link between corporate governance and dividend distribution, the agency hypothesis proposed by Jensen and Meckling (1976) has been thoroughly investigated in literature with supportive data. Under the agency framework, we have two major theoretical views which prior researchers have employed to describe corporate governance - dividend payout nexus: the outcome and substitution hypotheses. According to John & Knyazeva, 2006 and La-Porta, Lopez-de-Silanes, Shleifer & Vishny, (2000a) the outcome hypothesis predicts a direct nexus between dividend payout and corporate governance while the substitution hypothesis predict an inverse relationship between corporate governance and dividend payout.

The model utilised in this study is based on the dividend life cycle hypothesis. The life cycle theory of companies was proposed by Mueller (1972), and DeAngelo et al., (2006); Bulan and Subramanian (2009) developed a theory about dividend distribution based on it. This theory suggests that a firm's dividend policy

should be influenced by the stage it is in its life cycle. "The theory posits that as firms traverse the different phases in their life cycle, they have a tendency to change the dividend policy subject to the financial requirements of each phase. Inferred in this theory is the idea that companies that are in their growth stages are less likely to pay more dividends as against companies that are at their maturity phases. Old/Mature firm do not have a lot of growth prospects to finance, hence, mature firms are expected to pay more dividends. Firms that are young should reinvest their profits to enable them grow and take advantage investment opportunities and reduce uncertainty". When a company's profitability and growth rate are likely to decline in the future, it should begin paying dividends. As a result, during the rapid development period, the business retains all earnings, but during the maturity phase, enterprises give out 100% of their earnings.

Empirical Review

In a study carried out in US on disappearing dividend by Fama and French (2001), they found that the overall patterns of dividend payment are significantly linked to the characteristics of the firm that influence a firm's stage in its life cycle. Asamoah (2005) explored the corporate governance - dividend policy nexus of companies publically listed in Ghanaians' Bourse for the period 2000 to 2004. The result from panel regression reveals that independence of board and Duality of CEO exerts a meaningful influence on dividend policy whereas board size fails the significant test. The result also reveals that the ROE exerts a meaningful effect on dividend policy.

Jiraporn and Ning (2006) studied the link between strength of stockholder rights and payout of dividends using a sample sourced from the S&P 500 for the period spanning 1993 to 2002. The regression results show that the nexus between the rights of stockholder and payouts of dividend is negative. Furthermore, the result also reveals that shareholder rights have a meaningful influence on payout of dividends. Sawicki (2006) explored the corporate governance - dividend policy nexus in selected East Asian countries that include - Indonesia, Thailand, Hong Kong, Malaysia and Singapore for the period spanning 1994 to 2003. The researcher constructed an index of governance following the nine standards which captured different features of a company's framework, procedures and operations that make sound governance practices. The researcher employed ordinary least squares regression. The replacement and conclusion hypothesis was utilized in arriving at varied conclusions in pre and post Asia crisis. The pre-crisis outcomes showed that an inverse nexus subsist between corporate governance and payouts of dividend, whereas the nexus seems to be direct in the post crisis.

DeAngelo, DeAngelo, and Stulz conducted one of the earliest studies to evaluate the dividend life cycle idea in the United States (2006). The result shows that firms in U.S. have lesser inclination to pay dividends which corroborate the result reported by Fama and French (2001). Denis and Osobov (2008) conducted a research for certain industrial nations (Canada, Japan, France, Germany, the United States, and the United Kingdom) to uncover cross-country proof on the willingness to pay dividends. The study period was 1989 to 2002. The likelihood of dividend payment is connected to growth prospects, profit level, and business size, according to the results of the Logit regression. Profitability, firm size, and life cycle of firms all have a significant influence on dividends, according to the findings. Von-Eije and Megginson (2008) investigated the relationship between cash dividend payments and share repurchases in 15 European Union member countries prior to 2004. The study lasted from 1989 to 2005. The result shows that the fraction of European companies disbursing dividends is decreasing, while real total dividends paid increased and stock repurchases rises.

In a study conducted by Twu (2010) to find out if previous year payment of dividend play an important role in explaining the likelihood to pay dividends using a sample drawn from companies in 34 countries for the period 2005 to 2009. The researcher categorizes firms into firms that did not dividend and those that have previously paid. The regression results show the existence of high dividend stickiness and the factors influencing payment of dividend was considerably different for the two groups of companies. Low insider holdings and high growth enable previous payers to be more likely to pay but previous non-payers to be less likely to pay.

Afza and Mirza (2010) conducted a study to establish whether growth prospects and institutional ownership on dividend policy of quoted corporations in Karachi bourse during the period spanning 2002 to 2007. The found that payouts of dividend was directly linked to growth opportunities, percentage of shares that belong to insurance firms. However, ownership by institutional investors was found not to be significantly linked to payout of dividend. The nexus between size of firm and payouts of dividend was not significant. Bokpin (2011) explored the impact of structure of ownership on dividend policy of firms quoted on the Ghanaian Bourse for the period 2002 to 2007. The result reveals that size of board has a positive and meaningful influence on payment of dividend whereas independence of board, intensity of board, insider share and CEO duality fails the significance test. The nexus between the shares own by Foreigners and dividend payment was direct and significant. The results further show that firms that highly leveraged will

considerably decrease payment of dividend. Lastly, income volatility and age were significantly linked to payment of dividend.

Subramaniam and Devi (2011) explored the link between corporate governance and dividend policy in Malaysia and the time frame of the research was from 2003 to 2007. The results of the panel regression confirm that companies whose growth prospect is high pay lesser dividend. Similarly, in the relations between companies with high growth, board composition and board size findings shows an inverse link between investment prospect and payment of dividend. Board size that is large has low payout of dividend. Using data from 1992 to 2004, Coulton and Ruddock conducted a research in Australia to see if payments of dividend by firms comply the dividend life-cycle theory prediction (2011). The dividend life cycle idea is supported by the panel OLS regression results. Companies that pay dividends have fewer growth alternatives, are more lucrative, larger, and have higher retained earnings than companies that do not pay dividends, according to their results.

Islam (2012) studied the nexus between characteristics of the board and dividend payout of Malaysian quoted companies for the fiscal year 2010. Result of the regression shows that investment prospect, firm performance, managerial ownership and firm size were directly linked to payout of dividend, though they fail the significance test. Composition of board, Firm leverage, board size, and family share in the firm, ethnicity of board and gender diversity of board exerts negative and meaningful impact on dividend payout. The link between payout of dividend and CEO duality was also negative but fail the significance test. Yeganeh, Poorzamani, Roodposhti and Pakmaram (2012) explored the influence of quality of corporate governance on dividend policy of quoted companies in Tehran Bourse and the time frame for the research was from 2006 to 2010. The model was estimated using panel regression. The result shows that Financial Information Transparency, Timely Annual General Assembly, Audit Quality were directly and significantly related to dividend policy. Conversely, an inverse nexus subsist between dividend policy and proficiency of the board of director. Furthermore, free cash flow, firm size, previous year dividends and profitability which are the moderating variables were meaningfully and directly linked with dividend policy.

O'Conner (2012) studied the link between corporate governance quality and payment of dividend of companies at the various stages of their life-cycle for twenty one (21) emerging markets. The credit lyonnias securities Asia index of corporate governance was utilized in this research. Three different payout measures

were utilized in the study (dividends to earnings ratio, dividend to cash flow ratio and dividend to sales ratio). Size of firm, profit level, firm growth, cash, ratio of total equity to retained earnings were the control variables. He also control for industry and country effect. Pool regression was used in estimating the model. The result indicates that the prediction of the *outcome* model of dividends, which states that payout of dividend improve the strength of shareholder rights, was found all along the firm life-cycle. The result further reveals that this link only holds in cases where there are strong corporate governance and creditor rights. Therefore, the debt and agency cost of equity form of the outcome model of dividends holds at all stages of the life-cycle of firm. The result fails to confirm the prediction of the substitution model of dividend. Amarjit and John (2012) examined the nexus between corporate governance and the decision to pay dividends for USA firms in service sector for the period spanning 2009 – 2011. The findings indicate that internationalization, size of firm and CEO duality were directly related to decision to pay dividends, whereas a negative relation subsists between institutional shareholding and decision to pay dividend.

Ajanthan (2013) explored the link between board attributes and payout of dividend for Hotels and restaurant firms listed in Sri Lanka bourse and the research time frame spanning 2006 to 2010. The results of panel regression reveal that duality of CEO is negatively linked to dividend payouts while size of the board and board independence was not significantly related to dividend payout. Van Pelt (2013) carried out a research in USA to find out if board characteristics affect dividend policy of all S&P 500 companies for the period 2008 to 2011. The regression outcomes revealed that board size was directly linked to dividend policy. The result further revealed that directors' tenure, insiders' ownership, the percentage of inside directors and the percentage of female in board fail the significance test. Thomas (2013) studied the role of governance mechanisms (gender diversity, director's ownership, board size, director's years in office and composition of the board) on dividend policy using all S & P 500 firms for the period 2008 to 2011. Result from the study reveals that a direct and significant relationship subsists between the size of the board and dividend policy. Papo (2014) studied the relationship between corporate governance and dividend distribution for businesses listed on the Johannesburg bourse between 2009 and 2013. The outcome shows that board composition has a direct relationship with dividend payout, but institutional ownership has a negative impact on dividend payout. It was also discovered that there is a clear link between business growth and dividend distribution.

Chanasit (2014) explored the influence of firm specific factors and corporate governance on dividend payment of firms Thailand and the period of research was from 2001 to 2010. Foreign ownership, size of board, outside director's proportion in the board, largest ownership, family shareholding and institutional shareholding were the proxy for corporate governance while leverage, liquidity, profitability, size and growth prospect capture firm characteristics. The result from the study reveals that size of directors, outside directors to total directors' ratio, family shareholding, foreign shareholding and institutional shareholding did not pass the significance test. However, the percentage shares that belong to insider stockholders and leverage significantly influence payout of dividend. Tahir, Aslam, and Akhtar (2014) studied the impact of structure of ownership and the composition of board on dividend policy in Pakistan utilizing a sample of 18 quoted firms selected from Cement Industry for the period 2008 – 2012. Multiple regression was utilized in analysis and the outcome of the study show that ownership by individual and insider ownership directly and meaningfully impact dividend policy whereas institutional ownership, size of the board and independence of board were statistically insignificant in explaining the dividend policy.

For the period 1993 to 2012, Yang (2014) looked at the relationship between a company's life cycle and its dividend payout choice using businesses listed on the NASDAQ, AMEX, and NYSE. The results show that the retain profits to total equity ratio is directly related to a company's chance of paying dividends. For Pakistani chemical businesses registered between 2006 and 2011, Javid (2014) explored whether there is a link between company life cycle phase and dividend payment. The findings of the regression reveal that there is no correlation between a company's life cycle phase and dividend payment. Growth rate, leverage, and life cycle phase are all adversely connected to dividend payout, but retained earnings, firm size, age, management efficiency, and stock return are all positively related.

Abdulkadir (2015) used panel and multinomial logistic regression to investigate the variables influencing the decision "to pay" or "not to pay" dividend on the Nigerian stock exchange from 2003 to 2012. The empirical outcome fails to give any evidence to support the dividend life cycle theory's prediction. Mileti (2015) used panel data analysis to determine if the dividend life cycle hypothesis holds true for businesses listed on the Croatian stock exchange from 2003 to 2011. The findings demonstrate that investment prospects have a direct and substantial influence on company dividend payouts, while retained earnings/total equity has a positive and large impact on dividend decisions. This result is consistent with the firm's dividend life cycle assumption.

For the period 2006–2011, Uwuigbe, Olusanmi, and Iyoha (2015) evaluated the nexus between corporate governance procedures and dividend distribution of firms in Nigeria. The CEO duality, board independence, board size, and ownership structure were utilized as corporate governance indicators, while the dividend per equity share/earnings per share ratio was employed as a proxy for dividend distribution. The results of the regression demonstrated that CEO duality, ownership structure, board independence, and board size all had a direct and significant impact on dividend distributions. Muhammad and Rashid (2015) explored the nexus between corporate governance and dividend payouts for listed companies in Pakistan and the time frame of the research was from for 2007 to 2013. The logist regression method was used to carry out the analysis. The study utilize governance index derived from the auditors replacement and audit report quality, proportion of board non-duty members, CEO dual , board size, proportion of share held by institutional investors and auditing company size. Also control variables such as the right of shareholders, liquidity, asset structure and size of firm were incorporated in the model. Findings from the study reveal that the corporate governance variables significantly influence dividend payout.

Twum (2015) explored the link between corporate governance and dividend payout of banks quoted in Ghanaian Bourse and the time frame for the study was from 2009 – 2012. Size of board, gender diversity of board, board member educational experience, size of audit committee and independence of board were the corporate governance proxy while payout of dividend was measure as the amount of dividend payout as a percentage of after tax profit. The result of the panel regression reveals that size of board, gender diversity of board, size of audit committee and educational experience of board members' have meaningful effect on payout of dividend payout. However, only board size was directly related to payout of dividend while gender diversity of board; size of audit committee and educational experience of board members' were negatively linked to dividend payout of the banks.

Shehu, Kamardin and Shehu (2015) examined the nexus between board independence (outside directors) and payout of dividend for companies quoted in Malaysian Bourse for the year 2013. The data was analyzed using regression technique. Result of the estimation reveals that ownership and size of firm have positive and significant influence on payment of dividend while fraction of family membership on the board, CEO Duality, independent non-executive directors and leverage fail the significance test. Aydin and Cavdar (2015) examined the corporate governance - dividend policy link in Turkey for the period 2007 to 2014. The outcome of the panel regression shows that corporate governance has a positive and meaningful

influence on dividend policy whereas ownership concentration and managerial ownership negatively influence dividend policy.

Bhattacharya, Li and Rhee (2016) conducted a study in New York Bourse to find out if corporate governance serves as substitutes or compliment for payout policy of firms as well as find out if the payout policy is an good technique of decreasing agency cost through its interaction with the firm idiosyncratic risk .The time frame for the study was from 2003 to 2009. Logit and Tobit regressions were employed in the model estimation. The outcome reveals that if we move from the quintile that is very weak to the quintile that is very strong on the corporate governance scale the predicted probability of payout of dividend rises by 28 percent if the idiosyncratic risk of the firm is at its minimum quintile. In contrast, when the firm idiosyncratic risk is at its maximum quintile, moving from the quintile that is very weak to the quintile that is very strong in the governance scale reduces the predicted probability of payout of dividend by 32 percent. Nwidobie (2016) explored the effect of board characteristics on dividend policies of Nigerian quoted companies for the period 2006 – 2012. The World Bank corporate transparency index was utilized to proxy for corporate governance and this index was developed from family ownership disclosures, indirect ownership disclosures, beneficial ownership disclosures, and shareholders agreement disclosure, internal audit and public availability of ownership details. Chi-square was employed in the analysis. Findings from the study reveal that corporate governance has exerted a meaningful influence on the dividend policy. Ikunda, Muiru, and Kamau (2016) studied the effect of corporate governance on dividend payout of listed manufacturing firms in the Nairobi Stock Exchange (NSE) from 2008-2014. The corporate governance mechanisms utilized in the research include size, and composition of the board, tenure of CEO and managerial equity holding. Regression and correlation were utilized in the analysis. The researchers found no significant nexus between the corporate governance variables and dividend payout.

In a study conducted by Ahmed, Heba and Mohamed (2016) to established if there is a link between governance structure and payout of dividend for Egyptian companies and the time frame for the study was from 2006 – 2011. Corporate governance was proxy by CEO-duality, size of board, independence of board and board composition. Dividend payout was measured by dividend decision of firms (dummy variable represented with “1” if the firms pay dividends and “0” if they do not pay) and dividend payout ratio (measured by the dividend per share/the earnings per share). Binary logistic estimation was utilized in the data analysis. The outcome indicates that CEO-duality and board size exhibit positive and significant effect

on payout of dividend. Board composition showed a meaningful and inverse relationship with dividend decision. For the control variables, leverage and return on asset showed an insignificant direct link with payout of dividend whereas size of company showed an insignificant and inverse relationship. In Pakistan, Salman, Yanping and Muhammad (2016) examined whether corporate governance affect dividend policies of quoted firms for the time spanning 2009 to 2015. The regression result reveals that size of board and independence of board fail the significance test while CEO ownership exert deleterious and significant influence on payment of dividend. Also, foreign ownership of the firm was directly linked to dividend payout.

For the period 2003 to 2012, Al-Najjar and Hussainey (2016) investigated the influence of ownership structure on dividend policy of businesses listed on the Istanbul Stock Exchange. The likelihood of paying dividends, dividend payout ratio, and dividend yield were used to proxy dividend policy, and the model was estimated using logit and tobit regression approaches. The findings show that ownership by foreigners and ownership by state are associated with a lower chance of paying dividends, whereas other family ownership, local financial institutions, and minority stockholders had no meaningful impact. Nevertheless, all the ownership variables have an inverse and meaningful influence on dividend payout. Therefore, the result confirms that increase in foreign ownership decreases the need for paying dividends. Hussein, Byung-Seong and Richard (2016) investigated the influence of corporate governance on payout of dividend for Australia firms for the period 2001 - 2003. A self-constructed governance indexes was used in the study. The result reveals that corporate governance index, profitability and size of firm were directly linked to payout of dividend whereas global financial crisis and financial distress were inversely linked dividend policy.

Amalia and Fredrik (2017) looked at whether the global financial crisis had an influence on dividend payouts, as well as if the dividend life cycle hypothesis holds true for businesses listed on the Swedish stock exchange, from 2004 to 2012. The logit regression method was used to estimate the model. The results support the dividend life cycle theory's hypothesis. Furthermore, the findings show that the global financial crisis had a negative impact on Swedish companies' dividend payouts.

Adamu, Ishak and Hassan (2017) explored the nexus between board structure and dividend policy of non-financial firms quoted on Nigerian Bourse for the period 2013 to 2015. Board structure was measure with

three variables: size of board, composition of board and diversity of board. Profitability, firm age and investment growth were control for in the model. The logit regression and random effect panel method were used in estimating the model. A dummy variable serves as a surrogate for dividend policy. If a company pays dividends, it is a '1'; otherwise, it is a '0'. They found that outside directors on board, board size, proportion of female directors have meaningful effect on the decision to pay dividends. Furthermore, the result reveals that the only control variable that has direct and significant effect decision to pay dividend profitability.

Odeleye (2017) examined the influence of corporate governance on payout of dividend of Non-financial companies listed in Nigerian bourse for the period 1995 - 2012. The governance indicators utilized include; managerial shareholding, board size, institutional shareholders and number of independent directors while dividend per share was used as a proxy for dividend distribution. Gross earnings and Profit after tax were the moderating variables. The estimation was conducted out utilizing the GMM estimation method. The outcome reveals that the institutional investors, number of independent directors, previous dividend, gross earnings and profits after tax were significantly related to payouts of dividend. Ezeagba (2017) carry out a research to determine whether structure of ownership influences the dividend policy of listed companies in Nigeria and the time frame for the study was from 2011 to 2015. The data were analyzed with Pearson's correlation statistical technique. The findings from the study reveal that managerial shareholding is not significantly related to dividend policy. Also, institutional shareholding fails the significant test.

Abubakar and Muhammad (2017) explored the nexus between gender diversity of board and dividend payments in three emerging markets (Russia, India and China) for the period 2007 – 2014. The result from the panel OLS regression reveals that gender diversity of board is negatively and significantly related to cash dividend payments in the three selected countries. Furthermore, they find that ownership by state regulate the nexus between gender diversity and payments of dividend. This result only holds for China and Russia. Additionally, their result indicates that gender diversity of board and dividend payments were negatively related and more obvious during the financial crisis. Nevertheless, ownership by state was not significant during the financial crisis.

Methodology

In this research, the causal research strategy was applied. As of December 31, 2017, the study examined every quoted non-financial corporation in 3 chosen Sub-Saharan African nations' bourses (Nigeria Stock Exchange, Johannesburg Stock Exchange, and Nairobi Stock Exchange). As of December 31, 2017, the population consisted of 479 non-financial enterprises listed on the three stock markets in eleven (11) sub-sectors. As of December 31, 2017, the population consisted of 479 non-financial enterprises listed on the three stock markets in eleven (11) sub-sectors. The sample size for this investigation was determined using the sample filtering technique and Taro Yamani (1967). n=N/[1+(Ne2)] is Taro Yamane's sample selection formula. In this study, n stands for the size of the sample, N stands for the whole, one (1) stands for a constant, and e stands for the margin of error, which is 5 percent. A minimum sample of 218 non-financial enterprises is generated from the population utilizing the Taro Yamane sample selection procedure, representing 45.5 percent of all non-financial companies listed on the Nigerian, Kenyan, and South African bourses. However, the final sample size of 239 was determined employing the sample filtering technique, based on the accessibility of data and ownership of relevant information during the study period. The 239 non-financial enterprises are divided into three subsectors: real estate (eight), telecommunications (nine), and utilities (nine) (3). Nevertheless, the utilities sector was left out of the final analysis due to a lack of sample size for the system GMM analysis. As a consequence, ten (10) different subsectors were investigated. Companies in different nations are usually classified using a common industry classification. As a result, the Global Industry Classification Standard was applied (GICS).

Model Specification

This study employed four proxies for corporate governance mechanisms (board size, gender diversity of board, board independence and managerial ownership) while the firm life cycle is proxy by the earned/contributed Capital Mix, which is the proportion of retained profits to total equity and firm age. Furthermore, given that corporate governance mechanisms and firm life cycle are not the only factors influencing dividend payouts; two control variables: profitability and firm size are introduced to account for other factors that have been found in the literature to influence dividend payouts. The model employed is a modified version of a model that has been used widely in previous studies such as Bokpin, (2011); Uwuigbe**, (**2015) and Amalia and Fredrik, (2017). In equation 3.1, the model is expressed in a functional form:

Dividend Payout = f (BSIZE, GENDIVS, BIND, MAO, Firm Life Cycle Stage, Profitability, Firm Size) ……...……...……...…… (1.1)

The dynamic panel data model is presented in econometric form as follows:

$DIVPAY_{it} = \beta_0 + \beta_1 DIVPAY_{it-1} + \beta_2 BSIZE_{it} + \beta_3 GENDIVSit + \beta_4 BIND_{it} - \beta_5 MAO_{it} + \beta_6 RE/TE_{it} + \beta_7 FAGE_{it} + \beta_8 PAT_{it} + \beta_9 FSZE_i + \tau_t + \psi_i + \mu_{it}$……..…….....……..… (1.2)

Where;

τ_t denotes the effects of time.

ψ_i denotes the firm-specific fixed effects .

μ_{it} = Firm i's stochastic (error) term at time t.

The a *priori* expectation: β_1; β_2; β_3; β_4; β_6; β_7; β_8; and $\beta_9 > 0$. $\beta_5 < 0$.

The coefficients of the parameters to be calculated range from $\beta_0 - \beta_9$. The subscripts I and t, respectively, identify individual businesses and time periods (2007-2017). DIVPAYit-1 is a lagged dependent variable that was included in the model to address the explanatory variable's likely endogeneity, which included the chance of variables being missing, simultaneity, and error in measurement in the perspective of dynamic panel data approach.

Table 1: Summary of variables and *a priori* signs

Variables	Definition	*a priori sign*
$DIVPAY_{it}$	Firm i's dividend distribution during period t	Dependent Variable
$DIVPAY_{it-1}$	At period t, the lagged/previous value of firm i's dividend payout	+
$BSIZE_{it}$	Board size of firm *i* at period *t*	+
$GENDIV_{it}$	Board gender diversity of firm i at period t.	+
$BIND_{it}$	Board independence of firm i at period t.	+
MAO	Managerial ownership of firm i at period t.	-
RE/TE_{it}	At period t, the ratio of retained earnings to total equity of company i.	+
$FAGE_{it}$	Firm i's age at time t.	+
PAT_{it}	Firm i's profit after tax margin at time t.	+
$FSZE_{it}$	At period t, firm size i.	+

Measurement of Variables

Table 2 shows the operationalization of the variables used, as well as prior researchers that have used the variable in their research.

Table 2: Variable Definitions in Operational Terms

S/N	Variable	Variable Type	Measurement	Sources
1	Dividend Payout (DIVPAY)	Explained Variable	Dividends paid in a given year /the company's net profit	Uittenbogaard (2016)
2	Boar Size (BSIZE)	Independent Variable	Entire number of directors/members on the board of directors.	Uwuigbe, et al., (2015)
3	Gender Diversity (GENDIV)	”	Proportion of female director in the board composition	Islam (2012)
4	Board Independence (BIND)	”	Percentage of directors' shareholding/total stocks in the paid-up share capital	Odeleye (2017)
5	Managerial Ownership (MAO)	”	The sum of shares own by managers, executive directors and their relatives divided by the entire share capital of the company.	Hommel (2011)
6	Earned/Contributed Capital mix (RE/TE)	”	Total stockholder shares scaled by total retained earnings	Amalia and Fredrik (2017)
7	Age of Firm (FAGE)	”	Listing age of firm	Javid (2014)
8	Profit (PAT)	”	After tax profit scaled by sales	Odeleye (2017)
9	Size of Firm (FSZE)	”	Log of total asset	Fama& French (2001)

Data Analysis Technique

The data analysis in this study was done using descriptive and inferential statistics approaches. Descriptive statistics include correlation analysis and descriptive statistics. We used the multivariate dynamic panel data regression approach for the inferential statistic.

Results and Discussions

Statistical Analysis (Descriptive Statistics and Correlation Analysis)

Descriptive Statistics: Table 3 shows the descriptive data for the entire company. The Table includes general averages as well as greater moment situations, ensuring that the suitability of the panel data analysis may be assessed. The average dividend distribution during the time is $28.47, which is pretty high. However, there are very big maximum and very low minimum values, implying that certain businesses had very huge payouts while others had very low payouts throughout time. The Furthermore, the skewness score of -12.2 indicates that the majority of the reported dividend payout amounts were greater than the Table's mean value. This means that for some of the companies, just a few really low figures were recorded unusually huge coefficient of variation (CoV) value of 80.81 reflects these enormous disparities.

Table 3: Result of the Descriptive Statistics

Variable	Mean	Maximum	Minimum	Std. Dev.	CoV	Skewness	J-B	Pr.
Divpay	28.467	72739.2	-91700	2300.5	80.81	-12.2	1980.0	0
Bsize	9.329	25	0	3.1	0.327	0.5	398.5	0
Gendivs	12.611	62.5	0	11.6	0.918	0.8	311.4	0
Bind	65.282	95	0	16.4	0.251	-1.1	1117.3	0
Mao	16.103	2276	0	49.3	3.06	37.0	3120.0	0
re_te	41.224	69701.1	-2160.1	1382.3	33.53	49.1	6640.0	0
Fage	24.324	123	0	18.5	0.759	1.3	1432.4	0
Pat	-18.451	6946.5	-13191.9	503.5	-27.28	-16.9	1602.0	0
Size	11.774	17.22	0	2.3	0.191	-1.2	3839.6	0

At 1980.0, the value of the J-B for dividend distributions (divpay) is extremely high, and it is highly significant at the 1% level. In terms of probability functions, this is an indication that the divpay series are

substantially non-normally distributed. As a result, the panel data seems to be very heterogeneous, reflecting significant firm- specific impacts. This suggests that using the panel data analysis approach is a good fit for the analysis. For each of the variables in the panel study, the J-B value is consistently high.

Correlation Analysis: Based on the correlation tests, Table 4 displays the early forms of relationship between pairs of variables in the investigation. We want to know the strength and direction of the correlations between the independent variables in the models we've chosen. From Table 4, it is seen that a direct relationship exists between gender diversity and board size. This indicates that larger boards tend to have more women. The implication of this is that small boards will generally have little room for female participation. Also, a meaningful and direct nexus exists between board independence and board size for the dataset, indicating that larger boards contain more external participation. A significant positive correlation coefficient is also shown for board independence and board diversity, which indicates that the more independent a board is the larger the proportion of women in such boards.

Table 4: Correlation Matrix

	Divpay	Bsize	gendivs	Bind	Mao	re_te	Fage	Pat
Bsize	0.004							
	(0.851)							
Gendivs	0.02	0.15**						
	(0.33)	(0.00)						
Bind	-0.011	0.274**	0.130**					
	(0.59)	(0.00)	(0.00)					
Mao	0.001	-0.109**	-0.042*	-0.122**				
	(0.96)	(0.00)	(0.03)	(0.00)				
re_te	-0.06	-0.01	-0.03	0.02	0.02			
	(1.00)	(0.94)	0.90	0.38	0.92			
Fage	0.019	0.095**	-0.011**	0.130**	-0.149**	-0.003		
	(0.33)	(0.00)	0.57	(0.00)	(0.00)	(0.87)		
Pat	0.000	-0.001	0.046*	-0.018	0.016	0.002	0.032	
	(0.99)	0.94	0.02	0.35	0.41	0.94	0.11	
Size	-0.015	0.619	0.206	0.316	-0.129	-0.034	0.201	0.038
	(0.45)	(0.00)	(0.00)	(0.00)	(0.00)	(0.09)	(0.00)	(0.05)

* and ** signifies significance at 5% and 1% respectively.

Management ownership of companies has a significant negative correlation coefficient with each of the board variables. This means the higher the fraction of the firm owned by management, the smaller the board size, the less the number of females involved, and the less independent the board will be. This is actually the expected position for the relationships. The earned/contributed capital mix shows no statistically significant link with any of the other variables in the analysis, implying that this variable does not change in tandem with any of the others, including company age. Firm age, on the other hand, has a clear relationship between board independence and board size, implying that larger and more independent boards are more common in older/mature companies. According to the correlation research, mature/older enterprises have less management ownership. Profit has no relevant relationship with the rest of the explanatory factors, however company size has a strong and direct relationship with all of them.

Panel Unit Root Analysis

The data utilised in the GMM estimation technique are considered to be time-invariant, with constant mean and variance throughout time. Thus, testing the features of the time series in the data, starting with the test of stationarity, is the first step in evaluating panel data. Because panel data are used in the study, a panel unit root test is used to confirm the time series characteristics of the data. As a result, unlike pure time series analysis, unit root testing should have firm-specific properties.

Table 5: Panel Unit root test result

	Homogeneous Unit Root Process				**Heterogeneous Unit Root Process**			
	Level		**1st Diff**		**Level**		**1st Diff**	
Variables	**LLC**	**Breitung**	**LLC**	**Breitung**	**IPS**	**ADF-Fisher**	**IPS**	**ADF-Fisher**
Bsize	-5.84**	-1.36	15.5**	-3.4**	-2.45**	144.6**	-7.07**	234.9**
Gendivs	-29.5**	-1.17	-22.6**	-6.03**	-8.19**	203.2**	-9.39**	264.9**
Bind	-2.39**	-0.94	13.96**	-4.32**	-2.39**	148.3**	-7.84**	247.3**
Mao	-6.75**	-1.08	-15.4**	-3.22**	-2.42**	151.2**	-7.56**	247.9**
re_te	-13.8**	-1.13	-7.49**	-5.01**	-2.18**	51.1**	59.9**	97.9**
Pat	-0.99	-0.51	-7.95**	-4.18**	1.75	51.7	-3.27**	109.6**
Size	-8.11**	-1.02	-6.48**	-3.00**	-0.89	117.5	-2.96**	166.6**

* and ** connotes significance at 5 and 1 percent respectively.

The levels variables are all significant in connection to the test statistics at either the 1 percent levels based on the LLC, IPS, and ADF-Fisher tests, as shown in Table 5. The Breitung test is the only one that displays

non-significant test results for all variables in levels. This means that we can't rule out the null hypothesis of stationarity for all variables at all levels, implying that the variables across the businesses don't move in a predictable fashion over time. The factors do not appear to be time-dependent. However, the results demonstrate that all of the test statistics are significant for the first difference variables, indicating that the null hypothesis of no unit roots in the first differences is rejected. These results reveal that the majority of the variables are stationary at both the level and at the initial differences. The homogeneous and heterogeneous panel unit root tests further corroborate this conclusion since the variables remain stable after the first difference; we can then determine their long-run connection. Because the variable is only time-based, the test for firm age is omitted.

Panel Cointegration Test

It is required to investigate whether the panel series in the study are cointegrated because they are characterised by unit roots and are integrated of order I (I). The results of Pedroni's and Kao panel cointegration tests are shown in Table 6 below.

Table 6: Panel Cointegration Test Results

Pedroni Test					**Kao Test**
Eqtn: a Governance mechanism					
Alternate hypothesis: common AR coefs. (within-dimension)					
	Statistic	Prob.	Weighted Statistic	Prob.	-4.684 Probability = 0.00
v Panel	-10.77	1	-11.82	1	
rho- Panel	15.93	1	15.94	1	
PP- Panel	-21.01	0	-24.96	0	
ADF- Panel	0.11	0.54	-2.54	0.0056	
Alternate hypothesis: specific AR coefficents. (between-dimension)					
rho- Group	21.68	1			
PP- Group	-41.89	0			
ADF- Group	-2.73	0.00			

Source: Researcher's compilation (2018).

The existence of a consistent stochastic trend was investigated in this work since the emphasis of the work is on long and integrated procedures. It is needed that dividend and firm life cycle factors, as well as dividend and corporate governance procedures, have a cointegrating relationship. Table 6 displays the results of Pedroni's and Kao panel cointegration tests on the series between the regressand and regressors for the stated model. The within-dimension columns contain the calculated value of the statistics with

respect to estimators that pool the autoregressive coefficient across different nations for unit root tests on the estimated residuals. In the section labeled between-dimension, the determined value of the statistics with regard to the estimators that average independently calculated coefficients for each nation is revealed. "There is no cointegration among the variables," says the null hypothesis in the test results.

As can be seen from the test results, the tests centered on Pedroni residual all indicate significant values at the 1% level for both grouped and ungrouped testing. All test procedures, comprising rho, PP, and ADF, are important both within and between tests (at the 1 percent level). As a result, when the variables are combined, the null hypothesis of no cointegration is rejected for every of the explained variables.

The GMM Estimates Analysis

This part presents and analyses the outcomes of the estimated model that was provided in the preceding segment. Table 7, reports the results of the estimated model that combines both governance and firm life cycle variables in a single equation.

Table 7: Corporate Governance Mechanisms, Firm Life Cycle and Dividend Payout results

Variable	Coefficient	t-Statistic	Prob.
$DIVPAY_{t-1}$	0.280**	7.62	0.00
BSIZE	-0.011	-0.26	0.80
GENDIVS	-0.008	-0.77	0.44
BIND	-0.018**	-3.33	0.00
MAO	0.018	0.31	0.76
RE_TE	0.000	1.30	0.20
FAGE	-0.014	-0.88	0.38
PAT	0.000	0.29	0.77
SIZE	0.401**	2.86	0.00
Prob(J-statistic)	0.127		
A-B AR(1)	-8.04		
A-B AR(2)	0.46		

* and ** denotes significance at 5 and 1 percent levels respectively

A quick glance at the diagnostic indicators for examining the model reveals that, based on the diagnostic indicators, both the instruments and serial correlation tests are excellent. The Hansen-J statistic probabilities are in the range that indicates proper instrument selection for GMM estimation. The Arrelano-Bond AR statistic for the first autocorrelation test is also negative and significant; however the second lag fails the significance test. These results demonstrate that the estimates for the panel variables in levels are free serial correlation.

The lagged dependent variable pass the significance test at the 1 percent level and also possesses the right (positive) sign which shows that with all the factors combined in the firms, there is stability in dividend payout. For the other variables, the coefficients of size of board, gender diversity of board and firm age fail the significant test and were wrongly signed (negative). Also, the coefficient of managerial ownership, earned/contributed capital mix and profitability fail the significant test but possesses the right sign (positive). The coefficient of board independence (BIND) and firm size pass the significance test and also possesses the right (positive) sign. All the other coefficients fail the significant test even at the 5 percent level. This means that when all the variables are taken into cognizance for the firms, only board independence and the size of the firm tend to have a meaningful influence on payout of dividend. The independence of boards tends to lead to less dividend payout, while bigger firms tend to payout larger amounts of dividends.

The results provide evidence that board size is negative and has no meaningful effect on payout of dividend for the quoted non-Financial corporations in the chosen Sub-Saharan Africa nations. The inverse nexus between board size and dividend payout is not in tandem with *a priori* expectation. The import of this result is that size of the board seems not to be a critical factor and a major driver of corporate decisions and consequently dividend payouts. The finding does not support the agency theory of dividends which posit that payout of dividend is used as a means of protecting shareholders. This outcome is in line with that of Asamoah (2005); Ajathan (2013); Tahir et al., (2014); Salman et al., (2016)) who found that size of board has an insignificant influence on dividend payout. In contrast, the results does not support the result of Bokpin, (2011); Uwuigbe et al., (2015); Twum, (2015); Ahmend et al., (2016); and Adamu et al., (2017) who found that board size exert a direct and meaningful effect on firms payment of dividend.

In the chosen Sub-Saharan African countries, board gender diversity is found to have an inverse and minor impact on dividend distribution of listed corporations. The adverse relationship between board gender

diversity and dividend distribution does not match expectations. This research implies that when the share of female board members increases, the dividend payout of listed non-financial corporations in the chosen Sub-Saharan African nations would decrease. The negative link is unexpected, and it might be attributable to the low number of female directors on the boards of publicly traded companies in the chosen Sub-Sahara African nations. In this regard, the findings of this study are pretty similar to those of several previous investigations. For example, Islam (2012), Twum (2015), and Abubakar & Muhammad (2017) revealed a negative association between board gender diversity and dividend distributions of listed companies. The study's findings, on the other hand, contradict those of Thomas (2013) and Adamu et al., (2017), who discovered a direct and substantial link between board gender diversity and dividend payout. The findings contradict those of Van-Pelt (2013), who discovered a direct and minor link between board gender diversity and dividend distribution of publicly traded companies.

In the chosen Sub-Saharan African nations, board independence is found to have a deleterious and considerable effect on dividend pay-out of listed non-financial enterprises. Thus, when independent directors dominate the boards; it leads to reduction in dividend pay-out. This inverse nexus between independence of board and dividend payout is not in agreement with theoretical expectation. This result is in consonance with that of Al-Najjar & Hussainey (2009) and Shehu (2014). In this aspect, the findings of this study differ from those of certain previous investigations. For instance, it is inconsistent with Asamoah (2005); Ahmend et al., (2016); and Odeleye (2017) who find a significant and direct link between independence of board and dividend payouts. The finding of the study is also contrary to that of Bokpin (2011); Ajanthan (2013); Chanasit (2014) and Shehu et al., (2015 who found a positive and no meaningful relation between independence of board and payout of dividend.

In the selected Sub-Saharan African nations, managerial ownership is found to have a positive and no meaningful impact on dividend distribution of listed companies. The positive nexus between managerial ownership and payout of dividend is not in agreement with *a priori* expectation. The implication is that increasing managerial shareholding increases dividend payouts of quoted non-financial corporations in the chosen Sub-Saharan Africa nations. Furthermore, the positive nexus between managerial stockholding (ownership) connote that the stockholders of the listed firms in the selected Sub-Sahara Africa Countries seem to be well protected against management expropriation. Therefore, their firms' values and stockholders' wealth is protected. The finding corroborates the results of Islam (2012); Thomas (2013); and Ezeagba (2017). The insignificant and direct linkages between managerial ownership and payout of

dividend found in this study are not in consonance with the findings of Van-Pelt (2003); Aydin & Cardar (2015); and Odeleye (2017).

In the chosen Sub-Saharan African nations, the life cycle of firm has a positive and minor impact on dividend-paying non-financial enterprises. The results of this investigation show that the dividend life cycle idea is false. This conclusion agrees with "Von-Eije & Megginson (2008), Javid (2014), and Abdulkadir (2015)", who found no correlation between retained profits to total equity ratio and dividend distribution. However, Amalia & Frerick (2017) was able to confirm the life cycle theory.

The age of the company failed the significance test and was shown to be adversely connected to dividend distribution. This conclusion implies that mature companies with fewer growth and investment opportunities are less likely to pay dividends, which is consistent with the firm lifecycle/maturity and free cash flow dividend hypothesis. These findings contradict previous study by Bokpin (2011), and Adamu et al., (2017), which revealed a direct and substantial relationship between firm age and payment amount.

It has been discovered that the lag or prior year value of dividend distributions has a direct and considerable influence on the current year dividend payout. As a result, dividend payments made in the previous year raise the possibility of dividend payments in the current year. This finding backs up Litner (1956), Twu (2010), and Odeleye (2017). Profitability exerts a positive and minor influence on dividend distribution. This implies that a rise in profitability will result in an improvement in dividend payments. The direct relationship discovered between profitability and dividend payout is consonance with the findings of Asamoah (2005), Isham (2012), and Odeleye (2017), all of whom found a positive link between profit and dividend payout. Finally, the corporation's size is crucial and has a direct impact on dividend distribution. As a result, larger corporations pay higher dividends. This finding is in tandem with those of Coulton and Ruddock (2011), Amarjit and John (2012), Islam (2012), Aydin and Cavdar (2015), and Shehu et al. (2015), who found a substantial and direct association between business size and dividend payout. In contrast, the findings contradict Chanasit (2014), Ahmend et al., (2016), and Hussein et al., (2016), who discovered no relevant relationship between size of corporation and dividend distribution.

Conclusions and Recommendations

The critical importance of a sound corporate governance mechanisms and the phase a company occupy in its life cycle on investment in terms of dividend payouts cannot be over-emphasized**.** As a result, the impact of corporate governance structures and the business life cycle on dividend distribution of quoted non-financial enterprises in chosen Sub-Saharan African nations is investigated in this study. The countries of studied include; Nigeria, South Africa and Kenya and 239 firms were included for the analysis. The analysis period was for the years 2007 to 2017. Corporate governance was considered in terms of four factors, namely; size of the board, independence of the board, gender diversity of board and managerial ownership, while firm life cycle was proxied by earned/contributed capital mix and firm age while moderating variables are profitability and firm's size. It is argued in the study that the nature of boards could influence firm's dividend payouts. Furthermore, the study also tests the role of the life cycle of firms in determining current dividend payout of firms. Given that dividend is often patterned over a period of time, a dynamic framework was devised for the analysis based on the dynamic panel econometric analysis, hence, the system Generalised Method of Moments (sys-GMM) was used to estimate the model. The finding show that neither corporate governance processes nor the firm's life cycle have a significant influence on dividend pay-out.

In light of the empirical findings of this article, the following policy proposal is made. First, Since the study shows that corporate governance mechanisms and firm life cycle does not play effective roles in explaining firm dividend payout, it is therefore required that the board attributes (like size of board, gender diversity of board, board independence and managerial ownership) and life cycle of firms need not to be considered in terms of explaining dividend payouts among the selected firms in Sub-Sahara Africa. Apparently, larger independent members in boards are not desirable if the goal is increasing and sustaining dividend payout among the firms. Also, more female directors should be appointed to the boards of these firms. Secondly, Stock market supervisory body in chosen Sub-Sahara African nations should ignore the firm's life cycle. Dividends should be paid depending on the firm's profitability, not its stage in the life cycle.

References

Abdulkadir, R. I. (2015). The propensity to pay dividends among Nigerian listed companies. Unpublished PhD Thesis. University of Utara, Malaysia: School of Economics, Finance and Banking.

Abubakar, S., & Muhammad, S. (2017). Impact of board gender diversity on dividend payments: Evidence from some emerging economies. *International Business Review*, 26(6), 1100 – 1113.

Adamu, I. A., Ishak, R., & Hassan, N. L. (2017). Is there relationship between board structures and dividend policy? Evidence from Nigeria. *Journal of Advanced Research in Business and Management Studies*, 9(1), 10-20

Adamu, I. A., Ishak, R., & Hassan, N. L. (2017). Is there relationship between board structures and dividend policy? Evidence from Nigeria. *Journal of Advanced Research in Business and Management Studies*, 9(1), 10-20

Afza, T., & Mirza, H. H. (2011). Do mature companies pay more dividends? Evidence from Pakistani stock market. *Mediterranean Journal of Social Sciences*, *2*(2), 152–161.

Ahmed, S., Heba, A. G., & Mohamed, M.S. (2016).The effect of corporate governance on corporate payout policy on Egyptian firms. *The Business and Management Review*, 7(2), 102 – 112.

Aigbovo, O. (2018). Corporate governance mechanisms, firm life cycle and dividend payout of firms in Sub-Saharan African countries. Unpublished Ph.D Dissertation. University of Benin, Nigeria: Faculty of Management Sciences.

Ajanthan, A. (2013). Corporate governance and dividend policy: A study of listed hotels and restaurant companies in Sri Lanka. *International Journal of Management, IT and Engineering*, 3(1), 98-114.

Al-Najjar, B., & Hussainey, K. (2009).The association between dividend pay-out and outside directorship. *Journal of Applied Accounting Research* 10(1), 4-19.

Amalia, M., & Fredrik, A. (2017).A test of the life cycle theory of dividends and the effect of a financial crisis - evidence from Sweden. Unpublished M.Sc Thesis, Lund University, Sweden: School of Economics and Management.

Amarjit, S.G., & John, D.O. (2012). Corporate governance, institutional ownership, and the decision to pay the amount of dividends: Evidence from USA. *International Research Journal of Finance and Economics*, 97(2), 61 – 71.

Asamoah, G. N. (2005). Corporate governance and dividend policy: An evidence from Ghana. *SSRN Electronic Journal*, 1-22.

Aydin, A. D., & Cavdar, S. C. (2015). Corporate governance and dividend policy: An empirical analysis from Borsa Istanbul corporate governance index (XKURY). *Accounting and Finance Research*, 3, 66-76.

Berle, A. A., & Means, G. C. (1932). *The Modern Corporation and Private Property*. New York, Macmillan Co.

http://journals.uonbi.ac.ke/index.php/adfj
ISSN 2522-3186

Bhattacharya, D., Li, W., & Rhee, S. G. (2016). Does better corporate governance encourage higher payout? Risk, agency cost, and dividend policy. *Hitotsubashi Institute for Advanced Study (HIAS)Discussion Papers*, HIAS-E-20

Bokpin, G. A. (2011). Ownership structure, corporate governance and dividend performance on the Ghana Stock Exchange. *Journal of Applied Accounting Research*, 12(1), 61-73, https://doi.org/10.1108/09675421111130612

Camilo de Oliveira, A.R. (2016). The impact of culture and corporate governance on dividend policy: Evidence from emerging and developed countries. Unpublished M.Sc thesis. The polytechnic institute of Leiria, Canada: School of Technology and Management.

Chanasit, T. (2014). The firm's characteristics, corporate governance and dividend payment: Evidence from nonfinancial firms listed in Thailand during 2001 to 2010. *The AU Journal of Management*, 2, 64 – 74.

DeAngelo, H., DeAngelo, L.,& Stulz, R. M. (2006). Dividend policy and the earned/contributed capital mix: A test of the life-cycle theory. *Journal of Financial Economics*, 81(2), 227-254.

Denis, D. J., & Osobov, I. (2008). Why do firms pay dividends? International evidence on the determinants of dividend policy. *Journal of Financial Economics*, 89(1), 62-82.

Ezeagba, C. E. (2017). Effect of ownership structure on dividend policy: Evidence from selected firms in the Nigeria stock exchange. *NG - Journal of Social Development*, 6(3), 49- 63

Fama, E. F., & French, K. R. (2001). Disappearing dividends: Changing firm characteristics or lower propensity to pay? .*Journal of Financial Economics*, 60(1), 3-43.

Gonz´alez, M., Molina, C. A., & Rosso. J. (2016) The Effect of Ownership Concentrationand Composition on Dividends: Evidence from Latin America.Available at SSRN:https://ssrn.com/abstract=2505720 or http://dx.doi.org/10.2139/ssrn.2505720.

Griffin, C. (2010). Liquidity and Dividend Policy: International Evidence. *International Business Research*, 3(1), 3 - 9.

Gul, S., Khan, M. B., Ahmad, B., Rehman, S. U., & Shah, M. (2012).Taxes and dividend policy (The case of Pakistan).*Research Journal of Finance and Accounting*, 3(10), 115-121

Hommel, M. (2011). Dividend policy and ownership structure in Netherlands, Unpublished Ph.D Dissertation. Tilburg University, Netherland: School of Economics and Management.

Hussein, A. S., Byung-Seong, M., & Richard, C. (2016). Corporate governance and dividend strategy: lessons from Australia. *International Journal of Managerial Finance*, 12(5), 583-610, https://doi.org/10.1108/IJMF-03-2018-0156

Ikunda, C., Muiru, M., & Kamau, S. M. (2016). The impact of corporate governance on dividend payout of manufacturing firms listed at the Nairobi securities exchange, *Journal of Finance and Accounting*, 4(5), 254-261. doi: 10.11648/j.jfa.20160405.12

Ikunda, C., Muiru, M.,& Kamau, S. M. (2016). The impact of corporate governance on dividend payout of manufacturing firms listed at the Nairobi securities exchange, *Journal of Finance and Accounting*, 4(5), 254-261. doi: 10.11648/j.jfa.20160405.12

Islam, I. H. B. (2012).Board characteristics and dividend payout of Malaysian companies. Unpublished M.Sc thesis. University Utara, Malaysia: Othman Yeop Abdullah Graduate School of Business.

Javid, S. (2014). A relative study of dividend payout and life cycle stage of firms: A case for the chemical industry of Pakistan, Unpublished M.Sc thesis, Bahria University, Pakistan: Department of Management Sciences, Karachi Campus

Jensen, M. C. (1986). Agency costs of free cash flow, corporate finance, and takeovers. *The American Economic Review*, *76*(2), 323-329.

Jiraporn, P., & Ning, Y. (2006).Dividend policy, shareholder rights, and corporate governance.*Journal of Applied Finance*, 16(2), 24–36.

John, K.,& Knyazeva, A. (2006). Payout policy, Agency conflicts and corporate governance, Working paper, New York University and University of Rochester,

Kang, P. K., & Lee, K. (2006).Agency and corporate investment: the role of executive compensation and corporate governance. *Journal of Business,* 79(3), 1127-1147.

Khan, M. N., & Shamim, N. (2017). A sectoral analysis of dividend payment behavior: Evidence from Karachi stock exchange, *SAGE Open Journal*, 1-13 DOI: 10.1177/2158244016682291

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2000a). Investor protection and corporate governance. *Journal of Financial Economics*, 58(1-2), 3–27.

Lintner, J. (1956). Distribution of income and dividends among corporations, Retained earnings and taxes.. *American Economic Review*, 46(2), 97–113.

Miletic, M. (2015). Applicability of the firm life cycle theory of dividends on Croatian capital market, the 2015 East Institute West East Institute (WEI) International Academic conference proceedings, Prague, Czech Republic.

Mitton, T. (2004). Corporate governance and dividend policy in emerging markets. *American Economic Review*, 59(4) 409–426.

Mueller, D.C. (1972). A life cycle theory of the firm. *Journal of Industrial Economics*, 20(3),199–219.

Muhammad, A., & Rashid, Z. (2015). Corporate governance and dividend payout policy: A study of KSE listed firms of Pakistan. *Corporate Ownership & Control*, 1(1), 175 – 183.

Nadia, M. (2015). The relationship between corporate governance and dividend payout ratios: A South African study. *Journal of the Southern African Institute for Management Scientists*, 24(2), 20 – 35.

Nwidobie, B.M. (2016). Corporate governance practices and dividend policies of quoted firms in Nigeria. *International Journal of Asian Social Sciences*, 6(3), 212 – 223.

O'Conner, T. (2012). The relationship between dividend payout and corporate governance along the corporate life-cycle. *International Journal of Corporate Governance*, 4 (1), 1754 - 3037

Odeleye, A. T. (2017). *Quality of corporate governance on dividend payouts: The case of Nigeria.*(Working Paper Series No. 250).African Development Bank, Abidjan, Côte d'Ivoire.

Papo, P. (2014). Dividend policy and corporate governance in emerging markets.The South African case. Unpublished M.Sc thesis, university of the Witwatersrand, South Africa: Wits Business School

Salman, R., Yanping, L., & Muhammad, I. A. (2016).Dividend policy and corporate governance perspective. *Accounting and Finance Research*, 5(3), 77- 86.

Sawicki, J. (2009). *Corporate governance and dividend policy in South-East Asian pre- and post-Crisis.*(Working paper). Nanyang Technological University, Singapore.

Shehu, M. (2014). The relationship between corporate governance and dividend payout ratio: Evidence from Malaysia. Unpublished M.Sc thesis. University Utara, Malaysia: Othman Yeop Abdullah Graduate School of Business.

Subramaniam, R., & Susela, D. S. (2011).Corporate governance and dividend policy in Malaysia. *International Conference on Business and Economics Research,* 1, 200-207. Kuala Lumpur, Malaysia.

Tahir, S. H., Aslam, M. A., & Akhtar, M. A. (2014).The impact of board composition and ownership structure on dividend policy in Pakistan. *Research Journal in Economics and Business Studies*, 3(6), 18 – 24.

Thanatawee, Y. (2011). Life-cycle theory and free cash flow hypothesis: Evidence from dividend policy in Thailand. *International Journal of Financial Research, 2*(2), 52-64.

Thomas, V. P. (2013). The effect of board characteristics on dividend policy, unpublished M.Sc thesis.Tilburg School of Economics and Management: Department of Finance.

Thomsen, S., & Conyon, M.(2012).Corporate Governance: Mechanisms and systems. McGraw Hill.

Twu, M. (2010). Prior payment status and the likelihood to pay dividends: International evidence. *The Financial Review*, 3(3), 785–802.

Twum, B. Z. (2015). The impact of board attributes on dividend payout: Evidence from the Ghana stock exchange. Unpublished M.Sc thesis. Presbyterian university college, Ghana: Department of Business Administration.

Uittenbogaard, R. F. (2016). Do independent boards pay higher dividends? Unpublished M.Sc Thesis, Erasmus University, Rotterdam, Netherland: Erasmus School of Economics.

Uwuigbe, U., Olusanmi, O., & Iyoha, F. (2015). The effects of corporate governance mechanisms on firms dividend payout policy in Nigeria. *Journal of Accounting and Auditing: Research & Practice*, 1 – 11. D01:105171/2015-313679.

Van Pelt, T. (2013). The effect of board characteristics on dividend policy,' Working paper, No. 15, Tilburg School of Economics and Management, Tilburg University, The Netherlands: Department of Finance.

Von-Eije, H., & Megginson, W. L. (2008). Dividends and share repurchases in the European Union. *Journal of Financial Economics*, *89*(2), 347-374.

Yang, Y. (2014). Dividend decision and the earned/contributed capital mix. Unpublished M.Sc Thesis, Universiteit Van Tilburg, Sweden: School of Economics and Management.

Yeganeh, Y. H., Poorzamani, Z., Roodposhti, F. R., & Pakmaram, A. (2012). Corporate governance quality and dividend policy. *Journal of Applied Business and Finance Researches*, 1(1), 57-69.