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Analysis of The Impact of Ownership Structure on Dividend Policy of Listed Deposit Money Banks (DMBS) In Nigeria

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Abstract

The study analyses the impact of ownership structure and dividend policy of listed deposit money banks in Nigeria for the period 2014-2020. Thirteen deposit money banks (DMBs) were selected out of 14 (DMBs), and data were generated from the annual financial statements of DMBs. The findings indicated that managerial ownership shows a positive effect on dividend pay-out ratios; however, this effect is not statistically significant. Foreign ownership has a positive but not significant influence on the dividend pay-out ratio of listed DMBs in Nigeria. Conversely, institutional ownership shows a negative influence on the dividend pay-out ratio of DMBs and is significant. Moreover, ownership concentration is observed a significant negative impact on the dividend pay-out ratio of the DMBs. Furthermore, the study uncovers that profitability plays a moderating role in the relationship between managerial ownership and dividend pay-out ratio leading to a positive impact. Based on the findings and conclusion drawn, the following recommendations are proffered: Encourage managerial ownership alignment for improved governance, focusing on long-term value. Although not statistically insignificant for dividends, alignment enhances transparency and strategic vision, and attract foreign investment to diversify ownership for fresh perspectives.

Keywords: Concentrated ownership, foreign ownership, institutional ownership, managerial ownership
JEL Classification: O21

1.0 Introduction

The primary goal of a company's dividend policy is to maximize the return on investment for its shareholders, which is achieved by balancing two components: dividends and capital gains. While dividends are the periodic payments made to shareholders, capital gains are the profits earned by selling shares at a higher price than the purchase price. It is important to note that dividends and retained earnings move in opposite directions, but they are interdependent. Therefore, a company must find a balance between the two and determine a dividend pay-out ratio that provides sufficient equity to support the capital budget without having to sell new common stock or take the capital structure ratios outside the optimal range (Akinsulire, 2011).

The announcement of a company's dividend policy has a significant impact on its share price, as it signals the company's financial health and prospects to investors. This is in line with the signalling theory of dividends, which suggests that a stable dividend policy can increase investor confidence and positively influence share prices Jacklin and Bhattacharya (1988). The bird-in-hand theory of Gordon (1963) also supports this notion, as it posits that investors prefer current dividends over future capital gains, as the latter are uncertain and may not materialize.

An organization's ownership structure identifies every person or entity that has a stake in its stock or an ownership interest in it. The ownership structure of a company is widely recognized as a critical factor influencing its strategic decisions, particularly regarding dividend payments. This is because the dividend policy significantly affects the company's capacity to internally fund future profitable investments. Existing literature, such as studies by Dahiyat and Al-Nsour in 2021 and Farouk et al. in 2022, has extensively explored the relationship between a bank's dividend policy and its ownership structure.

When a company has a higher level of ownership concentration or more block holders, it implies that investors have greater monitoring power over the firm's managerial decision-making process (source). In addition, institutional ownership can serve as an alternative monitoring mechanism to dividends. Institutional investors' substantial stake and voting power in the company provide them with the incentive and ability to influence managerial behaviour, as discussed in studies by Shleifer and Vishny (1986), La Porta et al. (1998), and Short et al. (2002). Deposit money banks play a crucial role in mobilizing deposits and channelling them to the deficit sector of the economy.

In Nigeria, the previous practice of free, non-restrictive equity holding has led to serious abuses by individuals, their family members, and governments in the management of banks in the past. To encourage a private sector-led economy, the Central Bank of Nigeria (CBN) mandates that holdings by individuals and corporate bodies in banks should be more than that of governments. It is also recognized that individuals who form part of the management of banks in which they also have equity ownership have a compelling business interest to run them well (CBN 2006).

The COVID-19 pandemic and an oil price war have had a detrimental impact on the financial health of many companies globally. Particularly hard-hit sectors like tourism, hospitality, aviation, and retail have had to consider suspending or reducing dividend payments to preserve their cash reserves and overall business viability (Lahn & Bradley, 2020). For instance, major UK banks such as Barclays, Royal Bank of Scotland, HSBC, Lloyds, Santander, and Standard Chartered suspended dividend payments and share buybacks for 2019 through 2020. Croatia's National Bank also prohibited dividend distributions until December 31, 2020, on a case-by-case basis for each bank (Chemshirov, 2020) and in Nigeria, many companies and bank also suspended the payment of dividend such as Unity bank, Japaul, Universal Insurance, resort savings and loan, Niger insurance, Sunu assurance etc. (premium times 2021).

Although some companies such as Ecobank Transnational Incorporated has refrained from distributing dividends since 2015 even though it has consistently been reporting profits on account of the credit pact the lender signed with European Investment Bank, Underwriter Sovereign Trust Insurance etc. possess the financial capacity, including accumulated retained earnings, to continue paying dividends, there are challenges related to dividend distribution. Despite the introduction of e-dividend systems, issues like unclaimed dividends persist, especially in Nigeria, where many Deposits Money Banks (DMBs) face this problem (Yuguda 2021). Some actions by capital market operators (CMOs) have complicated the e-dividend mandate process, contributing to a substantial increase in unclaimed dividends, estimated at over N200 billion (Yuguda 2021). Furthermore, as of April 8, there were still 4,012,311 accounts with incomplete documentation (know your customer (KYC)) information, which poses a challenge to enhancing the participation of retail investors and prompts authorities to prioritize addressing this issue. See reference list Daily trust news paper

A dividend policy is a crucial tool that helps to balance the interests of shareholders and managers. Shareholders are typically more interested in receiving dividends, while managers may prefer to retain earnings to maintain control over resources and pursue growth opportunities. However, institutional ownership, foreign ownership, and concentrated ownership may be more interested in capital gains than dividend payments, which can create a conflict of interest with minority shareholders who prefer dividend payments. This preference is in line with the dividend signaling theory and the bird-in-hand theory of Gordon (1963). The deteriorating profitability of banks may become an issue that could negatively impact dividend decisions. In response to the COVID-19 pandemic and oil price war, many companies worldwide have had to cut or suspend dividend payments to preserve their cash resources and the viability of their business.

However, previous studies that examined the relationship between ownership structure and dividend policy include Alshubiri (2014) using industrial firms in Jourdan; Manuel and Reyna (2017) in Mexico; Peerbhai, *et al.* (2021) in South Africa; Bataineh (2021) industrial and service firms in Jourdan; Tigero, *et al.* (2023) in Latin America. These studies revealed conflicting findings and may not be generalized to DMBs in Nigeria.

However, in Nigeria, many studies examined the relationship between ownership structure and dividend policy such as the study of Afolayan (2015), Miko and Kamardin (2015), Aliyu, *et al.* (2016), Akani and Sweneme (2016) and Omilabu, *et al.* (2018) found a positive result and Adamu et al (2018), Adamu, *et al* (2020), Osidero and Ademola (2017) found a relationship between ownership structure and dividend policy. However, this study will also consider post COVID 19 period so that the findings can accommodate the effect of COVID 19 on the ability of DMBs in Nigeria to pay dividends.

2.0 Literature Review

2.1 Empirical Review

This study empirically reviews some literature on the ownership structure and dividend policy of some companies that are listed on the stock exchange of various countries including Nigeria. For example, the study of Similarly, Tahir, *et al.*, (2020) determined and analysed the effects of managerial ownership, institutional ownership, free cash flow, asset structure, and dividend policy on companies indexed in the LQ-45 Index which is listed on the Indonesia Stock Exchange (IDX) for the period of 5 years (2014-2018). The data were extracted from the annual reports of the companies. Ownership structure was proxies by Managerial ownership and institutional ownership while debt policy was the DV. A purposive sampling technique was adopted in the study which produced 85 observations. The tool of analysis of this study is multiple regressions with the support of a statistical package for social scientists (SPSS) software. The findings indicate that managerial ownership has no effect on debt policy as a managerial ownership measure does not guarantee changes in debt policy. Likewise, Sinnarajah's (2020) study explores the impact of ownership structure on the dividend policy of listed companies in Sri Lanka, with a specific focus on the Banking, Finance, and Insurance sectors. The research uses data from a panel of 30 companies listed on the Colombo Stock Exchange over five years (2011-2015). The study uses institutional ownership, concentrated ownership, and foreign ownership as proxies for ownership structure and dividend per share as a measure of dividend policy. Additionally, firm size, future opportunities, and return on equity (ROE) are considered control variables. The findings reveal several significant relationships. There is a significant negative relationship between institutional ownership and dividend per share, suggesting that higher institutional ownership tends to be associated with lower dividend pay-outs. Conversely, there is a significant positive relationship between foreign ownership and dividend per share, indicating that higher foreign ownership is linked to higher dividend per share. However, the study finds an insignificant positive relationship between concentrated ownership and dividend per share, suggesting that concentrated ownership does not strongly influence dividend pay-outs. The control variables, including ROE, firm size, and future growth opportunities (FGO), do not show significant associations with dividends per share.

Furthermore, Peerbhai, *et al.*, (2021) This study investigated the impact of ownership structures on dividend policies of 89 firms listed on the Johannesburg Stock Exchange All Share Index (ALSI) from 2010 to 2019. The research focuses on three ownership structures and employs a panel regression model, considering both fixed effects (FE) and random effects (RE) models. The findings reveal that institutional shareholders dominate the ownership landscape in these firms. The FE model shows that managerial and foreign ownership structures have no significant relationship with the dividend policies of these South African firms. In contrast, there is a negative association between institutional ownership and dividend policies. Additionally, firm size and profitability positively influence dividend policies. These results challenge traditional agency theory expectations, where large shareholders typically use higher dividends to limit available earnings for the benefit of managers. Instead, institutional investors in South Africa seem to actively monitor managerial performance. This study, the first of its kind in South Africa, offers valuable insights for investors looking to invest in JSE stocks, shedding light on the impact of ownership structures on dividend pay-outs. However, Tnushi, *et al.* (2023), This study investigated the influence of ownership structure on the dividend policies of listed deposit money banks in Nigeria from 2009 to 2019, focusing on factors like dividend yield. The research aims to understand how different types of investors impact these banks' dividend decisions, considering the changing ownership structures over this period. Key questions addressed include whether and to what extent dividends should be distributed. The study analysed data from 11 banks using Robust Tobit Regression. The study's significant findings indicate that institutional shareholdings, ownership concentration, and foreign shareholdings have positive and notable effects on dividend policies, suggesting that these factors encourage dividend payments by banks. On the other hand, managerial shareholdings have a negative and significant impact, implying that higher levels of managerial ownership can discourage dividend payments.

2.2 Theoretical Framework

Agency theory is been defined as a contract between a company's owners and its managers, where the owners (as principals) appoint an agent (the managers) to manage the company on their behalf. As a part of this arrangement, the owners must delegate decision-making authority to the management Jensen and Meckling (1976). Agency theory is a management and economic theory that explains the various relationships and areas of self-interest in companies (Teeboom, 2018). Agency theory describes the relationship between principals and agents as well as the delegation of control. According to Roger, *et al.* (2011), agency theory explains how best to organize a relationship in which one party, called the "principal," determines the work and in which another party, known as the "agent" performs or makes a decision on behalf of the principals. The statement explains the concept of agency problems that occur when managers and shareholders have different interests and motivations. The managers who do not own shares have no direct stake in the company's performance and may prioritize their benefits over the shareholders' returns. Agency theory was adopted due to its relevance in resolving conflict that may arise between the managers (agent) and the shareholders (principal) of the companies, its empirical evidence in the studies conducted by several scholars on the Ownership structure and dividend policy of Nigeria's companies captures the key statements of agency theory which serves as a basis for the adoption.

3.0 Research Methodology

3.1 Research Design

The study employs an explanatory research design to examine the relationship between the ownership structure and dividend policy of Nigerian banks. The study covers 14 deposit money banks that are quoted on the floor of the Nigerian stock exchange as of February 2022. The sample size comprises 14 deposit money banks (DMBs) from the NSE, selected based on two criteria: they must be listed throughout the study period and they must have the required data for the study. The study applies these criteria to ensure complete observation, minimum requirements, and avoid redundant samples. The study uses the financial statements of all the banks quoted on the Nigerian Stock Exchange (NSE) for the period under review (2014-2020)

3.2 Measurement of Variables

The dividend pay-out ratio was used as a dependent variable as DPR = Dividend per share divided by Earnings per share as stated in Gugler (2003), Bushra and Mirza (2015), Afolayan (2015), Khan *et al* (2015), Cyril *et al* (2020). Ownership structure was the independent variable proxy by Ownership concentration be measured as the Ratio of shares held by those with 5% shares or more to the total amount of ordinary shares in issue, as stated in Sale, *et al.,* 2018; Adamu *et al*., (2018), Sulong & Nor (2018), Farouk, *et al.*, (2022). Institutional ownership is measured as the ratio of shares held by institutions to the total amount of ordinary shares issued as stated in Al-shibori *et al.,* (2012), Dandago et al (2015), and Farouk, *et al.,* (2022). Managerial ownership is measured as the Ratio of shares held by directors to the total amount of ordinary shares in issue as stated in Miko & Kamardin 2012; Wahla, *et al.*, 2012; Saleh, *et al* 2018; Adamu *et al*., 2018; Sulong & Nor 2018), Farouk, *et al.,* (2022). Foreign ownership was measured as the Ratio of shares held by foreign directors to the total amount of ordinary shares in issue. Dandago *et al* (2015); and nor (2018), Farouk, *et al.,* (2022).

3.3 Technique of Data Analysis

Descriptive, correlation and multiple regressions were used in the study.

Descriptive statistics was used to compute the summary statistics that describe the central tendency, as well as, how the data spread out around the mean value. This tool was used to describe the dependent and independent of the study by computing the Mean, Median, Maximum, Minimum, and Standard Deviation of the variables. This was in line with the study of Chakraborty, *et al.*, (2004); Silvia and Toni, (2020).

The correlation technique was used to construct the nature of the relationship between ownership structure and dividend policy. This shows the strength of the relationship between the independent variables among themselves with the dependent variable. This is in line with the study of Mawutor and Kemebradikemor, (2015); Kawshala and Panditharathna, (2017) Gul, *et al.,* (2020).

The study uses multiple regressions with panel data methodology to measure the effect of independent variables on the dependent variable (dividend pay-out ratio). Ordinary Least Square (OLS) regression was used to analyse the data from the listed DMBs in this study

3.4 Robustness Test for Dependent and Independent Variables

This section of the study presents and discusses the entire robustness test conducted to improve the validity and reliability of the statistical inferences derivable from the regression model. This test includes; the multicollinearity test and the Cook-Weisbergb test of heteroskedasticity.

Multicollinearity Test: A variance Inflation Factor (VIF) test was carried out, the results of which provide evidence of the absence of collinearity. This is because the results of the VIF test range from a minimum of 1.33 to a maximum of 2.37 VIF of 5.00 can still be proof of the absence of collinearity Hence, the predictive ability of the independent variables is not adversely affected by the relationship.

Heteroskedasticity Test: The test is conducted to check whether the variability of error terms is constant or not. The presence of heteroskedasticity signifies that the variation of the residuals or term errors is not constant which would affect inferences concerning the beta coefficient, coefficient of determination (R^2), t-statistics, and F-statistics of the study. Test of heteroskedasticity ensures that the regression fits all the values of the independent variables and this is possible only if the residuals do not vary with the independent variable and therefore are random. The result of the heteroskedasticity test reveals the absence of heteroskedasticity in the model.

3.5 Models Specification

The models of the study are mathematically expressed as follows;

$$DPR_{it} = \alpha + \beta_1 COW_{it} + \beta_2 INO_{it} + \beta_3 MGO_{it} + \beta_4 FOW_{it} + \beta_5 BSZ_{it} + \beta_6 Age_{it}\ £_{it} \ldots\ldots_i$$

£ = the intercept, β_1-β_7 = The beta- factor of the various slope coefficients, DPRit = Dividend payout ratio of the DMBs i in year t, COW_{it} =Ownership Concentration of the DMBs i in year t, INO_{it} = Institutional Ownership of DMBs i in year t, MGO_{it} = Managerial Ownership of DMBs i in year t, FOWit = Foreign Ownership of DMBs i in year t, BSZ_{it} = Size of DMBs i in year t, Age = Age of the DMBs i in year t, $£_{it}$ = error term

4.0 Results and Discussion

Table 1: Descriptive statistics of the variables

Variables	Obs.	Mean	Std. Dev.	Min.	Max.
Dpr	91	0.2365	0.2388	0	0.7607
Mow	91	0.0189	0.0338	0.0007	0.2386
Fow	91	0.0156	0.0267	0.00011	0.1659
Ino	91	0.0226	0.0349	0.0004	0.1651
Cow	91	0.0713	0.08108	0.0029	0.3406
Bsz	91	9.5425	0.7975	8.19453	11.4780
Age	91	22.6154	14.2234	8	51

Source: Generated from Annual Report Data of the companies using STATA

Table 1 provides statistical information on various variables related to listed Deposit Money Banks (DMBs) in Nigeria: Dividend Pay-out Ratio (DPR): The mean DPR is approximately 23 kobo, indicating that, on average, these banks pay out around 23% of their earnings as dividends. The standard deviation of 0.2388 suggests significant variation in the DPR among the banks studied. Management Share Ownership: Managers, on average, own about 2% of the total shares of listed DMBs in Nigeria. The standard deviation of 0.0426 indicates considerable variation in management share ownership among these banks. Foreign Share Ownership: Foreign shareholders hold approximately 2% of the total shares of listed DMBs in Nigeria, on average. The standard deviation of 0.0293 reflects significant variation in foreign share ownership among these banks. Institutional Share Ownership: Institutional shareholders have an average ownership of about 2.3%, with limited variation among the companies studied (standard deviation of 0.0349). Ownership Concentration: On average, ownership concentration holds approximately 7% of the total shares of listed DMBs in Nigeria. The standard deviation of 0.08108 suggests significant variation in ownership concentration among these banks. Bank Size: Measured by the logarithm of total assets, the average bank size is 9.5425. There is relatively little variation in the size of the DMBs studied, as indicated by the standard deviation of 0.7975. Bank Age: The average age of these banks is approximately 22 years, with little variation (standard deviation of 14.2234) in their ages.

4.1 Correlation Matrix

Table 2: Correlation Matrix

Variable	dpr	mows	fows	insows	concows	netprot	bsize	age	vif
Dpr	1.0000								
Mow	0.0486	1.0000							1.54
Fow	-0.0391	0.3495	1.0000						2.37
Ino	-0.1286	0.3765	0.6759	1.0000					2.00
Cow	-0.2822	0.1588	0.0984	-0.0051	1.0000				1.26
Bsz	0.1466	-0.0782	-0.2204	-0.1344	-0.2479	0.2618	1.0000		1.25
Age	-0.0998	-0.2837	0.1977	0.0851	-0.3209	-0.1726	-0.0763	1.0000	1.51

Source: Regression results computed by the authors using STATA

Table 2 revealed that foreign ownership, managerial ownership, institutional share ownership, ownership concentration, bank size, and age of the banks. These correlation coefficients range from -1 to 1, with their signs indicating the direction of the relationship (positive or negative) and their absolute values reflecting the strength of the relationship (larger values indicating stronger relationships). Key findings from the correlation results: Foreign Ownership, Institutional Share Ownership, and Ownership Concentration: These three variables are negatively correlated with the dividend pay-out ratio (dpr). In other words, as foreign ownership, institutional share ownership, and ownership concentration increase, the dividend pay-out ratio tends to decrease. Management Share Ownership: Management share ownership is positively correlated with the dividend pay-out ratio (dpr). This suggests that higher levels of management share ownership are associated with higher dividend pay-out ratios. Bank Size: Bank size is also positively correlated with the dividend pay-out ratio (dpr), indicating that larger banks tend to have higher dividend pay-out ratios. Age of Banks: The age of banks is negatively correlated with the dividend pay-out ratio (dpr), suggesting that older banks tend to have lower dividend pay-out ratios.

Table 2.1 Diagnostic Test

Model	Variance Inflation Factor (VIF)	Heteroskedasticity	Hausman Test	Lagrange Multiplier (LM)
Table 3	1.61	0.1549	0. 2785	0.0910

Source: Regression results computed by the authors using STATA

Lagrange Multiplier (LM): A Lagrange Multiplier (LM) test is also conducted to help in deciding between a random effects regression and a simple OLS regression. The LM test revealed a p-value of 0.0910 evidence of no significant difference across the companies, this means we accept the null and conclude that OLS is appropriate.

4.2 Presentation, Analysis, and Discussion of Regression Results

This section presents the regression result of the dependent variable (Dividend Pay-out Ratio) and all the independent and control variables of the study.

The regression model of the study is presented in the table below:

Table 3: Regression Results Model

Dpr coefficients	**Std. Err.**	**T**	**P > t**	
Mow	0.5967	0.8308	0.72	0.475
Fow	1.8745	1.2992	1.44	0.153
Ino	-1.9086	0.9538	-2.00	0.049
Cow	-1.0938	0.3292	-3.32	0.001
Bsz	0.0162	0.0317	0.51	0.612
Age	-0.0035	0.0019	-1.78	0.079
_con	0.24213	0.3234	0.75	0.456
R-sq: = 0.2652				
Number of obs. = 91				
F(6,84) = 2.77				
Prob > F = 0.0165				
Hausman test = 0.2785				
Mean vif = 1.54				
Hettest = 0.1549				

The result shown in Table 3 R^2 of 0.2652 indicating that the independent variable ownership structure account for 26.52% changes in the dividend pay-out ratio of the listed DMBs in Nigeria, the F-value 2.77 and P-value 0.0165 confirmed the fitness of the model. The results further indicate that management share ownership has a positive but not significant influence on dividend pay-out ratio of listed DMBs in Nigeria. This implies that as the management share ownership increase, the dividend pay-out ratio increases, this is consistent with the findings of Gul, *et al.* (2020) examined the factors that affect the dividend policy of pharmaceutical companies registered on the Pakistan Stock Exchange (PSX) from 2013 to 2017. Populationbased on all sectors of Pakistan Stock Exchange (PSX) in which pharmaceutical companies have taken as a sample by using census sampling technique because all companies of the pharmaceutical sector were considered. Panel VAR model, fixed effect model (FAM) and regression was used to determine the influence of IV on DV. The results revealed a significant effect of managerial ownership, debt policy, ROA, firm size and free cash flow on dividend policy.

Foreign share ownership has a positive but not significant influence on the dividend pay-out ratio of listed DMBs in Nigeria. This implies that as the foreign share ownership increases, the dividend pay-out ratio increases, this contradicts the findings of Farouk, *et al.* (2022) who documented that shares owned by foreigners (foreign ownership) have a negative but significant impact on dividend pay-out ratio of commercial banks in Nigeria.

Nonetheless, institutional share ownership exerts a notable and negative impact on the dividend payout ratio of listed Deposit Money Banks (DMBs) in Nigeria. This signifies that as institutional share ownership increases, the dividend payout ratio tends to decrease. This aligns with the expected outcome, as institutional shareholders often prioritize capital gains over dividends, opting to reinvest profits into value-enhancing activities. This finding resonates with the results of Zaher et al. (2017), who observed a negative and significant relationship between information asymmetry and dividend policies among companies listed on the Tehran Stock Exchange from 2011 to 2017. However, it contrasts with the findings of Farouk et al. (2022), who reported that institutional investor ownership has a positive and significant effect on the dividend payout ratio of banks.

In addition, ownership concentration has a negative and significant influence on the dividend payout ratio of listed DMBs in Nigeria. This implies that as the ownership concentration increases, the dividend payout ratio decreases significantly, this is consistent with a prior expectation since larger shareholders are concerned with capital gain. The finding showed a negative significant impact on dividend policy, which indicates that the existence of large shareholders can reduce agency conflicts; and maximize the wealth of the banks.

Bank size measured as a log of total assets have a positive but not significant impact on the dividend pay-out ratio of listed DMBs in Nigeria, this is because larger banks have enough resource to enable them to achieve economy of scale which have a significant influence on bank strategic decisions.

Bank age measured as the number of years from the date of listing has a negative but not significant impact on the dividend pay-out ratio of listed DMBs in Nigeria, this is contrary to a prior expectation because older banks are expected to achieve economy of scale which will enable the bank to generate more profit and give higher dividend in return to shareholders.

5.0 Conclusions

This study examines the relationship between ownership structure and dividend policy of listed DMBs in Nigeria. Therefore, from the findings of the study, the following conclusions were made; Managerial ownership has a positive but not significant influence on the dividend pay-out ratio of listed DMBs in Nigeria. Foreign ownership has a positive but not significant influence on the dividend pay-out ratio of listed DMBs in Nigeria. Also, institutional share ownership has a negative and significant influence on the dividend pay-out ratio of listed DMBs in Nigeria. Ownership concentration negative and significant influence on the dividend pay-out ratio of listed DMBs in Nigeria.

5.1 Recommendations

Based on the findings and conclusion drawn, the following recommendations are proffered:

Encourage managerial ownership alignment for improved governance, focusing on long-term value. Although not statistically significant for dividends, alignment enhances transparency and strategic vision. Attract foreign investment to diversify ownership for fresh perspectives. Despite non-significant dividend impact, diversification enriches strategic direction and global insights. However, engage with institutional shareholders to address negative dividend influence. Open dialogue and tailored policies align dividends with stakeholder expectations. And also, Balance ownership concentration concerns to optimize dividends. Tailor strategies to satisfy both concentrated shareholders and diverse stakeholders.

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