



**BOARD-OWNERSHIP DYNAMICS, DIVIDEND POLICY AND SHAREHOLDERS'  
WEALTH OF LISTED FIRMS IN SUB-SAHARAN AFRICA**

**By:**  
**KWABENA AGYARKO GYEKYE**  
**(222061791)**

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**Supervised by:**  
**PROF. MSIZI MKHIZE**

**College of Law and Management Studies  
School of Accounting, Economics and Finance**

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## LIST OF PUBLICATIONS

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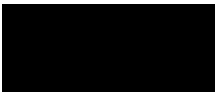
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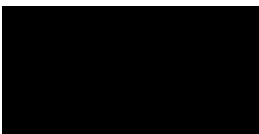
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## DEDICATION

*“Therefore now let it please thee to bless the PhD of thy servant that it may continue for ever before thee: for thou, O Lord GOD, hast spoken it: and with thy blessing let the PhD of thy servant be blessed for ever. AMEN!”*  
- 2 Samuel 7:29

This thesis and PhD degree is dedicated to my beautiful wife, **Mrs. Vivian Agyarko Gyekye**, whose support, prayers and words of encouragement urged and inspired me to complete this work. My sincere gratitude goes to my children (The 3Ns), **Nsroma, Nkranhye** and **Nkanyah** for their patience and understanding for all the days I was away to complete this work.

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*“Trust in the Lord with all your heart, and lean not on your own understanding; in all your ways acknowledge Him, and He shall direct your paths”*  
...Proverbs 3: 5-6

To **God** be the glory, great things He has done, so love He me that He gave me life, strength and knowledge to complete this PhD work. I am eternally grateful Lord. Thank you.

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## ABSTRACT

Corporate failure in Sub-Saharan Africa (SSA) is a testament to adverse board and ownership influence (i.e. board-ownership dynamics). This influence causes the loss of investors' confidence regarding the maximisation of shareholders' wealth (SW) through dividend payment. The loss of investors' confidence has ignited several studies in this field that need appraisal to know their contributions to literature over the years. Thus, this study examines the progress, development, and current issues in the field of board-ownership dynamics (BODY) to determine further research areas. The study further examines the relationships among BODY, dividend policy (DP), and shareholders' wealth of listed non-financial firms in SSA. The purposive-simple random sampling technique, R Biblioshiny, VOSviewer, and STATA 18 are used to analyse 1,022 Scopus-indexed journals and panel data of 157 listed non-financial firms. The study identifies six streams of research despite contributions from the Corporate Ownership and Control journal, Ntim Collins, the University of Southampton, and the United Kingdom on the subject. Using the post-positivist paradigm and archival data, the study finds that BODY (board size and gender diversity) significantly maximise shareholders' wealth while CEO duality, managerial, and state ownership diminish SW. DP significantly improves SW directly, but does not mediate the link between BODY (board independence, board meetings, institutional ownership) and SW. However, DP adversely mediates the link between SW and variables like CEO duality, managerial, state, and foreign ownership. Conversely, DP favourably mediates the link between gender diverse boards and SW. BODY is also found to significantly moderate the link between DP and SW. These findings support the dividend relevance, agency, bird-in-hand, resource dependence, outcome, and substitution theories. The study concludes that, other than dividend policy, BODY may maximise shareholders' wealth in SSA through other strategies like capital gains, CSR initiatives, and risk management. These strategies however require further empirical evidence. The study suggests that policymakers and corporate governance bodies should improve the BODY of listed non-financial firms in SSA through regular board assessment, transparency, accountability, and stakeholder engagement. Further studies should consider the short and long run effects of BODY and DP on SW using Panel Error Correction Model.

**Keywords:** Board attributes, ownership structure, dividend policy, shareholders, bibliometric analysis, GMM, SSA.

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## LIST OF ABBREVIATIONS

ABS	Association of Business Schools
BA	Board Attributes
BGD	Board-Gender Diversity
BIndp	Board Independence
BMeet	Board Meetings
BoD	Board of Directors
BODY	Board-Ownership Dynamics
BSize	Board Size
CEO	Chief Executive Officer
CEOD	Chief Executive Officer Duality
CG	Corporate Governance
CSR	Corporate Social Responsibility
DP	Dividend Policy
DPR	Dividend Pay-out Ratio
DPS	Dividend per Share
EPS	Earnings per Share
ESG	Environment, Social and Governance
EXC	Exchange Rate
FAge	Firm Age
FP	Financial Performance
FO	Foreign Ownership
FSize	Firm Size
GDP	Gross Domestic Product
INF	Inflation
IO	Institutional Ownership
LEV	Leverage
LIQ	Liquidity
MO	Managerial Ownership
MPS	Market Price per Share
OS	Ownership Structure
SO	State Ownership
SW	Shareholders' Wealth
SSA	Sub-Saharan Africa

# CHAPTER ONE

## STUDY OVERVIEW AND INTRODUCTION

*“The best director or owner is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from meddling with them while they do it.”*  
-Theodore Roosevelt

### 1.1. RESEARCH BACKGROUND

Growth in the number of listed firms is a panacea to economic development within the African sub region (Opombo and Diawara, 2024). This is primarily attributable to technological advancement, globalisation, cross-border mergers, and deregulations (Boltayeva, 2024; Maani and Rajkumar, 2024; Pradeep, 2023). This current trend calls for enhanced capabilities on the part of board of directors and owners alike, especially, in driving the agenda of maximising shareholders’ wealth (SW) through appropriate dividend policies (DP) (Muras and Szczepańska-Woszczyzna, 2024; Pradeep 2023). This agenda could, however, be marred by conflicts in the principal-agent nexus, owing to the ownership and control separation. Consequently, corporate governance frameworks have been introduced by investors to mitigate this challenge by directing agents to pursue the agenda of shareholders’ wealth maximisation (Cheng *et al.*, 2024; de Villiers and Dimes, 2021). Studies have argued that shareholders’ wealth maximisation can be influenced by a range of dynamics, such as board attributes, ownership structure, and dividend policy (Boshnak, 2023; Fariha *et al.*, 2022; Rooly, 2022).

Board attributes and ownership structure are two sides of the same coin that collectively contribute favourably or adversely to maximising shareholders’ wealth. Board attributes are important corporate governance mechanisms. This is because the board of directors is part of the central internal control systems of corporations (Cheng *et al.*, 2024). These board of directors are appointed at annual general meetings dependent on the ownership of a corporation. Thus, incompetent board members and unfavourable ownership influence, may result in bad financial decision-making. This may ultimately lead to business collapse (Ghazali *et al.*, 2022).

Several studies have discussed how board attributes and ownership structure affect firm value following diverse corporate failures in Sub-Saharan Africa (Bod’*a* and Jeřábek, 2024; Tran, 2024; Mai and Syarief, 2021; Mubaraq *et al.*, 2021; Nazar, 2021; Ofori-Sasu *et al.*, 2022; Wang and Hu, 2024; Rooly, 2022). Examples of such failures are Denel and Steinhoff in South Africa, Cadbury and Lever Brothers in Nigeria, UT Bank and Capital Bank in Ghana, and Nakumatt and ARM Cement in Kenya.

The studies that sprout on the back of corporate scandals include Rooly (2022), who looks at the connection between structure of ownership and board features on shareholders' wealth, resulting in mixed and comparable outcomes. A different line of research also looks at how ownership structure and board characteristics affect dividend policy. Notable among these studies include Boshnak (2023); Hussain *et al.* (2020); Juhmani (2020); Pramodya and Chathurika (2022); and Thompson and Manu (2021), who look at how ownership structure and/or board characteristics affect dividend policy, arriving at similar and different conclusions.

Also, Dissanayake and Dissabandara (2021); Gyapong *et al.* (2021); Khan (2022); Tahir *et al.* (2020a), among others, show how different board attributes affect dividend policies of firms. From the empirical review, most studies arrive at different conclusions due to different jurisdictions and sectors. Further, the majority of research look at the banking sector with no consensus on the relationship between board attributes and dividend policy. The board attributes that affect the dividend policy of listed manufacturing firms in Sub-Saharan Africa remain a puzzle to be unravelled.

In unravelling this puzzle, it is necessary to explain why firms decide to or not to pay dividends. This explanation has, however, posed significant challenges to researchers, economists, finance, accounting, and corporate governance experts. The existence of dividend policy has been referred to as puzzling, causing researchers to conclude that there is no explanation to the dividend payment decision (Basse and Schwarzbach, 2023), even though the type of dividend policy a company can adopt is one of the essential decisions made by boards of companies (Leary and Nukala, 2024). This decision has been claimed to be a hot topic, and yet many questions in the field remain unanswered, especially in the context of Sub-Saharan Africa (Pinto *et al.*, 2019). Past empirical studies such as Ben Salah and Jarboui (2024); Driver *et al.* (2020); Kilincarslan (2021); Rawal and Gopalkrishnan (2024); Tran (2021); and Ye *et al.* (2019) mainly focus on developed countries and regions other than SSA.

Again, several conflicting results exist in the extant literature. A strong positive connection between dividend policy (DP) and shareholders' wealth (SW) is observed in a number of studies, including Amaramiro and Njoku (2019); Dang *et al.* (2021); Miglani and Mogla (2019); and Ullah *et al.* (2021). Conversely, studies like Bezawada and Tati (2017) and Etale and Ujuju (2018) report an inverse link between dividend policy (DP) and shareholders' wealth (SW). It is interesting to note that inconsistent findings or no association at all are observed between DP and SW by Kayode *et al.* (2022); Khalaf (2023); and Omodero (2017).

Findings from the above studies are not conclusive due to the many divergent opinions and dissimilar theoretical footings. It is worthwhile to investigate the conflicting theoretical frameworks that underline the links among dividend policy, shareholders' wealth, and board attributes. Some studies contend that dividend policies have little bearing on shareholders' wealth, while others maintain that dividend policies have a significant impact on shareholders' wealth (Bod'a and Jeřábek, 2024; Tran, 2024).

A range of contradicting philosophies, theories, and concepts have evolved to elucidate why dividend policies are important in practice. Some scholars are of the proposition that clienteles affect dividend policies (Felimban, 2021; Leary and Nukala, 2024). Following the contradicting theories, the signalling and agency theories predict that firms can convey information to the market and cost conflicts of shareholders can be abridged correspondingly by dividend payments (Onyango, 2023). The debate between these theoretical models remains unresolved and needs further probing.

Following the complexities of the ongoing discussions on board attributes, ownership structure, dividend policies and shareholders' wealth, current researchers have taken the conversation further to extend the interrelationships among these variables. The mediating effect of DP and the moderating effect of board attributes and ownership structure are among the current conversations by researchers on the subject matter. This has become necessary in unravelling the puzzles and controversies in the subject area (Basse and Schwarzbach, 2023). Scholars and decision-makers are providing copious amounts of empirical research and models that illustrate the crucial role of board-ownership dynamics in the dividend policy (DP) and shareholders' wealth nexus (Mai and Syarief, 2021). An example of these studies is that of Aminu and Salawudeen (2019) who observe the mediating role of dividend policy on board composition and shareholders' wealth in Nigeria. They discover that DP significantly and favourably mediates the relationship between shareholders' wealth and board qualities.

Other studies such as Guizani (2018) and Ramirez and Ferrer (2021) consider the mediating influence of DP on other variables and not the board-ownership-shareholder's wealth nexus. Ofori-Sasu *et al.* (2019) on the other hand study the dynamics of board structure as a mediating factor in decisions on dividend policy in developing markets. These are among the very few studies on the mediating effect of DP on the board or ownership dynamics and shareholders' wealth (SW) nexus. Additionally, the impact of board attributes or ownership dynamics on the relationship between DP and SW or other governance variables has been examined in a number of current studies, including Mai and Syarief (2021), Mubaraq *et al.* (2021), Nazar (2021), and Ofori-Sasu *et al.* (2022).

Nonetheless, the majority of these studies concentrate solely on banks in Africa or businesses within a single economy. Their analyses fail to account for the influence of the individual elements as well as the composite effect of the board dynamics and ownership variables. A deeper understanding of these issues will be achieved by examining the collective and individual contributions of both board attributes and ownership structure dynamics in the nexus between dividend policy and shareholders' wealth in Sub-Saharan Africa. As a result, this study aims to address the aforementioned gaps by providing insights on board-ownership dynamics, dividend policy, and shareholders' wealth of sampled listed non-financial firms in Sub-Saharan Africa (SSA). The above information sets the tone for the problem statement in section 1.2.

## **1.2. PROBLEM STATEMENT OF RESEARCH**

The recent folding up of some companies in Sub-Saharan Africa (SSA) is a testament of poor corporate boards and adverse ownership influence (Ajeigbe and Ganda, 2023; Wang and Hu, 2024). This has become an issue of concern with divergent views by researchers; citing failures of global giants like Enron and WorldCom in discussing the predicaments of SSA. The global scope of earlier studies cover corporate governance in general (Batra *et al.*, 2023; Mumu *et al.*, 2022), making it possible to overlook important insights to the subject of board attributes and ownership structure, termed as “board-ownership dynamics”, if not synthesized (Mumu *et al.*, 2022).

Earlier studies do not cover the full spectrum of board attributes and ownership structure in terms of synthesizing the subject matter (Antwi *et al.*, 2022). Batra *et al.* (2023); Antwi *et al.* (2022); and Mumu *et al.* (2022) use bibliometric techniques to identify trends in the field without extensively exploring bibliographic coupling, co-citation, and thematic clustering to synthesize board attributes and ownership structure as a single search item (de Enrique Arnau & Pinillos-Costa, 2024). This study fills the identified gap to inspire further research in the area of board-ownership dynamics using bibliometric tools and techniques. It identifies the growth, scientific mappings, and current trends in the field, from prior years of 2008 to the post-COVID-19 era of 2023. After the emergence of COVID-19 and the recent global economic challenges, business owners in both developed and emerging markets have been troubled by the question of whether profits should be shared as dividends or reinvested (Persson and Hinton, 2023). Consequently, the policies adopted by companies in relation to dividends, pose many issues of concern in management decision-making. Shareholders and investors in Sub-Saharan Africa have lost confidence in terms of dividend payment by firms due to signals of the recent economic crisis, unfavourable macroeconomic factors, agency conflict, corporate failures, and adverse effects of the COVID-19 pandemic (Wang and Hu, 2024; Salameh *et al.*, 2023; Persson and Hinton, 2023; Ofori-Sasu *et al.*, 2022; Rooly, 2022).

This study views the loss of confidence by investors through the lens of board-ownership dynamics (BODY). This is because BODY serve as key drivers to management incentives and shareholders' wealth maximisation through dividend payment (Salameh *et al.*, 2023). BODY and dividend payment have been noted with the potential to signal the growth prospects of companies and wealth maximisation of owners (Ali, 2022; Olayiwola and Ajide, 2019; Shehata, 2022). In arriving at the signalling effect of board-ownership dynamics, discussions are ongoing in the extant literature as to whether it directly affects shareholders' wealth or through dividend policy (Salameh, 2023). A number of studies investigate the effect of board characteristics and ownership structure on shareholders' wealth with several limitations.

First, they are limited in geographical scope; the majority of research in this field focus mainly on developed markets with little attention to the African sub region (Boďa and Jeřábek, 2024; Wang and Hu, 2024; Tran, 2024; Boshnak, 2023; Rooly, 2022). Second, most of the existing studies do not capture the recent economic challenges in terms of macroeconomic variables such as GDP, inflation, and exchange rate, especially in the context of listed non-financial firms in SSA (Bataneh, 2020; Hasan *et al.*, 2023). Third, majority of existing studies suffer bias and generalisation problems since they focus on one country, mostly banks and either board attributes or ownership structure and not both (Endang, 2020; Khan, Al-Jabri and Sai, 2021; Queiri *et al.*, 2021; Venusita and Augustia, 2021). Fourth, a lacuna exists in addressing the issue of dividend relevance and irrelevance conversation from the perspective of board attributes and ownership structure. Lastly, research in the field of board-ownership dynamics, dividend policy, and shareholders' wealth has gained much controversies on specific theories explaining their interactions (Bataneh, 2020; Boshnak, 2023).

An investment into these issues will help address the concerns and lost confidence of shareholders due to corporate governance challenges, agency costs, recent economic challenges, post-COVID-19 adverse effects on corporations, and corporate failures such as Denel and Steinhoff in South Africa; Cadbury and Lever Brothers in Nigeria; UT Bank and Capital Bank in Ghana; and Nakumatt and ARM Cement in Kenya, all in Sub-Saharan Africa (Boltayeva, 2024; Cheng *et al.*, 2024; Wang and Hu, 2024; Salehi and Hassanzadeh, 2024; Nguyen *et al.*, 2019; Rooly, 2022). An investigation into the interplay among board-ownership dynamic, divined policy, shareholders' wealth, as well as their theoretical perspectives will be useful for policy makers and investors. Studying the progress and developments on the subject matter over the years, detailing the current and trending issues will influence new research dimensions in the area.

The research addresses the identified issues by utilising bibliometric data from the Scopus database, spanning 2013 to 2022 and panel data of listed non-financial firms from the JSE, NGX, NSE, and GSE, spanning 2013 to 2022 to answer the following research questions:

*RQ1* What are the progress, developments, trends, and current issues over the years that significantly contribute to the field of board-ownership dynamics (BODy) to influence further research?

*RQ2* How do board-ownership dynamics (BODy) affect shareholders' wealth and dividend policy of non-financial listed firms in Sub-Saharan Africa, and if so, which specific aspects of BODy do?

*RQ3* What is the mediating role of dividend policy in explaining the connection between board-ownership dynamics and shareholders' wealth of listed non-financial firms in Sub-Saharan Africa?

*RQ4* Do board-ownership dynamics have a moderating influence on the relationship between dividend policy and shareholders' wealth of listed non-financial firms in Sub-Saharan Africa?

### **1.3. RESEARCH GOAL AND STUDY OBJECTIVES**

#### **1.3.1. Research goal**

The study presents essays on the interactions and interplay among board-ownership dynamics (BODy), dividend policy (DP), and shareholders' wealth (SW) to reduce the controversies on the subject matter from the perspective of Sub-Saharan Africa (SSA) as well as influence new areas of research on BODy in general, through a bibliometric review.

#### **1.3.2. Objectives of the study**

In order to explicitly accomplish the goal of the study, the work seeks to:

- i. Ascertain the progress, development, and current and trending issues in the general field of board-ownership dynamics, employing bibliometric tools and techniques to inspire further research areas. In achieving this objective, the study identifies the most significant articles, sources, authors, countries, institutions, keywords, and suggests areas for further research using citation, co-citation, bibliographic coupling, cluster and thematic analysis.

- ii. Assess the impact of board-ownership dynamics (BODY) on dividend policy (DP) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA) through empirical analysis and framework to understand their influence. This objective is achieved using regression models to predict the nexus between BODY and SW, and DP and SW in SSA.
- iii. Investigate and delineate the mediating role of dividend policy (DP) in relationship between board-ownership dynamics (BODY) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA), evaluating theoretical and practical implications. This objective is achieved using Structural Equation Model to test the mediating influence of DP measured as dividend per share (DPS) and dividend pay-out ratio (DPR), on the link between BODY and SW in SSA.
- iv. Evaluate and elucidate the moderating influence of board-ownership dynamics in the interplay between dividend policy and shareholders' wealth, identifying empirical and policy implications. This objective is achieved using GMM to test the exclusive and distinctive moderating of role of BODY variables on the interplay between DP and SW in SSA.

#### **1.4. MOTIVATION FOR THE STUDY**

This research is prompted by the recognition of board attributes, ownership structure, dividend payment, and shareholders' wealth maximisation being essential concepts with considerable debates in the literature. Both policymakers and scholars are deeply engaged in providing extensive models and empirical investigations into the significance of board and ownership dynamics in relation to dividend policies and the maximisation of shareholders' wealth. Considering the collaborative functions of directors in shaping dividend determinations affecting owners' value, it is imperative to estimate the impact of dividend policy (DP) on shareholders' wealth (SW) of publicly listed companies across various sectors in the SSA.

The study is informed by the background dialogues arising from the intricate interplay among board-ownership dynamics (BODY), DP, and SW in past research yielding varied and comprehensive outcomes due to contextual, industrial, and national discrepancies (Ofori-Sasu *et al.*, 2022; Rooly, 2022; Rooly, 2022; Bataineh, 2020; Boshnak, 2023). There is a paucity of empirical literature and research exploring the moderating influence of BODY on the empirical nexus between DP and shareholders' wealth in SSA.

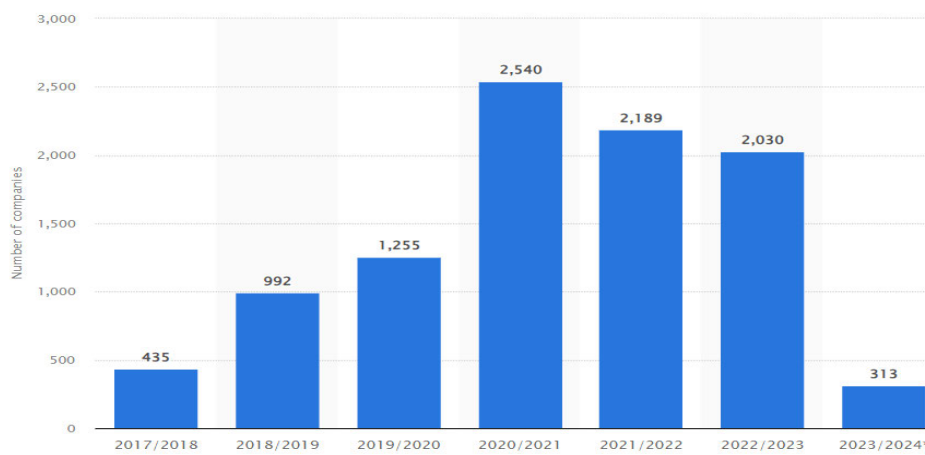
Scarce theoretical and empirical studies are available on the micro and macroeconomic determinants of DP. This is also true for the relationship between board characteristics or ownership structure or both, with dividend policy and shareholders' wealth within the context of SSA pursuant to the current global economic crisis and corporate failures in recent times.

The numerous corporate failures in the sub region are attributed wholly or partly to suboptimal decisions by boards and the detrimental influence of owners. For instance, the recent failure of some seven (7) banks in Ghana has been attributed to adverse board and ownership influence as key factors of poor corporate governance by the Bank of Ghana and other financial analysts. Senior management and the board were either passive or involved in activities that served their own interests rather than the expansion of the banks. The boards of directors were unable to supervise the external auditing system, corporate reporting systems, and bank accounting systems. They were unable to offer appropriate and effective framework for risk management. Other companies like Ikam Printing Press, Massai Company, Unibank, and Heritage Bank in Ghana also collapsed due to their ownership ties to government and politics.

The story of corporate failures in South Africa is not too different from that of Ghana. Recent business news in South Africa indicate that a number of foreign companies have lately left or intend to leave. This has made government representatives face the danger of deterring further foreign investors. Three enormous global petroleum companies - BP, Shell, and Total Energies are reducing or leaving their activities in South Africa. With a total assets of R8.2 trillion under management, BNP Paribas, the sixth-biggest bank in the world, has scaled back its non-core businesses in Africa, and as a result, the Prudential Authority has revoked the bank's license to conduct business through a branch. In other news, fitbit devices were no longer sold in South Africa in 2023 as a result of the parent firm, Google, removing the brand from a number of territories.

In Nigeria, Cadbury and Lever Brothers are among the recent firms that have collapsed over the years. Other collapsed firms in Nigeria include: Universal Rubber in 2019, Standard Biscuits, Nasco Fibre, UTC Foods, and Deli Foods Limited all in 2020, and GlaxoSmithKline Nigeria and Moak Ventures in 2021, as reported by the International Centre for Investigative Reporting (ICIR) in 2022.

In Kenya, Figure 1 shows the number of failed firms from 2017/2018 to 2023/2024 business years. These firms include: Ari Bank, Reliance Bank, Chase Bank, Nakumatt, ARM Cement, Akamba Bus, Brands under Procter & Gamble (P&G), Jumia Food riders, GlaxoSmithKline Kenya, Eastend Junior Academy, and Base Titanium Kenya.



**Figure 1: Number of failed companies in Kenya from 2017/2018 to 2023/2024**

**Source:** <https://www.statista.com/statistics/1298418/number-of-companies-closing-operations-in-kenya/>

Aside from the issues of corporate failures reported above, the emergence of COVID-19 with its antecedent effects has influenced the corporate landscape of many emerging economies. This study is motivated by the post-COVID-19 effect on corporate governance policies and financial performance. The pandemic, COVID-19, exposed significant deficiencies in both previous and current standards of corporate governance, as well as potential ramifications that could detrimentally impact a company's performance (Ismail *et al.*, 2024; Naeem *et al.*, 2022). Throughout the COVID-19 crisis, firms experienced performance setbacks due to the widespread economic downturn across various sectors, resulting in certain firms reducing or altogether eliminating dividend payments, while others continued to distribute dividends. Consequently, the board of directors faced crucial determinations regarding the disbursement of dividends. These decisions, in turn, influenced the optimisation of shareholders' wealth. The unprecedented challenges posed by the COVID-19 pandemic, thus, necessitates a reassessment of long-term corporate governance policies (Munyaradzi, 2024; Naeem *et al.*, 2022).

Based on the above issues, the research is motivated to study SSA due to its wide range of economic systems entrenched with emerging markets in developing economies, which provides a rich tapestry of ownership patterns and corporate governance structure. The regional financial market is evolving, with the stock markets of South Africa, Nigeria, Kenya, and Ghana among the most vibrant and active ones. The developments in the stock markets of these countries offer a fertile ground for researching contemporary corporate governance practices and their relationships with shareholders' wealth. Also, dividend policy plays a vital role in signalling the stability and growth prospects of firms in less mature markets.

Comprehending the mediation influence of dividend policy on the board-ownership and shareholders' wealth link will provide valuable insights for researchers, practitioners, and policymakers in the region. This adds to the essential benefits of board attributes and ownership structure literature

Considering the essential benefits of ownership matrix and board attributes in successful corporate governance (CG), determining the overall research trend is essential since it gives prospective researchers a broad orientation and further research agenda. Scholars have diligently investigated this topic, particularly after 2008, when the number of company bankruptcies started to increase. The latitude of previous works comprised CG, or more specifically, boards of corporations or ownership structures (Baker *et al.*, 2020; Batra *et al.*, 2023; Khatib *et al.*, 2021; Rooly, 2022; Singh *et al.*, 2021). It is still possible to overlook important insights to the subject matter if the prior studies is not synthesized (Mumu *et al.*, 2022).

The absence of thorough research in the field to inform management decision making can eventually contribute to corporate failure (Mahadew, 2024). The degree to which board attributes and ownership structure affect management incentives and the degree of monitoring indicate how important it is to the corporate governance process and, thus, the need to develop future research agenda trends through a bibliometric analysis.

### **1.5. SIGNIFICANCE OF THE STUDY**

The research work is noteworthy due its enormous addition to the body of academic and scholarly knowledge. It offers a more thorough understanding of the traits of boards, ownership structures, dividend policies, and shareholders' wealth in SSA. It will assist to improve on less thorough past research since ownership structures and board compositions in different sectors work differently in most nations.

In the manufacturing and industrial sectors, in-depth understanding of the link between board-ownership dynamics and shareholders' wealth can enable them to improve their operational efficiency in terms of better decision-making processes regarding dividend policy and resource allocation. Insights into ownership structure can help manufacturing companies on the modalities of attracting investment for innovation, expansion and growth. Retail and consumer goods may also benefit by navigating the market expansion and guidance for entering into new markets based on effective and efficient governance strategies.

In the agriculture, energy, and natural resources sectors, insights into the interplay of board-ownership dynamics, dividend policy and shareholders' wealth can ensure that governance policies are both economically viable and sustainable. It can enable them to secure funding and raise more capital, enhance stakeholder engagement, and manage relationships with government, investors and the local community. The telecom, construction and real estate sectors can also enjoy rapid growth, improved project management and creation of a corporate culture that appeals to and retains top talent, crucial for the performance, growth and competitiveness.

In the banking and finance services, insights into the interplay of board-ownership dynamics, dividend policy and shareholders' wealth can aid banks and other financial institutions to implement effective and efficient risk management practices. For instance, comprehension of the impact of independent directors on the oversight responsibility of management can lead to a robust governance framework that reduces agency cost and mitigate financial risks. Banks can also employ the findings to optimize their minimum capitalization and capital allocation strategies while ensuring that dividend policies are in alignment with regulatory requirements.

Additionally, the study has significant ramifications for SSA area businesses, managers, investors, legislators, and regulators. It will provide policymakers with a clear understanding of the sum of dividends that should be rewarded to stockholders in order to optimize their wealth. Businesses can leverage on the findings to optimized and operationalize their board composition strategies, ensuring a mixture of talents, skills and ownership structure that can enhance performance and governance. It will enable investors to make informed decision based on a deeper insight into how the different ownership structures and board attributes affect firm performance and wealth maximisation in Sub-Saharan Africa. Investors can learn more about the importance of dividends and how they connect to management actions that affect their wealth. It will help managers to develop optimal polices and implement appropriate practices that help to address agency conflict whiles maximising shareholders' wealth.

Central to the prominence of this work is the gross addition to the past and present literature in the field of corporate governance, board-ownership dynamics, dividend policy and shareholders' wealth. The study adds to the body of empirical and theoretical knowledge of both academics, professionals, and policy makers. For academics and researchers, insights from the research can be used to refine existing literature and theoretical models on corporate governance, board attributes, ownership structure, dividend policy and shareholders' wealth.

Further research interest in this area will be sparked by this study to contribute more in the broader field of board-ownership dynamics and its impact on other essential aspects of businesses other than dividend policy and shareholders' wealth. The thorough understanding to be gained on the subject matter can also inform researchers on the design of longitudinal studies that take into consideration track changes in board attributes, ownership structure, dividend policy and shareholders' wealth to give a deeper perspective into their causal relationship and interplay.

## **1.6. ASSUMPTIONS OF THE STUDY**

The research work is grounded on the assumptions that:

- i. The listed firms in SSA are faced with CG issues on dividend policy and wealth maximisation due to the current global economic challenge, corporate failures, and adverse effects of the COVID-19 pandemic.
- ii. The sampled listed firms have published all annual reports for the study period which contains relevant, reliable, comparable and verifiable information from which data is drawn for analyses. Also, the Scopus database is deemed to cover significant articles on board-ownership dynamics literature.
- iii. The research notes that truth is considered as objective and that experiences of truth are inevitably flawed due to the influence of individual values and experiences.

## **1.7. THESIS LAYOUT**

The thesis is separated into ten chapters, as summarised below and shown in Figure 2.

### **Chapter One: Study overview and introduction**

This chapter covers the study background, which sets the tone for the problem statement out of which the research questions are deduced. The research questions include the objectives to be achieved, followed by the motivation and significance of the study with the underlining assumptions. The chapter ends with a pictorial view of the entire thesis structure.

### **Chapter Two: Theoretical and conceptual review**

This chapter highlights and explains the underpinning theories and broad concepts of the study. It establishes the parameters and statistical techniques that will be used in research, acting as a road map for all research projects.

On the shoulders of existing theories, a conceptual framework is developed to serve as a navigational map for the study. The conceptual framework shows the interrelationship among the study variables. In order to utilise the directional map for the research, the study examines ideas that are relevant to the topic. The chapter starts with the theoretical underpinnings, followed by the conceptual framework and review that cover a diagrammatical representation of the study and definitions of relevant concepts.

### **Chapter Three: Empirical evidence and hypotheses development: BODY and its effect on SW and DP**

The chapter examines the body of research on board-ownership dynamics and how they affect dividend policy and shareholder wealth. In accordance with the study's first and second objectives, this empirical review is divided into three sections. The empirical review of bibliometric research on board-ownership dynamics (BODY) is examined in the first part. The impact of BODY on shareholders' wealth is examined in the second part, while the effects of board-ownership dynamics on DP are examined in the third.

### **Chapter Four: Empirical review and hypotheses development: mediation of role on DP on BODY and SW and moderation of BODY on DP and SW**

This chapter continues with the empirical review of existing literature and the development of hypotheses for objectives 3 and 4. It covers the mediating and moderating effects of dividend policy board ownership dynamics, respectively. In harmony with the third and fourth objectives of the study, the part is divided into two portions. The first segment examines how dividend policy mediates the link between the wealth of board-ownership dynamics and shareholders. The second section looks at the moderating effect of BODY on the nexus between DP and SW.

### **Chapter Five: Design of research and methodology**

This chapter highlights the design and method based on the research onion model. It is grouped into ten sections. The sections covered in the chapter are: the research onion, the research philosophy, research approach, methodological choice, research strategy, time horizon, population, sample and sampling technique, data analyses, model specification, variable description, and ethical consideration.

### **Chapter Six: Results for objective one: bibliometric review of board-ownership dynamics**

The findings and analysis for the bibliometric study on board-ownership dynamics are provided in this chapter.

The present study aims to investigate the advancement, evolution, and contemporary and emerging concerns within the broader domain of board-ownership dynamics. To this effect, bibliometric instruments and methodologies are utilised, with the goal of stimulating more research endeavours within the subject. This chapter's main contribution is a list of the best and most recent studies on the topic of board-ownership dynamics. It adds to the body of previous research and provides fresh perspectives on studies of board attributes and ownership structure. The study plots the conceptual framework of the subject to pinpoint the recurrent themes that offer direction to academics and future researchers.

### **Chapter Seven: Results and discussion: effect of BODY on DP and shareholders' wealth**

This chapter covers the diagnostic data analysis, results and discussion for objective 2, which seeks to assess the impact of board-ownership dynamics on dividend policy (DP) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA). The objective is achieved through empirical analysis and formulation of predictive frameworks to understand influence of BODY on DP and SW. This objective is achieved using regression models to predict the link between BODY, DP, and SW in SSA.

### **Chapter Eight: Results and discussion for objective three: mediation role of DP**

This chapter pertains to the third objective, which is to examine and distinguish the function of dividend policy (DP) as a mediator in the nexus between board-ownership dynamics (BODY) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA), while assessing the theoretical and practical consequences. This goal is accomplished by testing the mediating impact of dividend per share (DPS) and dividend pay-out ratio (DPR), two measures of DP, on the network between BODY and SW in SSA using path analysis of the structural equation model.

### **Chapter Nine: Results and discussion for objective four: moderating role of BODY**

In assessing and clarifying the moderating role of board-ownership dynamics in the relationship between dividend policy and shareholders' wealth, as well as highlighting empirical and policy consequences, this chapter tackles the study's fourth objective. To achieve this goal, System GMM is used to evaluate the unique and exclusive moderating influence of BODY factors on the relationship between shareholders' wealth (SW) and dividend policy (DP) in Sub-Saharan Africa (SSA). The findings of goal four are examined and discussed in this chapter.

## **Chapter Ten: Summary of findings, conclusion, and recommendations**

This chapter constitutes the final chapter of the research. It highlights the overview of findings that support the goals of the research as well as a synopsis of the bibliometric review that was covered in the study. Conclusions are based on the summary of the findings. Following are policy recommendations as well as theoretical and practical ramifications. The limitations of the study are also discussed in this chapter. A synopsis of the chapter and a list of possible research topics are also included in this chapter.

### **1.8. SUMMARY OF CHAPTER ONE**

The chapter begins by providing a background that sets the stage for the problem statement, which identifies critical gaps in the literature. The problem statement delineates the research questions to be answered in the research, which influences the objectives to be achieved through theoretical and empirical investigation using bibliometric data from the Scopus database and panel data of selected non-financial listed firms in Sub-Saharan Africa. The objective one of the study is to assess the impact of board-ownership dynamics on dividend policy (DP) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA) through empirical analysis and formulation of predictive frameworks to understand their influence.

Objective two seeks to investigate and delineate the mediating role of dividend policy (DP) in the relationship between board-ownership dynamics and shareholders' wealth (SW) in Sub-Saharan Africa (SSA), evaluating theoretical and practical implications. Objectives three and four seek to evaluate and expatiate the mediating effect of DP on BODY and SW as well as the moderating influence of board-ownership dynamics in the interplay between dividend policy and shareholders' wealth, identifying empirical and policy implications.

Subsequent to the objectives of the study, the researcher espouses the motivational foundation and significance of the study with insights into several corporate failures in SSA, specifically, South Africa, Nigeria, Kenya, and Ghana. Corporate failures in the region are often due to poor board decisions and owner influence. For example, seven banks in Ghana failed due to poor corporate governance, with senior management and board involvement serving their own interests. Other companies like Ikam Printing Press, Massai Company, Unibank, and Heritage Bank collapsed due to government and political ties. South Africa's recent business news also shows foreign companies leaving or intending to leave. The assumptions within which the study is conducted are stated in the chapter as well as the layout of the thesis as shown in Figure 2.



## **CHAPTER TWO**

### **THEORETICAL AND CONCEPTUAL REVIEW**

*“The justification of literature sets an inflexion to buttress the concepts and ideas of research opportunities and intellectual inquiries toward the critical assessment of research works”*  
*Marangunić and Granić (2015)*

#### **2.1. INTRODUCTION**

This chapter highlights and explains the underpinning theories and broad concepts of the study. According to Asensio-López *et al.* (2019), the theoretical review establishes the parameters and statistical techniques that will be used in research, acting as a road map for all research projects. On the shoulders of existing theories, a conceptual framework is developed in this chapter to serve as a navigational map for the study. The conceptual framework shows the interrelationships among the study variables. In order to utilise the directional map for the research, the study examines ideas that are relevant to the topic. The chapter starts with the theoretical underpinnings, followed by the conceptual framework and the conceptual review that cover a diagrammatical representation of the study and definitions of relevant concepts respectively.

#### **2.2. THEORETICAL REVIEW**

This study's goals are accomplished by applying many theoretical perspectives. These are dividend-relevant and irrelevant theories complemented by the agency, resource dependence theory, bird-in-hand, signalling, clientele, and substitute and outcome theories.

##### **2.2.1. Dividend-relevant theory**

Graham and Dodd (1934) posit the dividend relevance theory, asserting that a given dividend amount has a fourfold comparison to the same amount of retained earnings and its effect on stock prices. This theory, also known as the rightist theory, advocates for companies to distribute higher dividends, believing that such pay-outs significantly enhance a company's value of shares (Brealey and Myers, 1996). Advocates of this theory contend that the stock market consistently favours generous dividend payments over more conservative ones, encouraging corporations to continually distribute dividends to shareholders.

Gordon (1959), an advocate of the dividend relevance theory, asserts that dividends offer unique value distinct from capital gains in a world marked by uncertainty and imperfect markets. He contends that investors, when confronted with uncertainty, prioritise immediate income over future income.

Notably, the fundamental advocates of this theory, Walter (1956) and Gordon (1959), suggest that a firm's choices concerning dividend disbursements are contingent upon the profitability of existing investment prospects. They argue that maximising shareholder returns involves selecting between the firm's IRR and its cost of capital. The Walter (1956) framework functions based on specific assumptions: the organization is financed solely through equity, investors' exhibit risk aversion, investment opportunities are predominantly financed through retained earnings without external funding.

Key metrics such as internal rate of return, earnings per share, and dividend per share remain stable, all earnings are either distributed as dividends or ploughed back for internal reinvestment, and the organization maintains an everlasting stream of earnings (Araoye *et al.*, 2019). The agency model, bird-in-hand model, clientele effect theory, and tax preference model align with the theories relevant to dividends.

In summary, the theory of dividend relevance, which suggests that investors deem dividends very important and influence the value of a company, can be directly applied within various corporate governance systems across SSA and beyond. For example, in Nigeria, corporate activities are mostly family-owned. Most of these companies have concentrated ownership with active participation by dominant shareholders. Dividend payments therefore help in curbing the agency conflicts by minimizing the amount of free cash flows at the disposal of managers so as to synchronize their interests with those of shareholders. On the other hand, in more developed markets like the United States characterized by dispersed ownership and strong legal protections for minority shareholders, the role played by dividend policy may differ. In such cases, dividends may inform a wider range of institutional investors about firm health and growth prospects. This position is similar to other SSA countries, such as Ghana and South Africa. This dichotomy demonstrates how the application of dividend-relevant theory may vary depending on underpinning corporate governance structures, thus necessitating bespoke approaches to dividend policies taking into account unique attributes present in such markets respectively.

### **2.2.2. Dividend irrelevant theory**

The theory posits that if a company upholds a specific investment choice consistently, the DP does not impact the SW (Alajekwu and Ezeabasili, 2020). Miller and Modigliani (1961) assert that the theory of irrelevant dividend rests on several crucial assumptions:

First, it assumes the existence of flawless capital market conditions. Per Miller and Modigliani (1961), under perfect market conditions, no individual buyer or seller wields adequate influence to sway the prevalent price. Consequently, all participants, irrespective of their buying or selling activities, have equal and effortless access to information concerning the factors that affect the prevailing price, as well as other relevant attributes of the stocks. In cases where companies belong to the same risk category, there would be no differentiation between the market value of firms paying dividends and those that do not.

Second, rational investors. According to Miller and Modigliani (1961), based on the assumptions of rational behaviour, investors consistently prioritise having more wealth over experiencing a reduction in their wealth. Therefore, they are unconcerned about whether the augmentation of their wealth occurs through cash payments or an elevation in the market value of their shares (Brealey and Myers, 1996).

Third, it is imperative that every investor have whole faith in their upcoming investments. They contend that an establishment's conclusions on dividends have no consequence on the wealth of its stockholders. Rather, the firm's worth or the wealth of its shareholders is determined by the financing and investment decisions made within the best possible capital structure; this makes the dividend meaningless. They also show that financiers are uninterested in the DP and always choose the option that increases their wealth, which might be capital gains (price rises in shares) or cash dividends.

Furthermore, tax differences between dividends and capital appreciation, as well as between disbursed and undistributed earnings, do not apply (Araoye *et al.*, 2019). According to Agila and Jerinabi (2018), this assumption suggests that dividends and capital gains are subject to the same tax rate. Several academics have criticized dividend irrelevant theories, citing assumptions about ideal markets, tax implications, and transaction costs.

According to Alajekwu and Ezeabasili (2020), the theory is contested on the grounds that trading shares on the market entails transaction charges, tax implications, and potential bankruptcy expenses. Though Miller and Modigliani (1961) addressed the tax shield and bankruptcy expenses appropriately, the dividend idea continued to be a puzzle in SSA and throughout the world. Among the dividend irrelevant theories are: resource dependence theory, outcome theory, signalling theory, substitute theory, and pecking order theory.

The dividend irrelevance theory, proposed by Modigliani and Miller, suggests that dividend policy has no effect on a firm's value or cost of capital in a perfect market. However, this theory becomes explicitly inapplicable in diverse corporate governance settings, such as those found in SSA and beyond, due to market imperfections and varied ownership structures. For instance, in Kenya, where many firms are characterized by concentrated ownership and less developed capital markets, dividends play a crucial role in signalling firm stability and providing returns to investors who may lack alternative investment opportunities. This contrasts with more developed markets, such as the UK, where diversified ownership and strong investor protections diminish the relative importance of dividend policy, as shareholders can rely on liquid secondary markets for capital gains. These differences demonstrate how market imperfections, ownership concentration, and investor protections make the dividend irrelevance theory less applicable in real-world scenarios, particularly in regions like SSA where corporate governance practices and market conditions diverge significantly from the assumptions of the theory.

### **2.2.3. Agency theory**

Agency theory offers recommendations for the best approaches to address the inherent conflict regarding interests between management and shareholders in corporate governance. It asserts that the BoD plays a crucial role in safeguarding shareholders' interests by maximising their wealth. This implies that when shareholders' wealth increases due to board-ownership dynamics or the payment of dividends, the agency problem will reduce. The theory highlights instances where managers make decisions that fail to enhance the firm's wealth. This conflict arises due to information asymmetry (Jensen and Meckling, 2019), where managers may take actions detrimental to shareholders, and consequently, the firm's value. Research indicates that poorly functioning boards are a primary cause of agency issues in significant corporate fiascos (Vallelado and García-Olalla, 2020).

In response to their company's growth, proprietors detach ownership from control and provide senior management the power to make corporate decisions. According to this theory, managers seek to increase investors' wealth in exchange for performance-based pay while serving as principals' agents (de Villiers and Dimes, 2021). As a result, there is an information imbalance as principals depend on information from executives. Nevertheless, given the potential lack of complete trust in management by shareholders, there is a necessity to implement and administer corporate governance (CG) mechanisms. These measures aim to guarantee the transparency of reported evidence and mitigate management of earnings which tends to improve shareholders' wealth (Le and Nguyen, 2023).

In summary, this theory coincides with the dividend relevant theory by suggesting that dividend payments assist reduce agency conflicts between managers and shareholders by aligning their interests. There are high levels of relevance in SSA and beyond for agency theory, which focuses on the conflicts between principals and agents. In order to address agency conflicts such as those that occur among institutional investors who hold significant stakes in South African firms, strong corporate governance practices have been developed, including the use of boards that are independent as well as strict regulatory frameworks to prioritise shareholders' interests.

Nonetheless, some problems may arise, particularly when family businesses like those found in Nigeria or Ghana take away such ownership/management disconnection, causing issues of nepotism and entrenchment of relatives into key positions. On top of that, in highly developed markets like the US, fragmented patterns of ownership usually increase the risk level associated with principal-agent conflicts, hence leading to several mechanisms like performance-based executive compensations and active monitoring by institutional investors. These examples reveal how concepts from agency theory get applied across disparate circumstances of corporate governance while emphasizing the need for specifically designed governance solutions to tackle various agency challenges occurring in different parts of the world.

#### **2.2.4. Resource dependence theory**

The theory of resource dependence offers an alternative perspective to monitoring explanations in the context of agency theory, as advocated by Erwin *et al.* (2019) and Chambers *et al.* (2020). Originating from and updated by Pfeffer and Salancik (2015), this theory conceptualizes organizations as open systems, emphasizing their survival reliance on accessing external resources (Chambers *et al.*, 2020; Spaulding *et al.*, 2018). The responsibility of resource acquisition is typically delegated to an external board, which provides four key benefits: specific resource provision, communication channel with external entities, assistance in securing commitments from crucial external elements, and legitimacy (Pfeffer and Salancik, 2015). Chambers *et al.* (2020) contend, based on their UK healthcare governance study, that an external board fosters "ambassadorial type" behaviours. These behaviours involve cultivating relationships with external stakeholders to garner support for enhancing the quality of care, a notion also echoed by Lipunga *et al.* (2019).

As per the aforementioned theory, organizations rely on external resources for their survival (Pfeffer and Salancik, 2015), thus exposing themselves to notable risks. Nonetheless, existing literature posits that these risks can be effectively mitigated by cultivating strong linkages between corporate boards and external entities (Nadeem *et al.*, 2017).

Research findings suggest that the existence of BGD enhances communication with external stakeholders and facilitates the prompt resolution of complex issues (Huse *et al.*, 2006; Kravitz, 2003).

Cox and Blake (1991) have further illustrated that the involvement of women on boards advances gender equality, thereby bolstering the societal standing of the organization. Moreover, resource dependence theory emphasizes the benefits of gender-diverse boards for firms in the contemporary era, not solely from an ethical standpoint but also in terms of nurturing crucial relationships with the outside environment to ensure access to essential resources. To summarize, resource dependence theory underscores the favourable outcomes associated with gender diversity on boards. It aligns with the notion of dividend irrelevance by arguing that a company's DP is more affected by external resource demands and availability than by the sole intent of distributing earnings to shareholders.

In conclusion, resource dependence assumes entities must seek essential resources from the environment and may directly apply to various corporate governance contexts in Sub-Saharan Africa, as well as other parts of the world. For example, Nigerian business organizations, to deal with unstable markets and a lack of local resources, often heavily rely on foreign inputs such as international capital and expertise. As such, companies should have a board made up of people with good international knowledge backgrounds who are connected internationally so that they can have access to crucial resources for their survival in the form of strategic partnerships.

Conversely, firms in more developed countries like Germany can rely more on local networks and internal resources to sustain their operations while having fewer dependencies on foreign ones. Similarly, businesses in Kenya that are majorly based on agriculture tend to appoint board members who have strong links with the government and industry relations so as to ensure access to land, subsidies, and favourable laws, among others. The examples above show why it is important to customise board composition and procedures in order to take into account specific resource requirements and interdependencies at different locations, illustrating how resource dependence theory has been applied differently in various governance situations.

#### **2.2.5. Bird-in-hand theory or dividend preference theory**

This theory states that firm value or shareholders' wealth is impacted by the dividend pay-out (Gordon, 1962). The company's performance is impacted by dividends and gains from capital, but investors are unaffected. This argument's basic premise is grounded in the knowledge that financiers are risk-averse and desire dividends given within the present time.

Dividend values vary in situations where there is knowledge asymmetry in order to preserve capital gains or earnings (Walter 1963). The model emphasizes that the declared dividend's current value is echoed in the stock price (Gordon, 1959).

Furthermore, because there is less default risk with dividends than with capital gains, investors prefer dividends (Baker *et al.*, 2018). Future capital gains are not as desirable to investors as the cash dividend paid now. Since investors were unsure as a result of information asymmetry, they preferred immediate dividends over projected capital gains. The theory also states that dividends are the most suitable way to measure what is anticipated from equity and that dividend yield is more important than cost in assessing an organization's worth (Gordon, 1959).

Since the rise of a company's earnings is never guaranteed, it is impossible to predict with accuracy what capital gains will be in the future (Gordon, 1962). Businesses that fail to pay dividends are viewed by investors as non-performing; as a result, it is difficult to predict their future market value and whether investors will receive a return on their investment. This is predicated on a few presumptions, such as the idea that the company depended on internal finance sources since external capital was unavailable. In summary, this theory supports the dividend-relevant hypothesis by arguing that investors choose dividends because they offer instant income and lessen uncertainty about future capital gains.

In conclusion, bird-in-hand, a theory which explains why an investor prefers dividends to the possible capital gains as they consider dividends less risky. This is highly relevant in Sub-Saharan Africa (SSA) and other contexts around corporate governance. For instance, Ghana lacks well-developed capital markets and investor protections as such shareholders may prefer getting regular dividend payments which guarantee them some return on their investment rather than uncertain future capital gains. Companies can respond by offering more generous policies on dividends so that they attract and hold investors.

On the contrary, companies operating in mature markets such as Japan are likely to re-invest earnings instead of paying out dividends as they believe that the shareholders will be content with potential future capital gains assuming that investors have faith in firms' stability and prospects for growth over time. These contrasting scenarios underscore how the applicability of the bird-in-hand theory can differ based on the maturity of the market, investor trust, and the overall economic landscape, emphasizing the necessity for customized dividend strategies in various geographical areas.

### 2.2.6. Signalling theory

Dividend relevance is supported by the information content theory, commonly referred to as signalling theory. When it comes to the firm's present and possible future states, managers have access to knowledge that shareholders do not, and they can utilise this advantage to pursue policies that will benefit them at the expense of shareholders (Bataineh, 2020).

Dividend payments, according to Chaabouni (2017), have a signalling impact since they notify the market about the firm. This is predicated on the idea that insiders of a company possess greater information about its financial situation than external parties, and that they may disclose this information through their decision-making. These decisions can remain in the system of debt issuance, stock buybacks, returns in the form of dividend, or voluntary disclosures, among other things. The goal of these signals is to influence how the market or shareholders value the organization. The theory suggests that when a firm announces an increase in dividend pay-outs, it directs a favourable signal to investors, indicating optimistic future prospects.

Conversely, a decrease in dividend announcements may signal pessimism of management regarding future cash flows (John and Williams, 1985). Signalling theory anticipates a connection between board characteristics and dividend policy, as board members may be more motivated to signal higher dividends (Awen *et al.*, 2023). In summary, the theory, which is more in line with the dividend irrelevance theory, states that while dividend payments do not impact business value, they do provide investors with information about a firm's financial health and future prospects.

Diverse corporate governance systems in SSA and other parts of the world can take advantage of signalling theory to study why companies use dividend announcements to communicate their financial well-being and future prospects to investors. For example, in Nigeria, where there is information asymmetry and inadequate financial disclosures, a company that declares high dividends can signal its strong financial health to shareholders. Situations where investors may not have complete financial data can be particularly important. Yet, in advanced economies such as the United States with stringent reporting laws and regulations for ensuring greater transparency, adjustments in the quantity of cash paid to shareholders remain a major form of communication. To illustrate this point, a sudden jump in dividends by technology firms may indicate bright earning perspectives ahead—something that would make those with shares in these firms optimistic about them.

Due to the combination of developed and developing financial markets in South Africa, corporations can leverage dividend announcements as a strategic tool to draw in a diverse group of investors and strike a balance between domestic investors who prioritise concrete returns and foreign investors who consider broader financial metrics. These illustrations show how signalling theory may be used in a variety of corporate governance settings to control investor perception and expectation.

### **2.2.7. Outcome theory**

According to La-Porta *et al.* (2000), this theory views dividend payments as a by-product of the CG structure, where supervisors use the pay-out to maximise their own wealth. This theory advocates for a larger board size, contending that a diverse board with varied skills, experiences, and opinions enhances the monitoring process's effectiveness, ultimately helping manage agency costs (Osemene and Fagbemi, 2019; Emmanuel *et al.*, 2018). In this perspective, a larger board size is seen as a means of safeguarding shareholders' interests, leading to the expectation of a direct association between BSize and DP.

On the other hand, management of well-governed companies behave in the best interests of shareholders, pursue wealth-maximising plans, and increase dividend payments (DeAngelo and DeAngelo, 1990). As such, it is expected that dividend policy and corporate governance quality would be positively correlated. This idea, which is in line with the dividend irrelevance theory, essentially states that as long as the total return is constant, investors don't give a damn about dividends or capital gains.

The outcome theory, which posits that dividend payments are the results of effective corporate governance practices, is applicable in various SSA and beyond corporate governance settings. For example, in Kenya, firms with a sound governance structure are more likely to pay a consistently higher dividend because of their clear operations and being answerable to shareholders. This is a physical outcome of their good governance, thus reassuring investors of stability and commitment to value creation. On the other hand, developed markets like the United Kingdom have stringent regulatory frameworks and usually involve active investor participation, forcing companies to adopt stronger governance systems for predictable and dependable dividends. Moreover, in South Africa, where there are both family-owned businesses as well as large multinational corporations competing alongside each other, having independent board members as well as compliance with the King IV Report on Corporate Governance alternatives have helped create better managed companies, leading to more frequent dividend pay-outs.

### **2.2.8. Substitute theory**

The substitute theory, often linked to the research of Donaldson (1961), delves into the connection between dividend policy and the firm's value. This theory suggests that dividends and share repurchases are viewed by investors as interchangeable, implying that firms can use one method as a substitute for the other without affecting the overall wealth of shareholders. The substitution theory's central tenet is that investors do not care whether they receive capital gains or dividends. This contradicts the widely held belief put out by Miller and Modigliani (1961) in their dividend theory of dividend irrelevance, which maintained that DP should not affect shareholders' wealth provided certain conditions were met.

According to the theory, businesses with smaller boards are better at keeping an eye on things, which lowers agency and coordination costs (Lipton and Lorsch, 1992 referenced by Shafana and Safeena, 2022; Tarus, 2020; Mardani and Indrawati, 2018). On the other hand, businesses with bigger boards can experience problems with coordination, which would result in a less effective governance framework (Jensen, 1993). There is an expected negative nexus between BSize and dividend policy; poorly managed companies typically compensate for their inefficient corporate governance structure with greater pay-outs.

Firms with weak governance structures are inclined to provide higher dividends to enhance their positive reputation among shareholders (La-Porta *et al.*, 2000) and serve as an substitute governance instrument to mitigate probable conflicts of interest (Sawicki, 2009). Consequently, unlike the outcome theory, the strength of governance is likely to have an undesirable association with DP. To put it succinctly, this theory aligns with the dividend irrelevance argument and suggests that investors may mimic the effect of dividends by selling shares if the corporation does not pay dividends.

In summary, substitution theory that suggests dividends as a surrogate for effective corporate governance entities to combat agency problems is relevant in different corporate governance frames within and beyond SSA. In Nigeria, where companies' governance structures can be less strong and the regulatory oversight is lax, high dividend pay-outs may be employed by companies to reduce agency conflicts through restricting free cash flows, which results in managers' interests being congruent with those of shareholders. It makes up for the lack of strong internal controls and governance mechanisms.

Conversely, in developed markets such as Canada, where there are robust corporate governance frameworks and stringent regulatory standards, firms may not need to use dividend payments as much for purposes of governing them. Instead, they concern themselves with holistic practices of governance like board independence and performance-based executive compensation meant to address the issue of agency. Also, companies operating in low-regulated sectors within these jurisdictions may use dividends as a governance alternative, while their counterparts from highly regulated industries rely on formal governance systems.

### **2.2.9. Pecking order theory**

Myers and Majluf (1984) formulated this model. It elucidates that corporations adhere to a specific sequence of financial choices in establishing their capital structure. This theory posits that a profitable company is inclined to fund its ventures using internal resources rather than seeking external funding. The company typically prioritises retained earnings, then turns to borrowed capital, and as a last resort, resorts to issuing equity (Vo and Nguyen, 2014). Consequently, in line with this theory, external financing is deemed as more costly, potentially resulting in a diminished dividend distribution to evade the expenses associated with external financing. Empirical investigations, such as those conducted by Rajan and Zingales (1995), have substantiated the pecking order theory by demonstrating that, on average, businesses favour internal financing and debt as compared to equity when addressing their capital requirements. These studies indicate that firms tend to steer clear of equity financing due to concerns related to information asymmetry and the potential signalling of adverse selection.

Additionally, the pecking order theory proves particularly applicable in elucidating the behaviour of small and medium-sized enterprises. Myers (2001) contends that these enterprises, grappling with increased information asymmetry and flotation costs, are more inclined to rely on internal funds and debt to maintain financial flexibility. In line with this theory, companies featuring smaller board sizes and fewer equity holders are likely to distribute lower dividends, thereby diminishing shareholders' wealth. This theory is consistent with the dividend irrelevance hypothesis.

Conclusively, the pecking order theory that firms preferentially finance investments with internal funds followed by debt and lastly equity to minimize costs associated with asymmetric information is equally relevant for a heterogeneous group of SSA economies as well as other contexts globally within their firm level governance institutional environments. Thus, firms in Kenya are more likely to use retained earnings which is a less expensive source of capital financing their operations and growth than raising additional finance from the costly financial markets.

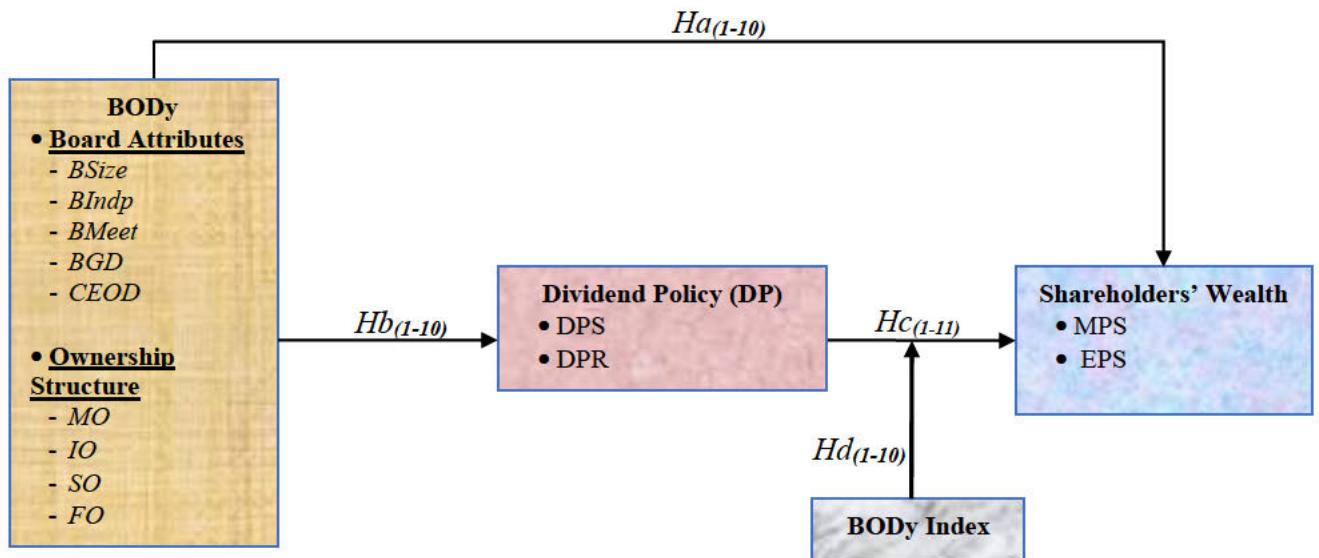
Before issuing new equity (as it would be perceived as having financial problems) If the internal funds are not enough, they use bank loans. On the other hand, in mature markets such as with many US-based companies, options are much more available. Nevertheless, they adhere to the hierarchy - as illustrated by their reliance on internal cash first due it is cheaper and non-dilutive. In Nigeria, for instance the fluctuating economic conditions and home-brew political instability can have an effect on investor confidence thereby leading to companies placing reliance in large part either on internal financing or debt with considerations of issuing equity as a last resort.

### **2.3. CONCEPTUAL FRAMEWORK**

Figure 3 illustrates the conceptual framework of the study with reference to the review of existing literature. The independent, mediating, moderating, and dependent variables are linked by the conceptual framework upon which the empirical models are built. The framework is a diagrammatical presentation of the interrelations among the study variables, that is, board-ownership dynamics, dividend policy, and shareholders' wealth. It presents the objectives of the study in a pictorial view.

The author adapted and modified the concepts of Boshnak (2023); Ofori-Sasu *et al.* (2022); Mubaraq *et al.* (2021); Aminu and Salawudeen (2019); Ramirez and Ferrer (2021); and Rooly (2022); to develop the conceptual framework. Rooly (2022) studied the link between board composition and SW creation of public companies in Sri Lanka, while Ofori-Sasu *et al.* (2022) studied the function of dynamics of board in the connection between DP and the SW of banks in Africa. Boshnak (2023) also studied the consequence of board attributes and structure of ownership on dividend payout policy in Saudi Arabia.

On the other hand, Aminu and Salawudeen (2019) investigated the characteristics of the board, the DP, and the wealth of shareholders of quoted manufacturing firms in Nigeria. Mubaraq *et al.* (2021) investigated whether CG mechanisms moderate the nexus among ownership structure, structure of capital, and value of listed firms in Indonesia.



Note: BODY = Board-ownership dynamics; BSize = Board Size; BIndp = Board Independence; BMeet = Board Meetings; BGD = Board Gender Diversity; CEOD = Chief Executive Officer Duality; MO = Managerial Ownership; IO = Institutional Ownership; SO = State Ownership; FO = Foreign Ownership; DP = Dividend Policy; DPS = Dividend Per Share; DPR = Dividend Pay-out Ratio; MPS = Market Price Per Share; EPS = Earnings Per Share

### Figure 3: Framework of concepts

Source: Modified from Boshnak (2023); Ofori-Sasu et al. (2022); Rooly (2022); Ramirez & Ferrer (2021); and Mubaraq et al. (2021).

Based on the framework above, the general hypotheses consistent with the body of existing literature are:

*Ha<sub>1</sub>: A nexus exists between BODY and the wealth of shareholders.*

*Hb<sub>1</sub>: A nexus exists between board-ownership dynamics and the DP.*

*Hc<sub>1</sub>: The impact of dividend policy on the wealth of shareholders is positive.*

*Hc<sub>2</sub>: The link between BODY and shareholders' wealth is mediated by dividend policy.*

*Hd<sub>1</sub>: The link between dividend policy and shareholders' wealth is moderated by BODY.*

Based on the general hypotheses, the study tests eleven (11) specific hypotheses regarding the effect of BODY (*Ha<sub>1</sub>*), size of board (*Ha<sub>2</sub>*), independence of board (*Ha<sub>3</sub>*), BMeet (*Ha<sub>4</sub>*), gender diversity of board (*Ha<sub>5</sub>*), CEOD (*Ha<sub>6</sub>*), MO (*Ha<sub>7</sub>*), IO (*Ha<sub>8</sub>*), SO (*Ha<sub>9</sub>*), FO (*Ha<sub>10</sub>*), and DP (*Hc<sub>1</sub>*) on shareholders wealth in SSA.

The study also tests ten (10) hypotheses in line with the consequential outcome of attributes of corporations' boards and variables of structure of ownership (*Hb<sub>1-10</sub>*) on DP. Furthermore, the research additionally tests two (2) other hypotheses: the moderating effect of BODY (*Hd<sub>1</sub>*) and the mediating influence of DP (*Hc<sub>2</sub>*) on BODY and SW.

The study evaluates seventeen (17) supplementary theoretical propositions to examine the mediating impacts of DP on the specific characteristics of board as well as structure of ownership elements (*Hc3-10*) and the moderating effects on the connection between DP and SW of the specific board qualities and structure of ownership components (*Hd2-10*). The study evaluates 41 hypotheses in total on the interactions between BODy, DP, and SW in SSA. These hypotheses are divided into twenty-five (24) core hypotheses and seventeen (17) ancillary hypotheses. The research's chapters three and four cover the development of hypotheses.

## **2.4. CONCEPTUAL REVIEW**

### **2.4.1. Definition of relevant concepts**

This section discusses major concepts of the study. It covers the definitions and a basic explanation of concepts such as board-ownership dynamics, board of directors, board attributes, ownership structure, dividend policy, and shareholders' wealth.

#### **a. Board-ownership dynamics**

The term board-ownership dynamics is created from the separate terms board dynamics and ownership dynamics. It is a compound term that captures the meanings of the two separate terms into one definition. In line with Dissanayake and Dissabandara (2021), this study defines board-ownership dynamics as how specific directors and owners engage with one another while performing their roles as directors and/or shareholders to jointly produce the corporation's economic worth. Board-ownership dynamics is made of components of board attributes and ownership structure. These terms are explained subsequently.

The responsibilities and roles of company boards are outlined in detail in the corporate governance codes of several countries. The board's ability to properly oversee and monitor management on behalf of company owners and offer policy direction for the corporation's operations in order to meet its goals is one of its important roles. The corporate boards are appointed by the owners or shareholders to work on their behalf. Therefore, it is thought that the board of directors acts as the owners' representative to reduce agency issues that could result from management's actions (Usman and Yahaya, 2023).

## **b. Board attributes (BA)**

Board attributes encompass the composition, structure, and effectiveness of the board of directors (BoD). This includes dynamics such as the board gender diversity (BGD), the independence of directors, their expertise, and the overall governance practices. The governing body of a corporation is its board of directors, which is chosen by shareholders in the case of publicly traded firms to control management and establish corporate strategy. Usually, the board convenes on a regular basis. In essence, a board of directors is an elected group of individuals that represent shareholders. It is constitutionally mandated for all publicly traded companies to form a BoD (Fama and Jensen, 1983).

Giving Usman and Yahaya (2023), the board is responsible for supervising the company or organization, establishing management guidelines, safeguarding the securities of business owners, and producing results about imperative issues that the business or organization must resolve. Research by Fama and Jensen (1983) highlights the importance of board attributes in aligning the interests of directors with those of shareholders.

The attributes of the BoD encompass the combined responsibilities of members of the board and board traits, which can impact the decision-making process regarding dividend distribution and contribute to bolstering the confidence of investors (Abbassi *et al.*, 2021). The diverse configurations of board attributes play a fundamental role in shaping dividend policies (Ebimobowei, 2022). Consequently, the determination of dividend policies and the characteristics of board composition hold significant importance in augmenting the wealth of shareholders. This research delves into various board attributes such as size of board, frequency of board meetings, and independence of board, BGD, and CEOD.

### **i. Board size (BSize)**

BSize is the entire number of directors serving on an entity's board for the duration of a fiscal year. Among its members are the non-executive (external), independent, and executive (internal) directors (Kajola, 2022). There is disagreement in the literature on the ideal size for a corporate board. However, the majority of nations' corporate governance regulations stipulate that each corporate body must have a satisfactory number of directors on staff in order to enable the firm to run smoothly (Kajola, 2022). BSize simply denotes the whole number of directors serving on a company's board.

## **ii. Board independence (BIndp)**

The percentage of outside and independent directors in the boardroom is referred to as board composition, sometimes known as board independence. Mehdi *et al.* (2017) stated that it is seen to be the most important part of an organization's internal corporate governance monitoring system. An adequate amount of autonomous directors not connected to the firm in a managing or substantial financial capacity are necessary for board independence. The capacity of the board to offer unbiased supervision is improved by independence, which is seen as a critical component of corporate governance.

## **iii. Board meetings (BMeet)**

The business body considers issues of strategic importance at a board meeting, which is an internal company governance procedure. A key component of corporate governance are board meetings, which give directors a forum to address strategic issues, evaluate financial results, and make important choices. Board meeting efficacy and frequency are key components of corporate governance. It gives the directors the chance to carry out their responsibilities in harmony with the CG principles (Mehdi *et al.*, 2017).

## **iv. Board gender diversity (BGD)**

BGD examines how many women are represented on business boards. Scholars argue that diverse boards, including gender diversity, enhance decision-making and governance quality (Saona *et al.*, 2024). The absence of gender variety on business boards exposes corporations to legal risk, jeopardizing company profitability, external networking, and competitive advantage. Women have demonstrated the social, economic, political, intellectual, and legal capacity to influence business decision-making (Eluyela *et al.*, 2019). Consequently, board gender diversity has emerged as one of the most promising forms of diversity in the boardroom.

## **v. CEO duality (CEOD)**

CEOD occurs when the duties of the CEO and the board chair are performed by the same individual (Alves, 2023). When a CEO also serves as the board of directors' chair, this is known as CEO duality (Almashhadani and Almashhadani, 2022). Research on CEO duality suggests potential conflicts of interest and reduced accountability. The CEO becomes extra powerful once he occupies the position as CEO and board chair. This puts him in a spot to veto the proposals and announcement of additional members of the board. Separating the roles is often associated with better corporate governance outcomes (Nguyen *et al.*, 2021; Mohd Ghazali, 2020).

### **c. Ownership structure**

There has been a growing body of research recently that looks into how the ownership structure affects DP, supporting the variable's numerical importance. The ownership structure of a corporation refers to how its money and voting rights are distributed, as well as the shareholders' identity (Al-Thuneibat, 2018). The ownership matrix creates a struggle of concern among proprietors and managers, or directors, in terms of corporate governance (Yeh, 2019). Owners of a corporation include its original founders, directors, shareholders, and governing bodies.

For instance, in a company with several shareholders, a sizable portion of the public is prohibited from actively participating in the administration of the company. As a result, they pick the board of commissioners, which appoints and supervises the company's management (Alqirem *et al.*, 2020). According to Alqirem *et al.* (2020), this arrangement indicates that the owner and firm management are not the same.

One of the facets of CG that has been examined the most is the ownership structure. Given that ownership and control are frequently separated in contemporary corporations, conflicts of interest can arise between controlling and minority shareholders or between firm management and shareholders. A growing number of researchers believe that the ownership structure is a useful instrument for reducing conflicts that arise from agency relationships, boosting the corporation's worth, and safeguarding the interests of shareholders, including the entitlement to dividend payments (Aleknevičienė and Vilimaitė 2023). This research takes institutional, managerial, foreign, and state ownership into consideration while analysing ownership structure.

### **d. Dividend policy (DP)**

A DP is the approach a firm employs in configuring its payment of dividends to shareholders (Awen *et al.*, 2023). In simple terms, a company's choice to pay out returns to its investors from its profits is referred to as its dividend policy. It is a crucial factor for businesses to take into account as it affects how earnings are distributed to shareholders and may have a big influence on a firm's structure and financial success in general (Ali, 2022).

Corporate policy primarily consists of decisions made by businesses on their dividend policies. In essence, a dividend is the sum of money distributed to investors in exchange for their financial commitment and investment risk. It is influenced by a variety of organizational criteria. By encouraging accountability and transparency, dividends may be used as a tool to bring management and shareholder interests into alignment.

Companies that pay dividends could be less likely to make investments that do not increase shareholder wealth (Barros *et al.*, 2022; Tinungki *et al.*, 2022). A company's expenditure decisions include consideration of its dividend policy, particularly when it comes to internal spending. This is due to the fact that retained profits will be impacted by the quantum of dividends paid out (Putri and Seswandi, 2022), and this determines whether the company's annual earnings will be kept to raise money for future investment financing, or if they will be paid out as dividends to shareholders (Cahyani *et al.*, 2022). A number of metrics have been used in the literature to measure dividend policy; in this study, three variables are used, as in the studies of Cyril and Emeka (2020); and Abu and Adebayo (2020), dividend per share (DPS), and dividend pay-out ratio (DPR).

#### **i. Dividend per share (DPS)**

DPS is what a shareholder receives as a dividend for each share they own, ascertained by distributing the total dividends paid over the remaining number of shares. The dividend per share is a financial ratio used to assess the current dividend amount per unit of ordinary shares in a company. This metric indicates the actual returns received or expected by ordinary shareholders per share. According to Rono (2020), the DPS is the total declared dividends distributed by a company per outstanding ordinary share.

#### **ii. Dividend pay-out ratio (DPR)**

Rifat (2020) delineates dividend pay-out as the determination concerning the magnitude of the dividend disbursement rendered by corporations, denoting the portion of profits allocated to shareholders through dividends. The proportion of profits post-taxation disseminated as dividends to existing shareholders at the point of the register closure is identified as the pay-out ratio (Koleosho *et al.*, 2022). This ratio is contingent upon responses to crucial inquiries, such as the optimal dividend allocation for a company, the repercussions of the dividend policy on the company's stock valuation, and the potential outcomes of annual fluctuations in dividend amounts. Consequently, the dividend policy of a corporation holds significant weight, guiding the timing, method, and scale of disbursements. An essential financial metric, the dividend pay-out ratio quantifies the fraction of the company's current earnings (profits) disbursed to its shareholders in dividend form (Akinleye and Ademiloye, 2018).

#### **e. Shareholders' wealth**

Shareholders are investors who are affected by the management's efficient and inefficient use of the resources at their disposal (Ntim, 2018). The present value of the anticipated return that investors might expect from the firms in which they have invested represents the wealth of shareholders.

When a stock price increases or dividend payments rise, shareholders might profit from their investments (Liu, 2018). One of a firm's goals is shareholders' wealth maximisation which is a representation of a company's degree of financial performance in relation to its market value. In this study, shareholders' wealth is proxy by MPS and EPS.

### **i. Market price per share (MPS)**

The price of a share, commonly known as the share price in the market, reflects the present market worth of an individual share of a company's stock (Araoye and Aruwaji, 2019). According to Nazrul (2019), market price is the entire worth of all notable shares of a corporation as determined by shareholders' equity and market capitalization. Applying the most recent price of one share with the entire quantity of shares remaining yields the overall market capitalisation.

The share price in the market is a pertinent metric for evaluating corporate performance (Nweze and Nwadiolor, 2020). These prices are important measures of returns to stakeholders, which emphasizes their significance for present and potential capital market investors. Ebire *et al.* (2019) establish that share price movement is not independent; rather, it is influenced by both intrinsic and extrinsic factors. Through transactions in the financial markets, investors determine this value. The market share price, for example, is the entire amount investors are willing to pay or accept for an individual share of an establishment's stock (Ebire *et al.*, 2019).

### **ii. Earnings per share (EPS)**

EPS represents a financial measure that offers insights into a firm's profitability by illustrating the earnings allocated to each outstanding share of common stock. It is extensively utilised by investors, analysts, and organizations as a crucial gauge of financial performance (Abbas *et al.*, 2021; Dang *et al.*, 2021). The computation of EPS entails dividing the net income accessible to common stockholders by the weighted average count of remaining shares over a specified duration (Farrukh *et al.*, 2017). Investors commonly incorporate EPS in valuation metrics like the P/E percentage, which juxtaposes a business' share price against its earnings (Damodaran, 2012). A heightened EPS coupled with a diminished P/E ratio might imply an undervalued stock.

Despite the significance of EPS as a metric, it is crucial to evaluate it alongside other financial indicators. Companies can manipulate EPS through various accounting methods, emphasizing the importance of comprehensive financial analysis (Schroeder *et al.*, 2019). EPS serves as a foundational element in financial reporting, assisting shareholders in making well-versed decisions and providing a snapshot of an establishment's profitability on a per-share basis (Nwakaego, 2020).

## **2.5. SUMMARY OF CHAPTER TWO**

This chapter reviewed the relevant concepts and theories for the study. It began with the conceptual literature review, which captures the conceptual framework- a diagrammatical presentation of the interrelations among the study variables. Based on the framework, the study formulates 45 hypotheses, developed in the next chapter. Also, based on the framework, relevant concepts were defined in the chapter. These concepts include but are not limited to board-ownership dynamics, board attributes, and shareholders' wealth. Again, the chapter espoused the main theories underpinning the studies alongside complementary theories. These theories are: dividend relevant theory, dividend irrelevant theory, agency theory, resource dependence theory, theory of bird-in-hand or dividend preference theory, signalling theory, outcome theory, substitute theory, and pecking order theory.

**CHAPTER THREE**  
**EMPIRICAL EVIDENCE AND HYPOTHESES DEVELOPMENT:**  
**BOARD-OWNERSHIP DYNAMICS AND ITS EFFECT ON SHAREHOLDERS' WEALTH**  
**AND DIVIDEND POLICY**

*“Standing on the shoulders of giants like Prof. Msizi, gives you a clearer  
and bigger picture of the narrative in every endeavour”*  
- K. A. Gyekye

### **3.1. INTRODUCTION**

This chapter of the work reviews the prevailing piece of literature on board-ownership dynamics and its effects on shareholders' wealth and dividend policy. It is structured into three sections in line with objectives one and two of the study. The first section looks at the empirical review of bibliometric studies on board-ownership dynamics (BODy). The second looks at the influence of BODy on shareholders' wealth and the third section looks at how board-ownership dynamics affect DP. All sections encompass intellectual inquiries toward the critical assessment of the research work. They serve as paradigms to identify loopholes in research studies which are leveraged for navigation in the study. The empirical review scrutinises pragmatic studies to help provide answers to the research questions of this study.

### **3.2. EMPIRICAL REVIEW OF BIBLIOMETRIC STUDIES ON BODy**

A review of the extant literature shows that bibliometric studies have been conducted on corporate governance in general, specific board attributes such as gender diversity and ownership structure separately, and not a composition of board attributes and ownership structure to give a holistic picture of the field of board-ownership dynamics. Among the existing bibliometric studies indicated earlier, include the review in the subsequent paragraphs.

Batra *et al.* (2023) use bibliometric analysis to analyse the literature and give a summary of the key authors, significant papers, journals, and future research opportunities in the field of corporate governance and ownership structure. 1,368 papers from journals with a Scopus index that were published between 1992 and 2022 were taken into consideration. Their investigation extracts four major groupings using bibliographic coupling. Cash holding is the first cluster's central subject. The influence of diverse types of ownership on the firm's performance and disclosure decisions is demonstrated by the second and third groups. The last and fourth clusters are concerned with the taking of risks by financial institutions.

Antwi *et al.* (2022) discuss the use of bibliometric analysis and VOSviewer network visualisation to examine the current state of CG research in Ghana and understand the field's evolving trend through the corpus of existing literature. They learn that the major area of study has been identified, and that bibliometric analysis and network cooperation have produced more important results. Furthermore, the number of citations, authors, and years of production have all increased, indicating Ghana's growing interest in corporate governance research. Moreover, they designate as hotspot terms corporate ownership, corporate social responsibility, and company performance.

Baker *et al.* (2020) describe the main themes and current dynamics in the field of board diversity and offer suggestions for future research directions. They use bibliometric analysis to examine a sample of 579 papers from the ISI Web of Science database in order to determine research activity on board diversity from 1999 to the beginning of 2019. They find that, although there is international study on board diversity, there is a lack of cross-national cooperation, especially among writers from developed and developing countries. The majority of board diversity research focuses on gender diversity, with age, country, ethnicity, professional background, and cognitive abilities receiving relatively little attention.

Mumu *et al.* (2022) use two innovative methods—bibliometric analysis and content analysis—to analyse the literature on corporate governance from a gender viewpoint. The authors chose 393 journal articles altogether that were indexed by Web of Science for citation mapping and thorough content analysis. The intellectual structure's findings examine four main areas of research from the literature on corporate governance and gender: the characteristics of women who serve on corporate boards, the participation of women in these roles worldwide, the gender diversity of the board, and the relationship between corporate social responsibility, risk management, stock prices, and financial performance of the company.

Sánchez-Teba *et al.* (2020) conduct literature research and analysis of scientific papers on the representation of women on boards of directors to get insight into the development of this idea over time. After running the initial results of the search through a number of filters, the 300 papers that the Web of Science yielded for this paper's search were reduced to 168 documents. After the data was analysed using VOSviewer software, bibliometric citation, co-citation, and co-word maps could be produced. The findings highlight the qualities of women that are crucial for boards of directors in the current environment: empathy, open innovation, concern for the needs of interest groups, and a heightened sense of risk. They also identify the most recent studies, the most relevant authors, and studies on this topic, with sustainability and corporate social responsibility as the primary topics.

Zheng and Kouwenberg (2019) conduct a bibliometric study of global research on the role of boards of directors in corporate governance. They look through the most significant journals, writers, and publications in the area. The bibliometric analysis highlights the interdisciplinary character of research on boards of directors, which spans the fields of finance and economics, accounting and auditing, and management and strategy. Co-citation analyses also draw attention to the foundational theoretical and conceptual works on agency theory and ownership structure that form the basis of research on corporate governance and boards of directors. The analysis reveals that research on the role of boards of directors in promoting corporate sustainability makes up a very minor portion of the literature, despite its practical significance. This emphasizes the necessity of conducting further study on this specific issue in the upcoming years.

Despite the research conducted on the topic, none of them give an exclusively and wholistic perspective of both board attributes and ownership structure in understanding the key themes and trends in the area due to the possibility of overlooking important insights in prior studies (Mumu *et al.*, 2022). A review of the extant bibliometric literature also reveals that the majority of the studies cover up to the year 2022. This implies existing studies may not cover emerging trends and recent progressions in the field (Antwi *et al.*, 2022; Batra *et al.*, 2023; Zheng and Kouwenberg, 2019). Thus, a comprehensive analysis of existing research is necessary. This study adds to earlier bibliometric studies, including to build a solid basis for future research in the subject (Donthu *et al.*, 2021).

### **3.3. EFFECT OF BODY ON SHAREHOLDERS' WEALTH**

This section reviews existing studies on board-ownership dynamics (board attributes and/or ownership structure) and shareholders' wealth (SW). Based on the existing literature, a hypothesis is formulated on the relationship between the two variables. Various works have measured the individual influence of board attributes and ownership matrix on SW but not the composite consequence of both board attributes and ownership structure (board-ownership dynamics) on shareholders. Mai *et al.* (2024) observe that the performance of the Islamic Rural Banks (IRB) is greatly influenced by the structure of ownership and features of the board. The research findings indicate that both the size of the board commission (BC) and the ownership of the board of directors have a favourable impact on all measures of IRB performance. Also, Rooly (2022); and Kusi *et al.* (2018) explore the influence of board composition with or without ownership structure on SW, producing inconsistent and conflicting findings.

Rooly (2022) discovers that the non-executive directorship percentage on the board, board size, and a distinct leadership structure all favourably impact shareholder value. Simultaneously, a distinct leadership structure also appears to be associated with improved shareholder wealth for companies. The outcomes propose that having a larger board and a higher fraction of non-executive directors can be advantageous for shareholders, aligning with the theoretical predictions of agency dynamics.

In contrast, Kusi *et al.* (2018) dive into the connection between corporate governance structures and perspectives on shareholder value maximisation in 267 African banks with data from 2006 to 2011. The investigation indicates that corporate governance structures lead to a decline in both shareholder and stakeholder value maximisation. Additionally, the results of Sayumwe and Amroune (2017) strongly and negatively support the effect of board compositions on market price per share in Canada.

Differences in how the studies are designed, specific dimensions of corporate governance included in the analysis and contextual factors explain variances associated with effects between board-ownership dynamics and shareholders' wealth. For instance, Mai *et al.* (2024) discover a significant board and ownership structure impact for performance of Islamic Rural Banks, due to the unique nature of their sample in Indonesia that included combined evaluation between all aspects of attributes related with board and hence also because they provide ample information on the theory.

Nevertheless, the work of Rooly (2022), as well that of Kusi *et al.* (2018) reports that the direction of impact could be ambivalent largely due to their focus: Rooly (2022) contends specific board characteristics as positively determining valuation multiple while Kusi *et al.* (2018), argue in line with taxonomies on corporate governance and another devastating effect possible for African banking sector which may suggest unique consequences associated with regional differences, or economic paradigms. Sayumwe and Amroune (2017) also find a negative coefficient on price per share in the Canadian market implying that board composition has different effects by geographical, economic context. This highlights the need to understand that interpreting the effects of board-ownership dynamics on shareholder value creation requires consideration for idiosyncratic governance settings, regional patterns and economic differences. In light of the extant literature, the study proposes that:

*Ha<sub>1</sub>: A link exists between board-ownership dynamics and wealth of shareholders.*

### **3.3.1. Board attributes and shareholders' wealth**

This section covers the relationship of individual board attributes (board size, board independence, board gender diversity, board meetings, and CEO duality) with shareholders' wealth. It reviews the findings of various literature to formulate hypotheses in answer research question 2.

#### **3.3.1.1. Board size (BSize) and shareholders' wealth**

One of the most significant CG processes examined in the literature is board size. It outlines the board's involvement and duty in overseeing the company's activities (Saidat *et al.*, 2019). There is divergence in the literature currently on the effect of board size, big or small, on a company's worth. A subset of scholars asserts that a smaller board might increase the firm's worth (Kajola, 2022), while a bigger board reduces the efficacy of communication and decision-making, incurs more administrative costs, and makes it more difficult for board members to coordinate (Kajola, 2022).

Nasution *et al.* (2024) find a favourable noteworthy influence of board size on the financial performance (FP) of businesses during the COVID-19 period. The results of Kao *et al.* (2018) point out that large boards increase a company's worth since they offer more resources for monitoring, as well as a wider range of experience, skills, and information that can assist businesses in reducing environmental uncertainty and contributing significant resources. Rooly (2022) investigates how board composition, aligned with agency theory, affects shareholders' wealth. The outcome shows an upsurge in BSize has a favourable effect on shareholders' wealth. The observation suggests that a larger board is advantageous for shareholders, aligning with the theoretical expectations of agency dynamics.

The influence of size of board on the stock market of non-financial companies in South Asian nations was investigated by c The study's conclusion depicts that board size meaningfully and positively affects the shareholders' wealth. Ebimobowei (2022) explores the consequence of CG machines on the value of Nigerian banks. The value of deposit money banks in Nigeria is favourably and considerably influenced by board size, according to the results of the multiple regression analysis.

Kusi *et al.* (2018) in Ghana conclude that board size promotes both shareholder and stakeholder value maximisation. Wokeh (2024) record an adverse and insignificant effect of BSize on return on assets. Aside from that, Salem *et al.* (2019) observe that the size of the board has a significance and adverse consequence on corporation value in both the United States and Egypt.

The contradictory results described in the extant knowledge are a product of varying context, methodology, and theoretical frameworks. Studies like Nasution *et al.* (2024) and Kao *et al.* (2018) suggest that larger boards can lead to better performance and shareholder value as demonstrated by Cheng and Seave (2018) using excess cash on the balance sheet of firms with more board members. Similarly, Rooly (2022) and Abbassi *et al.* (2022) suggest that larger board contribute positively to the wealth of shareholders in accordance with the agency theory improving their oversight responsibility as expectation.

On the other hand, Kajola (2022) and Wokeh (2024) discuss the weaknesses of having large board size such as communication problems, practical challenge for effective director to monitoring management effectively which are likely lead more expense back office administrative cost that could finally impair firm performance. Salem *et al.* (2019) and Ebimobowei (2022) also report the negative impacts, stating that the usage of large boards may have contingent positive outcomes depending on the industry, the geographic location, and the particular type of governance system. Such a divergence supports calls for examining contextual factors while analysing the connection between the firm's board size and its value. As per the existing literature, the study posits that:

*Ha<sub>2</sub>: A relevant positive link exists between BSize and shareholders' wealth.*

### **3.3.1.2. Board independence (BIndp) and shareholders' wealth**

A number of studies that deliberate the consequence of BSize on the wealth of shareholders also consider the consequence of board independence on shareholders' wealth. For instance, Rooly (2022) conducts an analysis of the influence of both board size and board independence on the wealth of shareholders, aligning with the agency theory. This investigation is prompted by concerns about inadequate corporate governance practices eroding investor confidence on the Colombo Stock Exchange in Sri Lanka. The conclusions show the wealth of shareholders is positively impacted by the fraction of BIndp. The observation underscores that a greater proportion of non-executive directors on the board could be beneficial to shareholders, aligning with the theoretical predictions of agency dynamics.

In addition to examining board size, Ebimobowei (2022) also looks at the impact of board independence on the value of deposit money banks in Nigeria between 2010 and 2020. The results show that board independence has a favourable and substantial impact on the value of deposit money banks in Nigeria. In their research, Abbassi *et al.* (2021) look at how shareholders' wealth is affected by board independence in the stock market of non-financial companies in South Asian nations.

The generalized method of moments (GMM) reports that board independence significantly and favourably affects the non-financial on the stock market companies in South Asian nations. Van Khanh *et al.* (2020) employ a range of regression methods, such as the Random Effect Model (REM), Fixed Effect Model (FEM), Generalized Least Squares (GLS), and Generalized Method of Moment (GMM), to reduce model constraints. The dataset utilised in their analysis is made up of 2,937 observations gathered from publicly traded businesses on the Vietnamese stock market between 2008 and 2018. Their study's conclusions show that while board independence increases company value, this impact is not statistically significant.

However, Bhagat and Bolton (2019) find that having more independent directors dramatically reduces business value and short-term performance when it comes to maximising performance and growth. Tehran *et al.* (2016) likewise find negligible and unfavourable support for the relationship between board independence and profitability per share. Drawing from the reviewed literature, the study posits that:

*H<sub>3</sub>: A significant positive link exists between BIndp and shareholders' wealth.*

### **3.3.1.3. Board meetings (BMeet) and shareholders' wealth**

According to Pernelet and Brennan (2023), consistent scheduling of board meetings aligns with the outcome theory, providing directors with the opportunity to effectively oversee and evaluate management activities. This process involves the seamless transmission of information to management, serving to alleviate agency conflicts between administration and owners. As a result, the alignment of management interests with those of owners is enhanced, ultimately maximising shareholders' wealth (DesJardine *et al.*, 2023). The outcome hypothesis proposes a direct association between board meetings, the propensity to issue dividends, and the optimization of shareholders' wealth.

A strong favourable correlation between board meetings and the financial success of Indonesian companies is shown by Nasution *et al.* (2024). Likewise, Agustia *et al.* (2022) unearth a favourable nexus between board-management meeting frequency and company performance in Indonesia, suggesting that more meetings lead to better organizational outcomes. In their empirical research, Mishra and Kapil (2018) investigate the nexus between board features and firm performance among Indian companies. They found that more board meetings signal to the market that the firm is valuable and that shareholders' wealth is maximised.

The impacts of BMeet on the performance of Nigerian deposit financial institutions is delved into by Eluyela *et al.* (2018). Through panel regression analysis, the researchers unveil a significant correlation between the variables, highlighting an affirmative link between board meeting frequency and financial performance. Similarly, Mehdi *et al.* (2017) note a direct and substantial connection between board meetings and shareholders' wealth. Also, Riazi *et al.* (2016) ascertain a positive outcome between board meetings and wealth of shareholders in their study conducted in Pakistan.

However, literature shows that based on the substitution theory, a negative relationship should exist between board meeting frequency and shareholders' wealth (Boshnak, 2023). This is on the premise that, meeting frequently is likely to increase the agency cost, and in order for management to mitigate the agency conflict, they substitute improving the wealth of shareholders to address this problem. Based on the empirical review, the study suggests that:

*Ha4: A positive relationship exists between frequency of board meetings and shareholders' wealth.*

#### **3.3.1.4. Board gender diversity (BGD) and shareholders' wealth**

In recent years, there has been a substantial amount of scholarly engagement in a constructive dialogue regarding the connection between a company's output and BGD within higher business roles (Arvanitis *et al.*, 2022). Studies led by Mai *et al.* (2024) believe the existence of women presidents, executives, and controlling shareholders is linked to an enhancement in performance. Moreover, the inclusion of the presence of women on BoD improves IRB's performance by mitigating underperforming indicators.

Arvanitis *et al.* (2022) observe that the most effective proportion of female representation on boards, set at 33%, optimizes FP. Similarly, Bennouri *et al.* (2018) identify a significant influence of female directors on FP in France spanning from the year 2001 to the year 2010. Gould *et al.* (2018) corroborated that the overall representation of women on boards stands at 16.8% in the EU and 19.2% in the listed firms of the US Standard & Poor's 500, with these percentages decreasing to 5.6% and 14.2%, respectively, when focusing on involvement of women in managerial positions.

Research by Ferrari *et al.* (2018) examine the correlation between BGD and market price per share in Germany, revealing a notably positive association between BGD and market price per share. Furthermore, Ofori-Sasu *et al.* (2022) contend that BGD not only enhances business disclosures but also mitigates banking crises in Africa. Kusi *et al.* (2018), however, find that 267 African banks revealed a little impact of BGD on financial performance (FP).

Eluyela *et al.* (2019) contrastingly find no evidence to support the claim that gender-diverse boards influence the intention to pay dividends or the amount paid to increase the wealth of shareholders. They probe the influence of a gender-diverse board on DP in Nigerian companies, and their findings reveal that female directorship has no substantial impact on improving the wealth of shareholders.

Other studies, such as Elmagrhi *et al.* (2017); and Mustafa *et al.* (2020), support an unfavourable nexus between the variables. Strong nexus, such as those from Mai *et al.* (2024) and Ferrari *et al.* (2018), usually attribute improved performance to stronger governance and a diversity of perspectives. Conversely, studies such as Kusi *et al.* (2018) and Eluyela *et al.* (2019) show little or adverse effects. The reason for the different outcomes may be cultural contexts or ineffective execution, where gender diversity has minimal to no effect on the outcomes of governance. Following the ongoing discussion, the study proposes that:

*Ha<sub>5</sub>: A relationship exists between board-gender diversity and shareholders' wealth.*

### **3.3.1.5. CEO duality and shareholders' wealth**

According to Jensen (1993), if the person serving as chairman and CEO is the same, he will have more influence over the board and be more likely to put their personal interests ahead of those of the shareholders. As per agency theory considerations, duality results in a less effective board control mechanism, making the combination of the positions an inefficient instrument for limiting expropriation risk in emerging economies (Baliga *et al.*, 1996).

Ali *et al.* (2022) delve into investigating the influence of CEO duality on the FP of firms situated in a developing nation. Their discoveries unveil an inverse nexus between CEO duality and the financial performance of a firm. Yu (2023), in an extensive analysis of 314 empirical studies focusing on the correlation between CEO duality and FP, presents inconclusive outcomes. While Briano-Turrent *et al.* (2020) demonstrate that the combination of the chairman and CEO positions has an unfavourable consequence on dividend distribution, Boshnak (2023) verifies a negative and statistically significant nexus between the CEO dual role and dividend volatility per share. This suggests that boards where the CEO is the same as the board chair may be less successful in limiting executive discretion, particularly with regard to shareholders' wealth.

Conversely, Taleb and Ben Lahouel (2020) find that shareholder value is typically given priority in Tunisian businesses led by a CEO who also serves as the board chair. Mehdi *et al.* (2017) support this positive and statistically significant relationship with their analysis of selected East Asian and Gulf Cooperation Council enterprises. Mishra and Kapil (2018) express the view that the segregation of the CEO and the chairman of the board is recognized as value-generating, while directors burdened with excessive duties detrimentally impact corporate performance. The conclusions also indicate that the link between governance and performance depends on the specific performance metrics employed in the research.

According to the scholars in the preceding paragraph, companies where the CEO holds the position of chairman are more inclined to embrace a more liberal dividend distribution policy, ultimately enhancing shareholder wealth. They contend that this duality in evolving economies does not represent an effective strategy for mitigating the risk of expropriation. Positive outcomes, such as those from Nasution *et al.* (2024) and Estiasih *et al.* (2019), suggest that management ownership raises corporate value by bringing interests closer together. Other studies, including those by Tayachi *et al.* (2023) and Kirimi *et al.* (2022), note negative consequences that might be caused by managerial entrenchment and reduced dividend payments, which could reduce shareholder value. Drawing on the empirical review, the research proposes that:

*Ha6: A negative association exists between CEO and shareholders' wealth.*

### **3.3.2. Ownership structure and shareholders' wealth**

This section covers the relationship of individual ownership structure (managerial ownership, institutional ownership, state ownership, and government ownership) with shareholders' wealth. It reviews the findings of various literature to formulate hypotheses in answer research question 2.

#### **3.3.2.1. Managerial ownership (MO) and shareholders' wealth**

Mangasih (2021) defines managerial ownership as a shareholding arrangement in which management owns a percentage of the shares of the business and takes an active part in the firm's procedure for making decisions. According to Nasution *et al.* (2024), management ownership and financial success in Indonesia have a strong positive correlation. Using a sample of 200 nonfinancial companies engaged in derivatives between 2012 and 2017, Zamzahir *et al.* (2021) use GMM to explore the nexus between management ownership and firm value. The study's findings indicate a connection between management ownership and company value.

Similarly, Estiasih *et al.* (2019) present empirical evidence supporting the impact of managerial ownership on firm value, emphasizing its significant influence. Saona *et al.* (2020) scrutinize the effect of structure of ownership on earnings management in Spain and found that as ownership control increases, earnings management decreases. They observe an inverse U-shaped link between insiders' ownership and earnings management.

Additionally, a momentous inverse nexus between MO and the dividend payment ratio is shown by Tayachi *et al.* (2023). The core of their argument is that managers who own a majority of a firm are more likely to control the company internally by holding onto its resources rather than paying out dividends. The writings of Obaidat (2018) and Le and Le (2017) provide credence to this viewpoint. According to Le and Le (2017), businesses run by executives have smaller dividend payments because managers keep a bigger portion of the company's income in order to take advantage of profitable investment possibilities.

Further supporting this viewpoint, studies by Kirimi *et al.* (2022); Nguyen and Nguyen (2020); and Rashid *et al.* (2020), collectively conclude that a concentration of managerial ownership can lead to diminished returns for shareholders and stakeholders, thereby reducing their overall wealth. Kirimi (2024) found that ownership by management and return on assets have a negative relationship. Mai *et al.* (2024) also find that managerial ownership does not exhibit any significant effect on the performance measures of Islamic Rural Banking. From the above empirical evidence, the study formulates that:

*Ha7: A negative relationship exists between managerial ownership and shareholders' wealth.*

### **3.3.2.2. Institutional ownership and shareholders' wealth**

The ownership portion of a company's ownership structure that is owned by institutional owners, including banks, financial organizations such as pension funds, insurance businesses, and investment firms, is referred to as institutional ownership. According to Nasution *et al.* (2024), corporate financial performance in Singapore is significantly improved by institutional ownership. Per the study of Ayunitha (2020), a rise in institutional ownership translates into a larger degree of external control over the firm, which lowers agency costs and raises the company's worth.

Specifically, dividend distributions are a mechanism that institutional investors employ to help alleviate agency problems in enterprises, and they utilise it more in the event that external supervision is inadequate (Chang *et al.*, 2016).

Prior research findings present inconclusive outcomes regarding the association between institutional investors and the maximisation of wealth (Rajput and Jhunjhunwala, 2019). Firth *et al.* (2016); Chang *et al.* (2016); and Crane *et al.* (2016) observe a significant positive link, particularly for firms facing insufficient external oversight and increased agency costs mechanisms. Nonetheless, an insignificant relationship between institutional ownership and shareholders' wealth in developed financial markets is documented by Nguyen and Li (2020), refuting the presence of clientele effects. According to them, institutional investors exhibit a preference towards share repurchases over dividend disbursements.

In opposition, Jacob and PJ (2018) present contrasting findings within an emerging market context. Marimuthu (2017) and Berezinets *et al.* (2017) highlight an adverse correlation between dividend payments and IO in South Africa and Russia. With regard to the empirical literature on the link between IO and shareholders' wealth, the close and efficient monitoring of firms' managers by institutional investors likely reduces the necessity for higher dividend payments as a tool for observation and communication (Al-Najjar and Kilincarslan, 2016). Studies highlighting the advantages of institutional ownership, such as those by Chang *et al.* (2016) and Nasution *et al.* (2024), usually mention improved monitoring and lower agency costs. Nonetheless, Nguyen and Li (2020) and Marimuthu (2017) indicate minimal or negative effects, which might be the outcome of disparate institutional goals or insufficient monitoring mechanisms. Thus, considering the previously mentioned arguments, the study posits the following hypothesis:

*H<sub>as</sub>: A relationship exists between institutional ownership and shareholders' wealth.*

### **3.3.2.3. State ownership (SO) and shareholders' wealth**

In order to address the issue of agency conflicts between management and minority shareholders in government-owned businesses, opt to distribute larger amounts of dividends. Moreover, government-owned firms possess convenient access to debt financing, which serves as a motivation for them to offer higher dividend payments (Hasan *et al.*, 2023). Quoc Trung (2022) argues that in order to improve their financial performance, banks should have state ownership as part of their shareholders. The author posits that state-owned banks have a tendency to generate superior profits compared to private banks due to the perception of depositors that government ownership affords a level of security for their deposits. According to Lin *et al.* (2017), state-controlled companies in China tend to pay out larger dividends than non-state-controlled companies when they have stronger information asymmetry. Government ownership has a beneficial effect on the expansion and development of businesses, as demonstrated by the findings of Aguilera *et al.* (2021) as well as that of Boubakri *et al.* (2020).

On the other hand, Aluchna *et al.* (2019), and Duqi *et al.* (2020) discover a negative correlation between government ownership and the distribution of dividends. They contend that the oversight of managers in government-owned companies is inadequate, especially in developing nations. Furthermore, governments possess a strong inclination to enhance the performance of firms while also promoting job creation (Liljeblom *et al.*, 2020), thereby resulting in diminished dividend payments. Insufficient corporate governance, coupled with political limitations, further compels managers to issue reduced dividends (Duqi *et al.*, 2020). Iwasaki *et al.* (2022) document an adverse influence of SO on the performance of establishments. Amin and Haq (2022) similarly observe this negative influence in the contexts of Russia, China, and India. Queiri *et al.* (2021) identify the same unfavourable consequence of government ownership on corporate financial output. This is explained by the fact that state-owned enterprises are regarded as shared assets, a concept known as the "tragedy of the commons," in which the interests of multiple stakeholders are intertwined with such firms. The differences in findings of existing literature may be caused by reduced managerial effectiveness and political interference. Drawing upon existing literature, the present study formulates the following hypothesis:

*Ha9: A relationship exists between state ownership and shareholders' wealth.*

#### **3.3.2.4. Foreign ownership and shareholders' wealth**

"Foreign ownership" is the phrase used to describe the ownership of a portion of a country's assets (bonds, stocks, businesses, real estate, and so on) by individuals who are not citizens of that country or by firms whose headquarters are offshore. Fang *et al.* (2019) assert that foreign ownership has the potential to enhance corporate governance. Nonetheless, there are differing views in earlier research on the connection between foreign ownership and dividend payments intended to optimize shareholder value.

Some research supports the idea that foreign ownership (FO) increases shareholders' wealth (RM Musallam and Choo, 2019). According to Ambarwati (2021), profitability is impacted by foreign institutional ownership. Shubita and Shubita (2019) emphasise that foreign ownership (FO) can enhance corporate governance practices, significantly contributing to increased growth opportunities and elevated market valuation for firms. Additionally, their research suggests that companies incorporating foreign board members exhibit superior operating performance and higher overall firm value. Choi and Park (2019) discover a positive correlation between dividend distributions and FO within Korea. Similarly, Riaz and Ahmad (2016) find that FO positively influences the dividend payout ratios of firms.

Contrastingly, Caixe *et al.* (2024) find that foreign ownership decreases corporate value, even when endogeneity concerns were addressed through the GMM estimator. Using Kenyan banks operating from 2009 to 2020, Kirimi *et al.* (2022) unearth a negative link between foreign ownership and banking profitability. A negative correlation is also shown by Moin *et al.* (2020), which provides significant support for the expropriation theory and raises concerns about possible threats to minority shareholders' rights. Al-Najjar and Kilincarslan (2016) likewise find a negative correlation between dividend payments and foreign ownership.

The benefits of foreign ownership, as documented by Fang *et al.* (2019) and Choi and Park (2019), are frequently linked to enhanced market valuation and better governance. Negative results, on the other hand, such as those from Kirimi *et al.* (2022) and Caixe *et al.* (2024), imply that in some situations, foreign ownership may result in expropriation worries or decreased profitability. Based on previous research, the report makes the following claims:

*Ha<sub>10</sub>: A relationship exists between foreign ownership and shareholders' wealth.*

### **3.4. EFFECT OF BODY ON DIVIDEND POLICY**

Usman and Yahaya (2023) explore the consequence of board features on firm value within Nigeria, utilising a sample of 112 corporations listed on the NGX during the financial years 2009–2021. They employ an OLS pooled data regression model to test hypotheses and conducted a comprehensive analysis of share prices across industry sectors, size, and specific company characteristics. The study reveals that BSize, BIndp, and board share ownership significantly impact firm value in Nigeria. In a related study, Fayyaz *et al.* (2023) investigate the nexus between corporate governance quality and dividend policy in Asian emerging markets. They assessed corporate governance quality using a comprehensive index based on combined board governance attributes, including board size and independence.

Thompson and Manu (2021) investigate the relative importance of board characteristics in comparison to management characteristics when determining dividend policy. Their findings highlight the board's crucial role as the final decision-maker when it comes to declaring dividend policies and how the makeup of a company's board affects how management traits affect dividend policy. The investigation's findings indicate that while BIndp and directors' voting rights have a significant and negative impact on the prospect of dividend declaration, average age, size, and female representation all had a significant favourable impact.

Further, it is proposed that the BSize and the participation of directors with financial expertise are important factors in determining the dividend policy that affects dividend yields. Essentially, the results support the notion that boards should act as managers' supervisors when it comes to determining dividend policy.

Conversely, Endang (2020) provides empirical evidence on how industrial businesses listed between 2012 and 2016, ownership structure, and leverage have an impact on firm valuation and dividend policy. The research includes all manufacturing businesses that are publicly listed and traded on the Indonesian stock exchange with financial reports between 2012 and 2016, leading to the selection of 28 companies from the total of 145 companies. The findings show that ownership structure has a statistically significant negative influence on company value but a non-statistically significant negative impact on dividend policy. Drawing from the existing literature, the study proposed the following hypothesis:

*Hb<sub>1</sub>: There is a nexus between board-ownership dynamics and DP.*

### **3.4.1. Board attributes and dividend policy**

Several research works evaluate the consequence of board attributes on the dividend policy (DP) of firms. Fayyaz *et al.* (2023); Kanadli *et al.* (2022); Abu-Afifa *et al.* (2022); Khan (2022); Kanojia and Bhatia (2022); Gyapong *et al.* (2021); Dissanayake and Dissabandara (2021); Tahir *et al.* (2020); among other studies show how different board characteristics affect dividend pay-out of firms. This section discusses various attributes of the board and their effects on dividend policy.

A study by Abu Afifa *et al.* (2022) look at the connection between dividend distribution and board composition. The Amman Stock Exchange (ASE) list of service businesses from 2012 to 2019 is the focus of the research output. Panel data are used in the analysis, and the GMM estimator is applied. In line with their findings, the board's independence has no discernible effect on dividend distribution, but the board's size has a noticeably negative effect.

Similarly, Kanojia and Bhatia (2022) delve into the correlation between corporate governance and dividend distribution, utilising a dataset from companies listed in both an emerging and emerged economy. The results demonstrate that both board independence and board size serve as crucial elements of corporate governance (CG) that determine dividend pay-out in emerged markets, while none of the specific corporate governance factors show a significant relationship with dividend distribution in emerging economies.

In a related inquiry, Fayyaz *et al.* (2023) explore the consequence of CG quality on the dividend strategies of emerging markets in Asia, using a comprehensive index that covers various board governance characteristics, particularly board size and independence.

#### **3.4.1.1. Board size and dividend policy**

Research on how board size affects dividend policy produces contradictory findings. Board size and dividend distributions are positively correlated, according to research conducted in established economies (Kanojia and Bhatia, 2022). Larger boards in these situations may improve supervision and decision-making, which would encourage more dividend pay-outs. Research from other areas, including Jordan, India, and other developing nations, has shown a contrary correlation, indicating that a bigger board may result in less effective decision-making or higher agency expenses.

These variations highlight the ways in which industry-specific variables and regional governance norms impact the link between board size and dividends. Kanojia and Bhatia (2022) examine a sample of US and Indian listed companies to observe the association between dividend distribution and CG. The findings indicate that, in US companies, board size plays a critical role in determining dividend pay-out; however, in Indian enterprises, there is no significant correlation seen between any of the individual corporate governance metrics and dividend pay-out.

Additionally, in a study by Thompson and Manu (2021), they assess the importance of board characteristics in determining dividend policy using a dividend declaration dummy variable, and fixed effect logistic regression. They find a robust positive and significant influence of board size on DP. Moreover, Dissanayake and Dissabandara (2021) use information from 170 Sri Lankan businesses from 2015 to 2019. The results of their panel regression point to a clear correlation between DP and BSize. Khan (2022) explores the bearing of BSize on DP within Turkish listed firms from 2013 to 2019, utilising a panel dataset sourced from the Borsa Istanbul (BIST) 100 index. The empirical outcomes suggest a favourable and significant link between BSize and DP.

Similarly, studies led by Pahi and Yadav (2018) and Kajola *et al.* (2022) also yield positive results. Between 2012 and 2019, service companies registered on the Amman Stock Exchange (ASE) had their board composition and dividend distributions examined by Abu Afifa *et al.* (2022). The investigation employs panel data methodologies, with the application of the GMM estimator. The findings reveal a substantial adverse influence of board size on dividend pay-outs, while board independence exhibits no noteworthy impact.

In consonance with the substitution hypothesis, Ghasemi *et al.* (2013) analyse data from 81 listed companies in Iran spanning from 2005 to 2011, highlighting an inverse correlation between board size and dividend strategy. Correspondingly, Batool and Javid (2014) conduct a research endeavour in Pakistan utilising data from 100 listed manufacturing enterprises between 2003 and 2011, establishing a pessimistic correlation between BSize and DP. Sani and Musa (2017) evaluate the consequence of board features on the DP of eight Nigerian banks during the financial periods from 2006 to 2015, with regression outcomes indicating a feeble and insignificant adverse association in both pooled OLS and random effects models.

In South Africa, Nharo *et al.* (2021) investigate data from 29 firms across the financial years 2013 to 2018, with fixed effects regression showcasing an insignificant impact. Similarly, Shafana and Safeena (2022) point out an inconsequential relationship in their investigations. According to the current body of literature, the study posits that:

*Hb<sub>2</sub>: A negative relationship exists between BSize and DP.*

#### **3.4.1.2. Board independence and DP**

External directors bring distinctive qualifications, varied experience, skills, expertise, and unbiased viewpoints to the boardroom (Hussain *et al.*, 2018). With these attributes, the outcome theory advocates that external directors can safeguard shareholders' interests against managers' opportunistic behaviours (Dissanayake and Dissabandara, 2021; Elmagrhi *et al.*, 2017). This will help alleviate agency conflicts through dividend payments.

The outcome theory proposes a direct connection between BIndp and DP. Recent research by Yakubu *et al.* (2022) demonstrate the influence of board independence on the DP of business concerns listed on the GSE, highlighting a positive and significant correlation between board independence and dividend per share. An investigation by Kanojia and Bhatia (2022) delved into the connection between CG and DP using a sample encompassing listed firms, an emerging economy, and a developed economy. The outcomes reveal that board independence serves as a pivotal corporate governance element dictating dividend pay-out in companies in the developed economy, whereas none of the individual corporate governance metrics exhibit a noteworthy correlation with dividend pay-out in companies in the emerging economy.

Conversely, the substitution theory indicates that the involvement of external executives might constrain the dividends allocated to shareholders due to their oversight activities, particularly in the case of poorly governed firms (Mehdi *et al.*, 2017). In a study by Abu Afifa *et al.* (2022) utilising the GMM estimator, it is discovered that BIndp does not possess a substantial link with dividend payout. Analysing Turkish listed companies from 2013 to 2019 using a panel dataset from the Borsa Istanbul (BIST) 100 index, Khan (2022) explored the impact of BSize on DP, with empirical evidence indicating that board independence does not play a substantial role in encouraging companies to offer generous dividends. Moreover, Sanan *et al.* (2019) note a detrimental and noteworthy impact of board independence on dividend distributions among non-financial firms in India.

Mehdi *et al.* (2017) scrutinise firms in Asian and emerging markets amidst financial crises, unveiling an inverse link between board composition and DP across Asian firms, and emerging markets' firms. Various studies by Pramodya and Chathurika (2022); Pahi and Yadav (2018); Mirza and Malik (2019); and Nazar (2021) corroborate similar adverse outcomes. Further, Mai and Syarief (2021) ascertain that board independence exerts no influence whatsoever on dividend disbursement within the banking sector of the Indonesian Stock Exchange. Building upon the literature expounded, the study posits that:

*Hb<sub>3</sub>: A relationship exists between board independence and dividend policy.*

#### **3.4.1.3. Board meetings and dividend policy**

Another area of variation is the link between dividend policy and the frequency of board meetings with little inquiry into their nexus. According to Boshnak (2023); Nguyen *et al.* (2021); and Kilincarslan (2021), there is a favourable association between the frequency of board meetings and the board's capacity to supervise management and, consequently, approve larger dividend payments. On the other hand, additional study suggests that holding too many meetings might result in inefficiencies or higher agency expenses, which would hurt dividend distribution (Juhmani, 2020; Dogukanli, 2022). These results imply that how well board meetings are used for governance and oversight determines how effective they are in shaping dividend policy.

Regular scheduling of board meetings, as advocated by outcome theory, offers directors a platform to effectively supervise and evaluate managerial activities (Nguyen *et al.*, 2021). This is achieved by ensuring the smooth flow of information to management. This will serve as a means to mitigate agency conflicts between management and shareholders.

Consequently, such practices promote the alignment of management's interests with those of shareholders, particularly through dividend payments (Nguyen *et al.*, 2021).

On the contrary, substitution theory posits that companies conducting frequent meetings may increase agency costs due to reduced time available for serious monitoring functions. In instances of poor corporate governance, management might prioritise maximising shareholders' wealth as a substitute for addressing agency problems with shareholders (Kilincarslan, 2021), indicating an inverse relationship as suggested by the substitution hypothesis.

Boshnak (2023) examines how the makeup of a board affects dividend distribution practices in Saudi Arabian companies. His research looks at the impact of several factors, including CEO tenure, board size, independence, and board meetings, on the probability of dividend payments and DPS for Saudi Arabian listed firms from 2016 to 2019. The findings show a favourable bond between the number of board meetings and the DPS.

In contrast, Juhmani (2020) in Bahrain discloses that the occurrence of board meetings does not have a significant influence on decisions regarding dividend pay-outs. A study by Saliya and Dogukanli (2022) with data from 55 companies in Turkey spanning from 2011 to 2019 unveils an adverse link between board meetings and DP, thereby corroborating the substitution theory. In line with the predictions of the outcome theory and substitution theory, the study postulates that:

*Hb<sub>4</sub>: A relationship exists between frequency of board meetings and dividend policy.*

#### **3.4.1.4. Board gender diversity (BGD) and DP**

Numerous studies delve into the association between BGD and DP, investigating diversity concerning variables like age, gender, experience, and education (Mutai, 2023). The presence of female directors is believed, according to outcome theory, to augment board efficacy by utilising dividend disbursements to alleviate agency expenses and regulate opportunistic conduct by management (Anuar *et al.*, 2020; Gyapong *et al.*, 2021; Ye *et al.*, 2019).

Conversely, substitution theory proposes that incorporating women into corporate boards could escalate conflicts among board members, thereby amplifying agency costs. Consequently, companies with substantial female representation on boards might have to offer increased dividends to rectify deficiencies in their corporate governance frameworks (Gyapong *et al.*, 2021).

Previous empirical research also suggests that female directors exhibit attributes such as diligence, expertise, professionalism, and a strong sense of ethics in their interactions with management and fellow board members (Elmagrhi *et al.*, 2017). Gyapong *et al.* (2021) note an affirmative association between BGD on boards and dividend disbursements in Australian enterprises, with female directors boosting dividend pay-outs in widely held firms and diminishing them in closely held firms.

Similarly, Dissanayake and Dissabandara (2021) determine that women on boards had a noteworthy positive impact on dividend pay-outs for non-financial businesses quoted on the Stock Exchange in Colombo. Other various studies, including those by Dissanayake and Dissabandara (2021); Kajola *et al.* (2019); and Kristianto (2018), also confirm a direct link between BGD and DP.

On the contrary, Nadia and Hanafi (2023) identify an adverse association between BGD and DP among firms in the Association of Nations in Southeast Asia (ASEAN). Sanan *et al.* (2019) detect a negative and substantial influence of board gender diversity on dividend pay-outs in Indian non-financial corporations. Furthermore, Guizani and Abdalkim (2022) discover in their study in Malaysia a significant inverse impact of BGD on the payment of dividend strategies and the effective distribution of free cash flow for companies. Nonetheless, Khan (2022) discloses no notable correlation between BGD and dividend disbursements for non-financial companies in Turkey, while Mai and Syarief (2021) ascertain no impact of BGD on dividend pay-outs in the banking sector on the Indonesian Stock Exchange.

The impact of gender diversity of boards on dividend policy varies among research as well. Increased female presence on boards is often associated with higher dividend distributions, according to research from Australia and Sri Lanka. This is because diverse boards may be better at reducing agency costs and advancing shareholder interests. Studies conducted in emerging markets reveal a minimal or negative influence, which may be attributed to cultural or organizational differences (Elmagrhi *et al.*, 2017; Mustafa *et al.*, 2020; Kusi *et al.*, 2018). These variances demonstrate how regional customs and expectations may have an impact on how gender diversity affects dividend policy. In light of the ongoing discourse, the research asserts that:

*Hb<sub>5</sub>: A relationship exists between BGD and DP.*

#### **3.4.1.5. CEO duality (CEOD) and DP**

CEO duality, as defined by Wijethilake and Ekanayake (2020), pertains to a board structure in which the CEO concurrently holds the position of the chairman of the board of directors. The governance mechanisms of agency theory and stewardship theory engage in a theoretical debate regarding the effectiveness of CEO duality (Herndon, 2020). These theories present opposing predictions on the impact of CEO duality. Agency theory states that the CEO's isolation and chairmanship activities are crucial for better supervision. It contends that combining these roles may lead to an abuse of power. Consequently, agency theory predicts that companies segregating the CEO and chairperson roles perform better than those where these roles are combined (Fama and Jensen, 1983).

Conversely, stewardship theory asserts that having a single person occupy both the roles of CEO and chair of the BoD is essential for unity and clarity in the firm's leadership (Li *et al.*, 2024). Stewardship theory suggests that when different individuals occupy the CEO and chair roles, conflicting objectives may arise (Banerjee *et al.*, 2020). Stewardship theory thus predicts that companies with CEO dualism outperform those without it. Research findings on the connection between CEO duality and DP or firm value vary. Some studies indicate a positive association (Mohd Ghazali, 2020; Sheikh *et al.*, 2019; Bataineh *et al.*, 2019), while others suggest a negative relationship (Nguyen *et al.*, 2021; Sumail, 2018; Kao *et al.*, 2018).

Additionally, some studies report no significant correlation (Ahmad *et al.*, 2019). Tahir *et al.* (2020b) discover a statistically negligible but highly unfavourable relationship between dividend policy and CEO duality. In a similar vein, Nazar (2021) find that CEO duality had a negligible adverse influence on the dividend payment ratio during his inquiry of the influence of CG in the dividend decisions of businesses registered on the Stock Market of Sri Lanka. The research proposes, based on the empirical review, that:

*Hb<sub>6</sub>: A negative relationship exists between CEOD and DP.*

#### **3.4.2. Ownership structure and DP**

The effect of ownership structure on dividend policy varies greatly. Since significant shareholders have greater control, concentrated ownership can result in higher dividends; yet, it can also result in reduced pay-outs if major shareholders rather keep their earnings for themselves. Al Lawati and Sanad (2023) emphasise that ownership concentration can serve as a potential corporate governance mechanism for addressing conflicts between shareholders and management, as significant investors wield more control over managerial decisions.

Rauterberg (2021) echoes this sentiment, suggesting that conflicts between managers and shareholders are more likely in corporations with widely detached ownership. The study conducted by Anh and Tuan (2019) supports the idea that establishments with focused ownership tend to offer lesser returns as dividends. The researchers posit that a more focused ownership structure often indicates less transparency in business operations, with shareholders leaning towards personal gains.

Miller *et al.* (2022) reach a comparable conclusion, observing that heightened ownership dispersion is associated with increased dividend disbursements. Bruneckiene *et al.* (2020) illustrate that firms with minimal ownership concentration demonstrate more effective investment strategies, enabling them to evaluate their market prospects more accurately and encountering reduced pressure from shareholders. Khalfan and Wendt (2020) unearth that the influence of concentration of ownership on dividend distributions varies significantly among nations. Despite differing viewpoints on the correlation between ownership configuration and dividend disbursements, the prevailing notion in this context is that dividend payments contribute to the mitigation of information asymmetry and alleviation of agency conflicts.

Additionally, in line with signalling theory, dividend payments are seen as crucial for the transmission of material evidence to owners about the company's value. The sub sections below discuss the various forms of ownership (managerial, institutional, state, and foreign) and their relationship with dividend payment policy.

#### **3.4.2.1. Managerial ownership and dividend policy**

Mangasih (2021) defines managerial ownership as a shareholding arrangement in which a director or commissioner owns a percentage of the company's stakes and engages an active role in the process of making decisions for the company. When there are many minority shareholders, management oversight often becomes ineffective because of the significant implementation costs involved. However, shareholders with a sizable shareholding can more readily defray the expenses of management oversight and earn a larger rate of yield on their financial commitment.

Le and Le (2017) contend, however, that larger financiers pay more for management oversight than do smaller investors, and they frequently demand bigger dividend payments to make up for these expenses. Higher management ownership has been linked to greater dividend dipping, particularly for businesses with less robust protection for minority shareholders (Bian *et al.*, 2022). In a similar vein, Nazar (2021) discovers a favourable correlation between dividend policy and managerial ownership.

In an emerging market setting, Farooq *et al.* (2022) evaluate the influence of firm-specific characteristics and CG on DP. The outcomes exhibited that management ownership had an important negative influence on the dividend decisions made by the sample firms. Juhmani (2020) performs an empirical analysis investigating the consequence of the ownership system on dividend distribution decisions in Bahrain. The study revealed that managerial ownership did not yield any statistically significant impact on the dividend pay-out determinations.

Boshnak (2023) delves into the examination of the influence of ownership structure on the policy of dividend pay-outs in companies based in Saudi Arabia. The research brought to light a negative correlation between dividend per share and managerial ownership. Obaidat (2018) illustrates that heightened managerial ownership serves to alleviate conflicts of interest, lower agency expenditures, and have an adverse effect on the dividend disbursements of the company. Conversely, findings such as those of Nugraha *et al.* (2021) report no significant effect of managerial ownership on dividend policy. Due to varying governance structures and supervision expenses, studies on managerial ownership and dividend policies provide inconsistent outcomes. When there is a significant level of managerial ownership, management interests are aligned with shareholder returns, leading to bigger dividends and positive conclusions. However, when management maintains earnings for internal expansion, reflecting varying regional norms and corporate governance requirements, or when more managerial ownership results in ineffective monitoring, negative or neutral effects emerge. From the above empirical evidence, the study formulates that:

*Hb<sub>7</sub>: A negative relationship exists between managerial ownership and DP.*

#### **3.4.2.2. Institutional ownership (IO) and DP**

Institutional ownership (IO) refers to the possession of a company by a non-bank financial institution or an institution that manages funds over others. According to Ayunitha (2020), a rise in institutional ownership translates into a larger degree of external control over the firm, which lowers agency costs and raises the company's worth.

Pramodya and Chathurika (2022) conduct an examination into the influence of ownership structure and board composition on DP in relation to Sri Lanka. Upon analysis of the comprehensive model, findings unveil that IO exerts a detrimental effect on the irregular dividend policy in comparison to the zero dividend policy. Conversely, institutional ownership was found to have a favourable impression on the stable DP when compared to the zero dividend policy.

Farooq *et al.* (2022) examine the influence of CG and firm-specific features on DP within an emerging market setting, with findings suggesting a notable beneficial impact of IO on DP. Boshnak (2023) explores the effects of ownership matrix on DP policy in companies based in Saudi Arabia by utilising a comprehensive panel dataset comprising 280 firms listed in Saudi Arabia from 2016 to 2019. The results underscored the explanatory capacity of ownership structure in the fluctuations observed in the dividend policies of Saudi firms, particularly highlighting a favourable correlation between the inclination to distribute dividends and institutional ownership.

Anh and Tuan (2019) discover signals supporting a positive effect of IO on dividend payments, attributing this to the transparency of management information among institutional investors and their aim to address the issue of capital representatives, leading to higher dividends for small shareholders. Pieloch-Babiarz (2019) observes the highest mean payment of dividends in businesses owned by institutional shareholders are those with the biggest percentage of voting rights, indicating a preference for investment in dividend-paying companies by institutional investors.

However, contrasting findings emerge from studies such as Kirimi (2024), which find that institutional ownership and net interest margin have a negative link. Mahmoud *et al.* (2024) identify a negative association between IO and dividend disbursement. Berezinets *et al.* (2017) similarly document an adverse correlation between DP and IO. In developed economies like the United States, corporate managers adjust dividend distributions to align with the expectations of major institutional shareholders. They also rely on external funding for investments, which leads to a negative effect of institutional ownership on dividend disbursements, as suggested by Ngo *et al.* (2020). This adverse impact is construed as a substitutionary relationship between dividend strategy and the presence of IO in the business's equity, indicating their capacity to oversee and monitor executives, as highlighted by Daadaa and Jouini (2018).

The diverse roles played by institutional investors result in different effects of institutional ownership on dividend policy. As part of their supervisory responsibility, institutions can achieve positive outcomes by actively advocating for larger dividends. Lower dividend distributions result from institutions favouring retained revenues for growth or strategic investments, which is a cause for negative findings, especially in developed economies. These disparities are as a result of institutional priorities and corporate governance variations among regions (Tayachi *et al.*, 2023; Hasan *et al.*, 2023). Based on the above literature, the study hypothesises that:

*Hb<sub>8</sub>: A negative relationship exists between institutional ownership and DP.*

### 3.4.2.3. State ownership (SO) and DP

State ownership (SO) refers to the stake of government or the proportion of a company's shares that belongs to the government. It is also referred to as government ownership. Kien and Chen (2020) explore the correlation between OS and DP in Vietnamese listed companies. Their empirical findings indicated that state-controlled corporations tend to have higher dividend payments. Moreover, Paskelian *et al.* (2018) focus on the concentration of SO, emphasizing that companies with less government ownership concentrate capital better, leading to comparatively smaller dividend payments that serve as an indicator of the corporation's future projections.

Hasan *et al.* (2023) delve into the interaction between ownership structure and dividend policy in Bangladesh, uncovering a noteworthy adverse impact of government ownership on dividend policy. Kirimi (2024) observes an adverse correlation between state ownership and net interest margin. Correspondingly, RM Musallam and Choo (2019) illustrate that companies with substantial state ownership tend to distribute fewer dividends. Aluchna *et al.* (2019) and Duqi *et al.* (2020) collectively identify an inverse relationship between SO and dividend disbursements, contending that supervisors of state-owned enterprises lack adequate monitoring, especially in developing nations.

Additionally, the government's strong inclination to amplify firms' performance alongside objectives of employment generation results in diminished pay-outs (Liljebloom *et al.*, 2020). Deficient corporate governance and political restrictions further compel managers to maintain low dividend payments (Duqi *et al.*, 2020). Bateineh (2020) examines the consequence of SO on DP in Jordan using Tobit panel regression. Nevertheless, the outcomes did not furnish substantiation backing the impact of state ownership on dividend yield. Due to varying government agendas, state ownership has varying effects on dividend programs. Positive associations emerge when state ownership seeks to promote economic goals and offer consistent profits.

On the other hand, when government policies that promote employment, growth, and political concerns result in fewer dividends, negative associations occur. These variables show how corporate governance and governmental influence vary between nations. In light of the aforementioned perspectives, the research asserts that:

*Hb9: An adverse relationship exists between SO and DP.*

#### 3.4.2.4. Foreign ownership (FO) and DP

Foreign ownership (FO) generally has a positive effect on dividend policies due to foreign investors' preference for stable returns and strong corporate governance. Positive correlations occur when foreign investors demand higher dividends for better monitoring and investment protection (Boshnak, 2023; Tnushi *et al.*, 2023; Choi and Park, 2019). However, negative or neutral findings arise when high foreign ownership results in increased cash reserves or when foreign investors have different dividend preferences, highlighting variations in investor behaviour and market conditions (Karim and Ilyas, 2021; Bateineh, 2020). According to La Porta *et al.* (2000) and their theoretical framework, multinational enterprises demonstrate superior corporate governance practices, leading to increased dividend disbursements. Multinational corporations possess stronger motivations to actively supervise company activities to protect their investments.

Boshnak (2023) highlights the significance of ownership configuration in elucidating variations in dividend strategy within Saudi organizations, highlighting a favourable correlation between dividends per share and foreign ownership. Tnushi *et al.* (2023) likewise ascertain positive and notable influences of foreign ownership interests on DP. This standpoint is in consonance with Tao *et al.* (2022), who observe that when board members have foreign experience, Chinese publicly listed businesses are more likely to pay out greater pay-out ratios and dividends. Shafai and Shafai (2020) document a constructive and substantial association between FO arrangement and dividend framework in Malaysia. Choi and Park (2019) recognise a favourable correlation between dividend disbursements and foreign ownership within Korean enterprises. RM Musallam and Choo (2019) observe a favourable nexus between FO and dividend allocations, contending that a majority of foreign institutional investors are dividend-oriented and possess oversight incentives.

Contrastingly, Karim and Ilyas (2021) examine the impact of foreign ownership on the input of cash reserves and dividends to business firm valuation in the Japanese market. The outcomes uncovered that cash holdings make a more substantial contribution to firm valuation in high foreign ownership scenarios, while dividends play a more significant role in low foreign ownership scenarios. Bateineh (2020) delves into the influence of foreign ownership on dividend practices in Jordan utilising Tobit Panel Regression. The outcomes suggested that foreign ownership is linked to a reduced probability of dividend pay-out. Nonetheless, Hasan *et al.* (2023) detect no correlation between the two within Bangladeshi companies. Drawing from the existing body of literature, the research postulates that:

*Hb<sub>10</sub>: A positive relationship exists between FO and DP.*

### 3.5. SUMMARY OF CHAPTER THREE

This chapter focused on the empirical literature review on objectives one and two of the study. The chapter is divided into two sections. The first section looks at the empirical evidence from bibliometric studies on board-ownership dynamics, and the second on the effect of board-ownership dynamics on shareholders' wealth and dividend policy. From the empirical review, 20 hypotheses are formulated in line with the extant literature. These hypotheses seek to achieve research objective two: effect of board-ownership dynamics on shareholders' wealth and dividend policy. Below is a summary list of all hypotheses formulated in this chapter.

*Ha1: A link exists between BODY and the wealth of shareholders.*

*Ha2: A significant favourable nexus exists between BSize and SW.*

*Ha3: A significant positive link exists between BIndp and SW.*

*Ha4: A positive link exists between frequency of BMeet and SW.*

*Ha5: A link exists between board gender diversity and SW.*

*Ha6: A negative nexus exists between CEO duality and SW.*

*Ha7: A negative nexus exists between MO and SW.*

*Ha8: A relationship exists between IO and SW.*

*Ha9: A relationship exists between SO and SW.*

*Ha10: A relationship exists between FO and SW.*

*Hb1: A link exists between BODY and the policy of dividends.*

*Hb2: A negative connection exists between BSize and DP.*

*Hb3: A relationship exists between BIndp and DP.*

*Hb4: A relationship exists between frequency of BMeet and DP.*

*Hb5: A relationship exists between board-gender diversity and DP.*

*Hb6: A negative link exists between CEOD and DP.*

*Hb7: A negative link exists between MO and DP.*

*Hb8: A negative link exists between IO and DP.*

*Hb9: A negative link exists between SO and DP.*

*Hb10: A positive link exists between FO and DP.*

## CHAPTER FOUR

### EMPIRICAL REVIEW AND HYPOTHESES DEVELOPMENT:

#### MEDIATION OF DP ON BODY & SW AND MODERATION OF BODY ON DP & SW

*“The great tragedy of science is the slaying of beautiful hypotheses by ugly facts”  
- Thomas Huxley*

#### 4.1. INTRODUCTION

This chapter continues with the empirical review of existing literature and the development of hypotheses for objectives 3 and 4. It covers the mediating and moderating effects of dividend policy and board ownership dynamics, respectively. In harmony with the third and fourth objectives of the study, the chapter is divided into two portions. The first segment examines how dividend policy mediates the link between board-ownership dynamics and the wealth of shareholders. The second section looks at the moderating effect of board-ownership dynamics (BODY) on the nexus between dividend policy (DP) and shareholders' wealth (SW).

#### 4.2. EFFECT OF DP ON SW

As posited by Ali Taher and Al-Shboul (2023), Bessler *et al.* (2023), Hasan *et al.* (2023), Ulum *et al.* (2022), and Kinyua (2022), dividend disbursements emerge from asymmetries in information between a corporation's stakeholders and executives, along with conflicts of agency. Informational imbalances occur due to executives holding all operational data but often being reluctant to disclose it to stakeholders (Aben *et al.*, 2021).

The issuance of dividends, elucidated by Al-Hiyari *et al.* (2024), functions as indicators conveying pertinent data to stakeholders regarding the firm's worth, addressing the hurdles of information asymmetry through signalling theory. Le and Le (2017) propose that dividend allocations can alleviate agency expenses by diminishing executives' authority over internal funding sources. Nevertheless, Miller and Modigliani (1961) contest this belief, asserting that under perfect market conditions, dividend disbursement does not impact a firm's stock value, highlighting the significance of investment choices over time. Abdullah (2023) delves into the ramifications of dividend strategy on firm valuation in the financial realm of an emerging nation, unveiling a favourable and notable correlation between dividend strategy and firm valuation. Kim *et al.* (2021) uncover heightened firm valuation for firms distributing dividends in contrast to those that do not in the US, signifying investors' inclination towards dividends over capital gains despite the issue of dual taxation. Ullah *et al.* (2021) probe into the association between dividend strategy and stakeholders' prosperity in Pakistan, determining that dividend strategy bolsters stakeholders' wealth.

Koleosho *et al.* (2020) examine the correlation between DPS and MPS from an informational proficiency standpoint, deducing that dividends play a pivotal role in prognosticating stock price fluctuations. In their investigation of the effects of DP on stock price volatility in the Bangladeshi capital market, Hossin and Ahmed (2020) demonstrate the volatility of stock prices was positively impacted by both cash and stock dividends.

Fatoye (2021) evaluates the repercussions of DP on the maximisation of shareholders' wealth in Dangote Sugar Company, discovering a positive correlation between dividend distribution and the maximisation of shareholders' wealth. Ugwu *et al.* (2020) in Nigeria unearth a favourable impact of DPS on corporate performance, while the DPR and EPS exhibited statistically insignificant impacts. Ohiaeri *et al.* (2019) identify the aftermath of DP on the share price of companies on the Nigerian Exchange (NGX) and conclude that DPS had a favourable influence on market price per share. Omoregie and Eromosele (2016) establish a substantial positive relationship between retained earnings and stakeholders' wealth, whereas earnings per share displayed a sturdy negative significant relationship. The study inferred that a company's dividend policy affects its stakeholders' wealth, aligning with the dividend relevance theory.

Nonetheless, certain studies have documented a negative or non-existent correlation between the variables. Khalaf (2023) ascertains that DP has no bearing on the price of stock volatility, and Kayode *et al.* (2022) find an adverse correlation between dividend disbursements and stock price fluctuations in the Nigerian Stock Exchange, contesting the dividend relevance theory. Drawing from the dividend relevance theory, the study formulates the hypothesis:

*Hc1: DP has a significant favourable influence on shareholders' wealth.*

### **4.3. MEDIATING EFFECT OF DP ON BODY AND SW**

This study employs dividend policy (DP) as a mediating variable due to its close association with the maximisation of shareholders' wealth. The expectation is that profitable firms are likely to distribute dividends, subsequently enhancing shareholders' wealth (Astuti and Yadnya, 2019). The distribution of cash dividends has the potential to impact shareholders' value, represented by the share price within a specific period. Dividends serve as a comprehensive signal, offering insights to investors about the organisation earnings and prospects in the future. Any alteration in the dividend rate, be it an increase or decrease, may be linked to changes in profitability, influencing firm value and shareholders' wealth (Lotfi, 2018).

Research has delved into examining the intermediary function of dividend policy in these linkages, indicating that companies with a higher DPR may possess improved capabilities in managing the trade-off between debt as well as profitability (Sari and Sedana, 2020). Furthermore, it has been shown that dividend policy mediates the relationship between independence of boards (Alves, 2023; Waris *et al.*, 2021), dual role of CEO (Barros *et al.*, 2022), and board size along with profitability (Phan and Tran, 2019; Waris *et al.*, 2022).

DP is identified by Aburishah *et al.* (2023) as a critical component influencing ownership structure and profitability, which in turn has a favourable impact on return on equity and return on assets. The study emphasized the importance of financial leverage and firm size as control factors that impact profitability. The findings suggest that in order to increase profitability, firms should consider DP while designing their capital structure. Astuti and Yadnya (2019); Dewi and Abundanti (2020); and Handayani and Ibrani (2023) ascertain that dividend policy could serve as a mediator in the impact of profitability on firm value. Aminu and Salawudeen (2019) validate the straight and inverse repercussions of board characteristics on the prosperity of shareholders in Nigerian manufacturing firms, utilising dividend policy as an intermediary. The inference drawn is that board characteristics could amplify shareholder prosperity through the enactment of dividend policies. Consequently, the sampled enterprises can reassess their dividend policies to augment shareholders' prosperity.

Soewarno *et al.* (2017) unveil that dividend policy partly acts as an intermediary in the link between CG and firm value. Conversely, Fitriani (2017) finds that dividend policy proved ineffective in mediating the influence of profitability on firm value. Akhmadi and Januarsi (2021) illustrate that debt and dividend policies did not mediate the impact of return on equity on stock prices. Ramirez and Ferrer (2021) further probe into the intermediary role of DP on the effects of capital structure and CG mechanisms on firm value, indicating that DP did not mediate these impacts.

Likewise, Giansari and Guritno (2022) observe dividend policy as a mediation variable concerning factors influencing company value, noting that dividend policy was inefficacious in mediating the impacts of Islamic corporate governance, P/E ratio, and ratio of debt to equity based on price to book value. Recently, the work of Handayani and Ibrani (2023) find that dividend policy cannot mediate the association between corporate governance and firm value. From the aforementioned discussions, the research postulates that:

*Hc<sub>2</sub>: DP mediates the link between BODy and SW*

#### 4.3.1. Mediating effect of DP on board size and SW

The size of the board, functioning as a fundamental mechanism of CG, has elicited contradictory results in the academic literature (Van Khanh *et al.*, 2020; Bhagat and Bolton, 2019). Some research works posit that a bigger board correlates with increased dividend disbursements (Shahid *et al.*, 2016), while others posit the contrary, suggesting a potential adverse effect (Mardani and Indrawati, 2018). Nevertheless, certain studies fail to identify an important impact of board size on payment of dividends (Al-Kahmisi *et al.*, 2018). Hence, it is imperative to investigate how DP functions as an intermediary in elucidating the relationship between bigger or smaller board sizes and their contribution to effective corporate governance. In accordance with Ginting (2018), higher corporate earnings result in higher dividend pay-outs to shareholders. Increased dividends attract investors' attention, ultimately bolstering the firm's value (Purnama, 2016). Sriwahyuni and Wihandaru (2016) reveal that dividend policy can mediate the influence of profitability on firm value. Conversely, some studies suggest a favourable correlation between BSize and firm value (Bhagat and Bolton, 2019; Van Khanh *et al.*, 2020).

Researchers have recently inspected the mediating function of DP in the correlation between BSize and SW. Some studies indicate that dividend policy serves as a mechanism by which board size impacts shareholder value. For instance, Rooly (2022), Thompson and Adasi Manu (2021), and Kao *et al.* (2018) contend that larger boards may be associated with a greater probability of implementing DP that aligns with shareholder interests. Studies delving into the mediating role of dividend policy on the link between BSize and SW yield varied outcomes. Bunnun and Chancharat (2023) identify a negative indirect impact of governance ownership structure on company performance through dividend policies.

Conversely, different researchers, such as Yermack (1996), observe no significant mediating influence of DP in the association between BSize and SW. The literature concerning the mediating function of DP in the association between BSize and SW presents a multifaceted and intricate panorama. While certain studies indicate a noteworthy mediating function, others reveal limited or absent mediation. Further investigation is required to unravel the complex interplays among board size, dividend policy, and shareholders' wealth across diverse corporate contexts and economic landscapes. Comprehending these relationships can offer valuable insights for practitioners, policymakers, and academics aiming to enrich corporate governance and shareholder value. The hypothesis for this connection is posited as follows:

*Hc<sub>3</sub>: Dividend policy mediates the link between board size and shareholders' wealth*

### 4.3.2. Mediating effect of DP on board independence and SW

One of the main tenets of good corporate governance is board independence. Academics contend that having a larger percentage of independent directors improves decision-making, lowers agency conflicts, and strengthens supervision (Almasria, 2022). Nonetheless, there is continuous discussion on the precise effect of board independence on shareholders' wealth, with differing conclusions from various research and situations (Alves, 2023; Rashid and Hossain, 2022).

According to the signalling theory, dividends impact investors' opinions by providing important information about a company's financial standing and prospects (Kanojia and Bhatia, 2023). Furthermore, agency theory submits that dividends can function as a way of balancing the interests of managers and shareholders (Javaid *et al.*, 2023). A growing body of recent research has investigated dividend policy's mediation function in the connection between board independence and shareholders' wealth. According to research, board independence impacts shareholder value through the dividend policy.

Kilincarslan (2021), for instance, posits that independent boards could be more inclined to embrace dividend policies that put the interests of shareholders first. According to Mardani and Indrawati (2018), the majority will be encouraged to pay bigger dividends if there are more independent directors, as indicated by their positive and significant effect. Others came to the conclusion of a substantial negative influence (Al-Kahmisi *et al.*, 2018). Diverse conclusions are drawn from empirical research examining the dividend policy's mediation role in the link between BIndp and SW. Regarding the relationship between the oversight function performed by outside directors and its impact on company value over DP, there are no consistent points of view (Jensen and Meckling, 2019). According to some research, board independence has little bearing on dividend distributions (Shahid *et al.*, 2016).

Alternatively, there is less confirmation of dividend policy acting as a mediating influence in the association between board independence and shareholders' wealth, according to research like Fama and Jensen (1983). In corporate governance research, the relationship among board independence, DP, and shareholders' wealth is a complicated and developing field. The significance of board independence in determining successful governance is well acknowledged; nevertheless, the function of dividend policy as a mediating element is still novel. Based on these considerations, this study posits that:

*Hc4: Dividend policy mediates the link between board independence and shareholders' wealth*

### 4.3.3. Mediating effect of DP on board meetings and SW

A key component of corporate governance is the board meeting, which offers a forum for strategic decision-making, supervision, and matching managerial actions with shareholders' interests. Research works, such as those led by Agustia *et al.* (2022) and Kyei *et al.* (2022), designate a favourable association between the number of board meetings and firm value. Regular board meetings are frequently linked to improved oversight, prompt decision-making, and more alignment with the interests of shareholders.

Recent studies have looked at the dividend policy's mediating role in the relationship between BMeet and SW. According to research, choices about dividend policy may be influenced by the frequency of board meetings, which might therefore have an effect on shareholders' value. Mehran and Adams (2017), for instance, contend that holding board meetings more frequently might enhance decision-making and create an atmosphere that is more conducive to the approval of dividend policies that serve the interests of shareholders.

There is little but growing experimental indication about the DP's mediating role in the association between board meetings and shareholders' wealth. According to studies like Boshnak (2023), a board's frequency of meetings has a beneficial impact on dividend distributions, which in turn increases shareholders' wealth. By paying dividends, Butt *et al.* (2022) investigate how corporate governance affected free cash flow. They discovered that the connection between board meetings and free cash flow is somewhat mediated by dividend distribution.

On the other hand, other studies like Gupta and Krishnamurti (2021), highlight the intricate interactions among board meetings, dividend policy, and shareholder wealth, indicating that the nature of these relationships may differ depending on firm-specific variables. The interplay of board meetings, DP, and shareholders' wealth is a complex feature of financial strategy and corporate governance. Although the body of research indicates that board meetings and shareholders' wealth are positively correlated, further research is needed to determine how dividend policy functions as a mediator. With reference to the above literature, the study proposes that:

*Hc<sub>5</sub>: Dividend policy mediates the link between board meetings and shareholders' wealth*

#### **4.3.4. Mediating effect of DP on board gender diversity and SW**

The examination of the intervening role of DP in the nexus between board gender diversity and shareholders' wealth represents a relatively new research area. Scholars suggest that the gender composition of a board may impact decisions regarding dividend policy, subsequently influencing shareholder value. An argument in favour of having more female directors revolves around the idea that diverse boards can bring varied perspectives, enhancing decision-making and influencing the DP of a firm. Buallay *et al.* (2020) emphasise that BGD is recognised as a crucial strategic concern within corporate entities, exerting an influence on CG practices. The participation of female directors in the allocation of surplus cash flow plays a pivotal role in enhancing board effectiveness and decision-making processes. Nevertheless, the existing body of empirical research concerning the interplay between board gender diversity, dividend policy, and shareholders' wealth is somewhat limited.

Ain *et al.* (2021) reveal that organizations with diverse boards tend to allocate higher dividends, while Mulchandani *et al.* (2021) further note a positive correlation between BGD and dividend disbursement. Chen *et al.* (2017) investigate whether female independent directors display a propensity towards advocating for increased dividend distributions, and their findings provide support for the argument that firms with a higher proportion of female directors tend to offer more substantial dividend payouts. Dissanayake and Dissabandara (2021) highlight the potential impact of gender diversity on boards on dividend policy, subsequently influencing the wealth of shareholders.

Guizani and Abdalkrim (2022) conduct a study on BGD, financial choices, and free cash flow, including real data drawn from Malaysia's environment. Their outcomes indicate a noteworthy indirect influence of BGD, mediated through distributions of dividends, on the effective utilisation of free cash flow. These results are consistent with previous research emphasizing the benefits associated with board gender diversity. Drawing upon the aforementioned literature, this study posits that:

*Hc6: Dividend policy mediates the link between BGD and shareholders' wealth.*

#### **4.3.5. Mediating effect of DP on CEOD and SW**

Boachie (2023) asserts that a person who serves as both the chairman and the CEO will likely have greater influence on the board and prioritise their own interests above those of the shareholders. The combination of the posts is an ineffective tool for reducing the danger of expropriation in emerging economies since duality produces a less effective board control mechanism, according to agency theory considerations (Alves, 2023).

CEO duality may be a sign of either sound or poor CG, which is probable to result in higher dividend pay-outs or in the proprietors of the company viewing managers as capable and effective stewards who act in the greatest interests of the companies. But this raised the question of whether CEO duality had a beneficial or detrimental impact on company value through dividend policy. Many writers have looked at how CEOD affects dividend payments (Al-Kahmisi *et al.*, 2018); other researchers have observed that it has no effect on the value of the company (Shahid *et al.*, 2016). As a result, there was no convincing evidence in the existing literature that CEO duality had a major impact on business value. As a result, the following hypothesis is suggested to be investigated:

*Hc7: Dividend policy mediates the link between CEO duality and shareholder's wealth.*

#### **4.3.6. Mediating effect of DP on managerial ownership and SW**

Mangasih (2021) delineates managerial ownership as a structure of shareholding whereby the management possesses a certain proportion of the company's shares and engages actively in the decision-making processes of the firm. Put differently, the proportion of managers involved in making decisions for the company is termed as managerial ownership (Jayanti *et al.*, 2018).

Through an examination of 200 nonfinancial firms, Zamzamir *et al.* (2021) explore the correlation between managerial ownership and corporate value, unveiling an association between these two variables. By striking a balance between the interests of shareholders and management—especially when the latter controls a sizable number of shares—management can lessen shareholder management conflicts.

The bird in the hand theory states that substantial dividend income is desired by both shareholders and directors. The company's value may rise as a result of the manager's performance increasing the wealth of shareholders. Based on research by Jayanti *et al.* (2018), it is argued that a dividend policy mitigates the negative correlation between the wealth of shareholders and managerial ownership of the firm.

Guizani (2018) delves into the examination of how the distribution of dividends serves as an intermediary element in the association between inner governance mechanisms (such as the BoD and structure of ownership) and the magnitude of available free cash flow. The results corroborate the noteworthy involvement of external directors in CG, underscoring their role in protecting shareholders' concerns by means of a generous dividend strategy.

Nevertheless, the investigation demonstrates that significant MO intensifies the level of free cash flow by means of dividends. This particular result implies that influential managers have a tendency to prioritise the retention of surplus cash for their personal benefit. The study formulates a hypothesis that:

*Hc8: Dividend policy mediates the link between managerial ownership and shareholders' wealth.*

#### **4.3.7. Mediating effect of DP on institutional ownership and SW**

It is well known that corporate governance systems, and in particular the institutional investor ownership composition, have a significant impact on how much wealth is held by shareholders (Queiri *et al.*, 2021). In order to understand the complex dynamics between institutional ownership and shareholders' wealth, this literature review explores the mediating effect of dividend policy (Olaniyi and Shah, 2023). Institutional investors are essential to corporate governance because of their sizeable stakes in publicly traded corporations. Several works have looked into how institutional ownership affects shareholders' wealth (Ayunitha, 2020; Rajput and Jhunjunwala, 2019; Nguyen and Li, 2020).

According to studies by Nasution *et al.* (2024) and Ayunitha (2020), institutional investors enhance business value and, as a result, shareholders' wealth by carrying out their supervision and monitoring responsibilities. But different institutional types and industries may have different relationships (Davis and Sinha, 2021). The influence of DP on SW has made it a crucial component of corporate finance.

In line with the signalling theory, a company's dividends can provide important information to investors about its financial standing and future prospects, which can affect share prices (Bulla, 2021). Additionally, dividends are seen to be a way to lessen agency conflicts by bringing managers' and shareholders' objectives into alignment (Kilincarslan, 2021).

Research on the nexus between institutional ownership and shareholders' wealth and the mediating role of dividend policy is still developing. Academics suggest that the existence of institutional investors might affect a company's dividend policy, which would then affect shareholders' wealth (Ayunitha, 2020; Nugraha *et al.*, 2021; Abu Afifa, 2022). Tayachi *et al.* (2023), for example, opined that institutional stakeholders, who are observing a reliable basis of revenue, could favour companies that consistently pay dividends, which might have an impact on the dividend policy of the company as well as shareholders' wealth.

Extant research on the mediation effect of DP on the link between institutional ownership and SW is very scanty. According to research by Nugraha *et al.* (2021), institutional ownership has a beneficial impact on dividend distributions, which in turn increases shareholder value. Other literature on the topic shows that this relationship has no significant merit (Mardani and Indrawati, 2018). The complicated relationship among institutional ownership, dividend policy, and shareholder wealth highlights the intricacy of corporate governance dynamics.

Although institutional ownership is often linked to favourable effects on company value, careful investigation is required since dividend policy may operate as a mediating factor. Consequently, given the fascinating feature of the potential impact of IO through dividend policy on company value, the study posits that:

*Hc9: Dividend policy mediates the link between institutional ownership and shareholders' wealth.*

#### **4.3.8. Mediating effect of DP on state ownership and SW**

A distinct set of dynamics is introduced into the governance system by state ownership of firms. Research on the effect of state ownership on shareholders' wealth has been conducted by Hasan *et al.* (2023); Quoc Trung (2022); Iwasaki *et al.* (2022); Amin and Haq (2022); and Lim (2021). Although national interests and strategic goals are frequently linked to state ownership, there is more to the relationship when it comes to shareholders' wealth. According to some research, there is a favourable association between state ownership and increased business value through resource allocation and long-term planning (Vo, 2023). Yet, worries about agency conflicts and political meddling might counteract these positive outcomes (Jin *et al.*, 2023).

The function of dividend policy as a mediating element in the link between state ownership and shareholders' wealth is a relatively unexplored area of research. Scholars suggest that state ownership may shape a firm's dividend policy, playing a mediating role in determining shareholder value. For example, Kien and Chen (2020) investigate the connection between DP and ownership structure in Vietnamese listed businesses. Their empirical research revealed that government-controlled businesses often pay out larger dividends, which has an impact on shareholders' wealth. While experiential proof regarding the mediating bearing of dividend policy in the state ownership-shareholders' wealth relationship is limited, it is an emerging area of interest.

In research conducted by Bunnun and Chancharat (2023), an examination is carried out on the influence of ownership structure on the performance of a company, while considering dividend policy as the intervening factor. The investigation involves data from 185 companies listed in Thailand over the period from 2015 to 2019. The methodology of structural equation simulation is used their study to investigate the association, uncovering empirical findings that suggest a detrimental indirect impression of ownership structure on financial performance (FP) through the mediation of dividend policy (DP). Drawing from the aforementioned literature, the research suggests that:

*Hc<sub>10</sub>: Dividend policy mediates the link between state ownership and shareholders' wealth.*

#### **4.3.9. Mediating effect of DP on foreign ownership and SW**

In the contemporary realm of globalized corporate ownership, the presence of foreign investors in domestic firms has emerged as a crucial aspect of corporate governance (Areneke *et al.*, 2022). The impact of foreign ownership on shareholders' wealth has been a subject of exploration. Scholars like Duong *et al.* (2021), Nguyen *et al.* (2020), Boshnak (2023), and Lee and Ande (2022) delve into its diverse implications on company value, firm performance, and dividend policy.

While foreign investment is often linked to enhanced corporate governance practices and access to global markets, the relationship with shareholders' wealth is contingent on various factors, including the extent of control wielded by foreign investors (RM Musallam and Choo, 2019; Kirimi *et al.*, 2022). Positive effects on firm value are observed when foreign investors bring expertise and efficiency, but concerns arise about the potential exploitation of local resources (Ambarwati, 2021).

The intermediary function of dividend policy in the correlation between foreign ownership and shareholders' wealth represents an underexplored yet noteworthy domain. Scholars posit that foreign ownership has the potential to shape a company's dividend policy, acting as a mediator in ascertaining its effect on shareholder value. Aburishah *et al.* (2023), for example, pinpoint dividend policy as a critical determinant impacting ownership configuration and financial viability, leading to a favourable outcome on economic viability as gauged by return on assets and return on equity. The results indicate that firms ought to factor in dividend policy when making decisions regarding their capital structure in order to enhance financial viability.

Foreign investors may bring a preference for dividend pay-outs or influence the firm to adopt dividend policies consistent with global market expectations, consequently affecting shareholders' wealth (Bilel, 2020).

Research by Lee and Ande (2022) observe that foreign ownership is not able to modify the connection between dividend policy and FP, suggesting no potential mediating effect contributing to enhanced shareholder wealth. With reference to the above literature, the study proposes that:

*Hc11: Dividend policy mediates the link between foreign ownership and shareholders' wealth.*

#### **4.4. MODERATING EFFECT OF BODY ON DP AND SW**

Extant literature establishes a link between dividend policy and wealth of shareholders (Abdullah, 2023; Khalaf, 2023; Kim *et al.*, 2021; Ullah *et al.*, 2021). It is known that BoD and owners of companies influence dividend decisions, which in turn affect the shareholders' wealth positively or negatively (Usman and Yahaya, 2023; Fayyaz *et al.*, 2023). This suggests that board-ownership dynamics may perform a role in the dividend-policy-shareholders'-wealth nexus (Jibril and Nma, 2020; Nurdin and Kasim, 2018).

The study of Ben Salah and Jarboui (2022) looks at how corporate governance affects the profit administration on the dividend payment policy of a subset of French non-financial businesses, listed between 2008 and 2015 on the CAC All Tradable index. The influence of profit management on dividend policy appears to be positively moderated by ownership concentration, according to the authors' findings.

In a comparable manner, the study conducted by Mubaraq *et al.* (2021) delve into the explanatory impact of CG on the association among dividend policy, structure of capital, and firm value. The findings of their investigation reveal a substantial favourable relationship between dividend policy and firm value, wherein the corporate governance factor demonstrated a significant explanatory influence on the correlation between dividend policies and business value.

Nurdin and Kasim (2018) focus on the moderating impact of CG and FP in relation to dividend policy and its effect on firm value within the Indonesia Stock Exchange. Their results indicate that, on the whole, corporate governance lacks the ability to moderate the connection between firm value and the financial performance (FP) of the firm.

In a similar vein, Ofori-Sasu *et al.* (2019) examine the intervening role of board arrangement dynamic forces in the association between DP and SW, both in the market and within the company levels. The outcomes reveal fresh evidence suggesting that board structure dynamics serve as a mediating element in the link between DP determinations and SW, particularly at the market level.

Therefore, at the level of the market as opposed to the company level, the board system interactions' mediation role—specifically, with regard to independent directors and CEO tenure—is more important in predicting a positive relationship between DP and SW. However, the moderating function of board structure dynamics is scarcely documented in the literature, thus prompting the study's hypothesis:

*Hd<sub>1</sub>: Board-ownership dynamics moderate dividend policy and shareholders' wealth link.*

#### **4.4.1. Moderating effect of board attributes on DP and SW**

##### **4.4.1.1. Moderating effect of BSize on DP and SW**

The explanatory role of BSize in the connection between corporate governance and FP has been established in the literature by studies such as Eklemet *et al.* (2023); Ngatno *et al.* (2021); and Eklemet *et al.* (2023), but that of DP and SW is rarely known in the literature.

Eklemet *et al.* (2023) unveil that the dimensions of the board play an explanatory role in the positive correlation between board characteristics and the bank's financial output. Particularly, the impact of this interaction is more conspicuous for director share ownership in comparison to other board attributes. The outcomes underscore the pivotal role of board size as a moderator, bolstering the association between board characteristics and the performance of the bank. In a separate study, Bhatia and Kumari (2024) posit a noteworthy explanatory influence of BSize on the link between leverage and performance.

Conversely, Ngatno *et al.* (2021) delve into examining the moderating influences of CG mechanisms on the nexus amid capital structure and FP. Their results suggest that board size lacks the capacity to moderate connection between business outcomes and its structure of capital. The scarce knowledge surrounding the moderating function of board size in existing literature leads to the hypothesis posited by the study that:

*Hd<sub>2</sub>: Board size moderates dividend policy and shareholders' wealth link.*

##### **4.4.1.2. Moderating effect of board independence on DP and SW**

The role of board independence as a moderator in the association between dividend policy and shareholders' wealth is an emerging field of study. Scholars posit that independent directors can exert influence on the execution and outcomes of dividend policies, serving as a check on managerial decisions.

For example, Yakubu *et al.* (2022) and Kanojia and Bhatia (2022) suggest that boards including a greater number of independent directors may prove more effective in ensuring that dividend policies align with shareholder interests, thus moderating the impact on shareholders' wealth. Klarner *et al.* (2018) present nuanced findings, indicating that the relationship may be contingent on the specific context and characteristics of the board. Essel (2023) argues that board independence moderates the link between dividend policy and financial performance. In related research, Bhatia and Kumari (2024) identify a significant positive moderating role of board independence in the link between leverage and performance.

Javaid *et al.* (2023) reach a conclusion indicating that board independence, serving as a mechanism for corporate governance, plays an important negative moderating effect in the association between earnings management and the DP of non-financial companies. While the current body of literature highlights the positive impacts of dividend policy and board independence, the moderating function of board independence adds a layer of intricacy and subtlety to the discourse. The moderating capacity of board independence is a relatively unexplored area in scholarly works, leading the study to propose the hypothesis that:

*Hd<sub>3</sub>: Board independence moderates dividend policy and shareholders' wealth link.*

#### **4.4.1.3. Moderating effect of board meetings on DP and SW**

Corporate governance mechanisms, specifically board meetings, play a pivotal role in influencing the correlation between dividend policy and the wealth of shareholders. This review delves into the explanatory effects of board meetings on this association, investigating how the frequency and effectiveness of these meetings might shape dividend policy decisions and, consequently, impact shareholders' wealth.

Board meetings serve as a forum for strategic decision-making, oversight, and communication within a company. A robust and efficient board is anticipated to contribute positively to shareholders' wealth by ensuring effective corporate governance practices (Nasution *et al.*, 2024). Regular and well-structured board meetings are often linked with heightened monitoring, prompt decision-making, and better alignment with shareholder interests (Khatib and Nour, 2021).

The moderating role of board meetings in the interplay between dividend policy and shareholders' wealth is an emerging research domain. Scholars posit that the frequency and quality of board meetings can shape the decision-making process concerning dividend pay-outs.

For instance, Mehran and Adams (2017) suggest that more frequent board meetings may lead to well-informed decisions about dividend policy, potentially enhancing the positive impact on shareholders' wealth. Empirical investigations into the moderating role of board meetings yield diverse results.

While some studies, such as Chen *et al.* (2020), support the idea that board meetings positively moderate the link between DP and SW, others, like Gupta and Krishnamurti (2021), propose that this relationship might be contingent on additional elements such as size of firm and industry characteristics. Based on the existing literature, the study hypothesizes that:

*Hd4: Board meetings moderate dividend policy and shareholders' wealth link.*

#### **4.4.1.4. Moderating effect of BGD on DP and SW**

A growing body of literature is dedicated to examining the influence of BGD in the boardroom on the monetary practices of organizations. It is argued that women play a crucial role in addressing agency problems through their impact on decisions concerning debt and dividends, ultimately leading to a positive impact on companies' financial strategies (Ullah *et al.*, 2020). Usman *et al.* (2019) claim that having more female directors on the board reduces information asymmetry and managers' opportunistic conduct, which in turn affects creditors' views of the cost of borrowing and the chance of loan default. AA Zaid *et al.* (2020) argue that the attendance of women on boards substantially improves the board's efficiency through the oversight of top management actions and strategic choices.

Specifically, favourable board characteristics, facilitated by gender diversity, can aid firms in more effectively managing their financing policies. Boards with diverse gender representation are structured to mitigate conflicts between owners and management and address stakeholders' concerns (Karim *et al.*, 2020c). Using board gender diversity as moderators is grounded in the rationale that diversity provides a competitive advantage to firms by fostering cost savings, inspiration, unity within the corporation, and enhancing board members' comprehension and communication (Orlando, 2017).

Usman *et al.* (2019) posit that female members of publicly traded companies in the Shanghai and Shenzhen stock markets exert significant influence over firm performance in comparison to their male counterparts, consequently bolstering financial outcomes. Nevertheless, Chin *et al.* (2019) discover that the diversity of genders on corporate boards does not serve as a moderating factor in the correlation between corporate governance practices and business performance. Similarly, Essel (2023) identifies no moderating effect of BGD on corporate boards on FP.

Conversely, Karim *et al.* (2023) encounter conflicting results concerning the explanatory role of BGD in the interplay among OS, board attributes, and performance. With the existing scarcity of literature on the moderating function of BGD on corporate boards in the context of DP and SW, the research proposes the subsequent hypothesis:

*Hd5: Board gender diversity moderates the DP and shareholders' wealth link.*

#### **4.4.1.5. Moderating effect of CEO duality on DP and SW**

In emerging markets, companies commonly exhibit CEO duality, culminating to heightened agency costs and diminished dividend pay-outs. According to Benjamin and Biswas (2019), a CEO in a dual role may make decisions that pose problems of conflicting benefits and impede effective control, thereby increasing agency costs. The literature provides limited insights into the advantages and disadvantages of CEO duality. While the CEO has decision-making authority, they lack control over shareholders' capital, potentially leading to verdicts that may not be in line with the shareholders' best interests. This situation is often a result of pressure on the BoD to align executive interests with shareholders, potentially enhancing company performance (Benjamin and Biswas, 2019). Salem *et al.* (2019) observe a favourable effect of CEO duality on company value in Egypt, whereas it had an adverse consequence on firm value in the USA.

Moreover, the impact of CEO duality as a moderator was found to be significantly positive in enhancing the association between family ownership and performance, while it was significantly negative in affecting the connection between managerial ownership and government ownership in relation to performance.

Goel (2021) examines the moderating role of CEO duality on the relationship between board composition and performance. Employing panel data regression, the study finds a positive relationship between board size and grey directors in the presence of CEO duality, while board composition does not influence firm performance as far as no CEO duality is concerned.

Dakhlallah *et al.* (2019) delve into the explanatory role of CEO duality in the context of the impact of structure of ownership on the monetary performance of publicly traded companies in Jordan. Their results reveal a noteworthy positive influence of CEO duality on the correlation between family ownership and performance, as well as a substantial negative influence on the correlation between MO and SO with performance.

An examination by Yu (2023) in a recent comprehensive review on CEO duality and firm performance, emphasises the necessity of investigating the mediating and moderating functions of CEO duality due to the inadequate amount of research conducted in this area. Therefore, this research aims to address this gap and puts forward the following hypothesis:

*Hd<sub>6</sub>: CEO duality moderates dividend policy and shareholders' wealth link.*

#### **4.4.2. Moderating effect of ownership structure on DP and SW**

The existing literature has established that the ownership structure plays a moderating role in the association between dividend policy and corporate wealth. Recent research by Naz *et al.* (2023) indicate a positive and significant link between dividend policy and firm performance, with the moderating influence of ownership structure.

Similarly, Zulfikar *et al.* (2020) recognise that the ownership concentration has a diminishing consequence on the connection between DP and firm value. Their findings highlight that Indonesian firms with concentrated family ownership impact management decisions, including DP. Consequently, this work seeks to analyse the moderating impacts of specific ownership structure variables such as MO, IO, SO, and FO.

##### **4.4.2.1. Moderating effect of managerial ownership on DP and SW**

Managerial ownership, according to Nurdiansari *et al.* (2022), refers to the percentage of shares that are owned by decision-makers who are actively involved in an organization's operations. Reducing disputes between management and shareholders can be facilitated by considerable shareholding by management.

According to the "bird-in-the-hand" idea, substantial dividend distributions are preferred by both directors and shareholders. As stated by Ben Amar *et al.* (2018), supervisors are specifically encouraged to utilise financial judgment to indicate a company's capacity to fulfil obligations and pay returns to shareholders.

In a study by Fakhroni and Kurniawan (2018) on the explanatory influence of ownership structure on the connection between free cash flow and enterprise value, it is observed that managerial ownership positively and significantly moderates this relationship.

In contrast, Alenazi and Barbour (2019) explore the connection between DP and firm value and determine that MO does not influence this association. Both dividend policy and MO displayed a significance level of 0.722, exceeding the threshold of 0.05. This result suggests that managerial ownership does not impact either dividend policy or firm value. Given the above discussions, the study postulates that:

*Hd7: Managerial ownership moderates dividend policy and shareholders' wealth link.*

#### **4.4.2.2. Moderating effect of institutional ownership (IO) on DP and SW**

Institutional ownership (IO) is representative of the ownership maintained by institutions like insurance firms, mutual funds, and pension funds, and it is crucial to influencing corporate governance. Moreover, it wields influence over managerial choices, which encompass the determination of dividend policy. Understanding how institutional ownership moderates the correlation between dividend policy and shareholder wealth is essential for scholars and professionals alike (Ben Salah and Jarboui, 2022).

Institutional investors frequently possess substantial stakes in publicly traded firms, granting them considerable sway over corporate decisions (García-Sánchez *et al.*, 2020). Their investment objectives, such as the maximisation of returns and the minimization of risk, can shape the decisions firms make regarding dividend policy (Tayachi *et al.*, 2023). Increased presence of institutional ownership may result in higher dividend distributions since institutional investors typically favour consistent income streams, and dividends serve as an indicator of financial stability and firm performance (Han *et al.*, 2021). Institutions often actively monitor and govern corporations, encouraging the implementation of dividend policies that enhance firm value and align with the interests of shareholders (Farooq and Noor, 2023).

Additionally, the involvement of institutional investors could potentially alleviate conflicts of interest between managers and shareholders. This will help foster transparency and accountability in the decision-making processes related to dividends (Maznorbalia *et al.*, 2023). Empirical studies on the moderating influence of institutional ownership provide nuanced insights. While some research support the idea that institutional ownership favourably moderates the link between dividends and shareholder value, others present diverse findings (Hitt *et al.* 2018). These variations underscore the need for context-specific analyses considering the nature of institutional investors and governance structures in place.

Existing research works indicate that a higher degree of institutional ownership might dampen the link between dividend distributions and shareholders' wealth (Zulfikar *et al.* 2020). Ali and Tauni (2021) demonstrate that the active participation of IO, predominantly market price per share and foreign IO, plays a crucial role in overseeing and reducing the influence of CEO overconfidence on a firm's level of risk. The influence of active institutional investors is less pronounced in firms owned by the state.

Kibiya *et al.* (2019) probe the influence of institutional ownership on intellectual capital and financial performance in publicly traded conglomerates, revealing a favourable and noteworthy interactive effect. Zouari and Hamad (2020) note that institutional ownership serves as a negative moderator for the relationship between BSize and as a positive moderator for the influence of the new quota of female directors on dividend distributions. This research contributes to the existing body of literature on how institutional ownership moderates the connection between dividends and shareholder wealth. The study hypothesizes that:

*Hds: Institutional ownership moderates dividend policy and shareholders' wealth link.*

#### **4.4.2.3. Moderating effect of state ownership on DP and SW**

The purpose of this section is to look into how state ownership modifies the link between DP and SW. It provides insights into the unique governance dynamics prevalent in state-owned firms (Hasan *et al.*, 2023). Understanding how this relationship is influenced is crucial for comprehending the complexities of wealth creation within firms. State ownership introduces a distinct governance dimension, wherein the state holds a significant stake in a company (Jia *et al.*, 2019). While state ownership may bring stability and strategic vision, concerns about government interference and agency conflicts may temper the positive effects (Kim and Chung, 2020).

There is a growing body of research on the explanatory influence of state ownership in the link between dividend policy and shareholders' wealth. Scholars suggest that the presence of state ownership may significantly impact the decision-making process regarding dividend pay-outs. For instance, Duygun (2018) suggests that firms with greater state ownership are associated with a larger dividend. Thus shaping dividend distribution decisions to align with broader political and strategic objectives, consequently influencing shareholders' wealth. With reference to the above literature, the study hypothesizes that:

*Hd9: State ownership moderates dividend policy and shareholders' wealth link.*

#### **4.4.2.4. Moderating effect of foreign ownership on DP and SW**

The globalized nature of business has brought foreign ownership to the forefront of corporate governance discussions (Larcker and Tayan, 2020). This literature review delves into the explanatory influence of FO in shaping the nexus between DP and shareholders' wealth, navigating the intricate dynamics of cross-border investments and their impact on corporate decision-making.

Foreign ownership introduces a layer of complexity to corporate governance, as foreign investors hold significant stakes in companies outside their home countries. Research works by Tnushi *et al.* (2023); Tao *et al.* (2022); Shafai and Shafai (2020); and Karim and Ilyas (2021) explore the diverse implications of foreign ownership. While it may bring efficiency and global market access, the relationship with shareholders' wealth is contingent on factors such as control and the nature of foreign investors (Gaur *et al.*, 2018).

The explanatory effect of foreign ownership in the nexus between dividend policy and shareholders' wealth is a subject gaining attention. Scholars argue that foreign ownership may significantly influence the decision-making process regarding dividend pay-outs. For instance, Aggarwal and Klapper (2013) propose that foreign investors may act as moderators, influencing dividend policies to align with global market expectations and, consequently, affecting shareholders' wealth. The study of Lee and Ande (2022) does not suggest that foreign ownership positively moderates the nexus between dividends and shareholder value. These variations underscore the importance of considering the context and characteristics of foreign investors. Therefore, the study hypothesizes that:

*Hd<sub>10</sub>: Foreign ownership moderates dividend policy and shareholders' wealth link.*

#### **4.5. CONTROL VARIABLES**

In addition to the variables that have been hypothesized, control variables for firm and market characteristics are integrated into the empirical models. These control variables are introduced to accommodate the variability in firm size, firm age, liquidity, leverage, GDP, inflation, and exchange rate. The incorporation of these control variables in this research aligns with prior studies by Boshnak (2023); Hartono and Matusin (2020); and Sharma and Bakshi (2019). Research by Mahmoud *et al.* (2024) reveals that the size of a company positively influences the distribution of dividend payments. Al-Najjar and Kilincarslan (2016) also argue that larger firms tend to have higher free cash flows and consequently may allocate more substantial dividends compared to smaller entities.

Furthermore, businesses with high levels of indebtedness are projected to distribute lower dividends due to the need to allocate funds to debt obligations. However, Nasution *et al.* (2024) found that in Singapore, firm size has a detrimental influence on FP.

Additionally, corporations with higher profitability have the capacity to distribute greater dividends compared to less profitable counterparts, and well-established firms with a longer operating history are more likely to have stable earnings, resulting in higher dividend pay-outs. According to Boshnak (2023), firms with higher dividend per share (DPS) typically exhibit lower leverage (LEV), higher profitability (ROA), and greater maturity in terms of age.

Similarly, Yakubu *et al.* (2022) note a significant positive relationship between firm age and dividend distributions, as well as shareholder wealth. Ofori-Sasu *et al.* (2017) suggest that the relationship between GDP growth, inflation rates, and shareholder wealth is not only positive but also statistically significant. This observation implies that the collaboration amid the structure of board dynamics, dividend policies, and macroeconomic conditions plays a crucial role in enhancing SW at the firm level. Thus, external macroeconomic factors are essential in forecasting shareholder wealth within the firm.

Furthermore, Ofori-Sasu *et al.* (2019) discovered a noteworthy negative correlation between exchange rate and both dividend payment and shareholders' wealth. This observation implies that fluctuations in the exchange rate of the local currency against the US dollar exert a significant impact on the dividend and wealth of shareholders.

#### **4.6. GAPS IDENTIFIED IN LITERATURE**

A review of the empirical literature under sections 3.2, 3.3, 3.4, 4.2, 4.3, and 4.4 reveals the following summarised gaps as being addressed by the stated objectives of this study;

##### **a. Empirical gap**

- i. Existing bibliometric studies on board attributes and ownership structure concentrate on specific aspects of board attributes such as gender diversity or institutional ownership but not on the broader spectrum of various elements of board attributes and ownership dynamics. In order to give a holistic view of the broader spectrum of the field, objective one addresses the identified gap by performing a bibliometric review on board-ownership dynamics using R Biblioshiny and VOSviewer for conceptualisation and visualisation.

- ii. Existing studies in the field are generally limited geographical, methodological and variable scope. Literature on dividend policy (DP) and board-ownership dynamics (BODy) recommends further studies of the effect of both board attributes and ownership structure on dividend policy (DP) and shareholders' wealth (SW) over a larger geographic and broader scope (Boshnak, 2023; Bataineh, 2020). This study's objectives address this gap by studying diverse variables of board attributes and ownership structure of broader geographical scope using selected listed non-financial firms in South Africa, Nigeria, Kenya, and Ghana in Sub-Saharan Africa.

**b. Knowledge gap**

- i. Managers may aim to address the concerns of shareholders by considering both their interests and level of influence through the implementation of an increased dividend pay-out (Ofori-Sasu *et al.*, 2022). This knowledge gap is addressed by objective two of the study which extends the roles board attributes and ownership structure play in influencing management decision to pay or not to pay dividend and in turn increase shareholders' wealth.
- ii. Scholars have shown an increasing interest in the relationship between dividend policy and shareholders' wealth, with debates and differing opinions on the significance of dividend policies in the presence of market imperfections. This has led to the development of several theories aimed at explaining this phenomenon (Abdul, 2017). Research objective 2 helps to address this gap by testing the objectives related hypotheses to confirm or disprove relevance or irrelevance of dividend policy

**c. Evidence gap**

- i. As of yet, no study has shown how dividend policy mediates the relationship between shareholders' wealth and the individual and combined components of ownership structure and board qualities. Existing research demonstrates the connections between board dynamics, DP, and SW (Ofori-Sasu *et al.*, 2022), but very little examine their interactions and connections. This gap is filled by addressing objective 3 of the study which looks at the mediation interactions of dividend policy on the interplay between board-ownership dynamics and shareholders' wealth using structural equation model.
- ii. The moderating effects of ownership structure and board features on the relationship between DP and SW have not been examined in any of the research that has already been published (Mubaraq *et al.*, 2021; Nazar, 2021; Mai and Syarief, 2021).

Research on the connection between DP and SW has not yet demonstrated the combined moderating influence of board qualities and ownership structure (board-ownership dynamics) (Ofori-Sasu *et al.*, 2022; Ramirez and Ferrer, 2021). This evidence gap is addressed by objective 4 of the study by examining the distinct moderation effects of board attributes and ownership variables on the interplay between dividend policy and shareholders' wealth using regression models.

#### **4.7. SUMMARY OF CHAPTER FOUR**

This chapter concentrated on objectives three and four. It is organized into two distinct sections. The initial section delves into examining the mediating impact of dividend policy (DP) on the link between board-ownership dynamics (BODy) and shareholders' wealth (SW). The subsequent section observes the explanatory influence of BODy on the link between DP and the SW. Moreover, this section encompassed the insights, findings, and gaps in empirical evidence highlighted in the existing literature. From the empirical review, twenty-one (21) hypotheses were formulated in line with the extant literature. These hypotheses seek to achieve research objectives three and four: mediating effect of dividend policy moderating effect of board-ownership dynamics respectively. Below is a list of all the hypotheses formulated in this chapter.

- Hc<sub>1</sub>: DP has a significant positive effect on SW.*
- Hc<sub>2</sub>: DP mediates the link between BODy and SW.*
- Hc<sub>3</sub>: DP mediates the link between board size and SW.*
- Hc<sub>4</sub>: DP mediates the link between board independence and SW.*
- Hc<sub>5</sub>: DP mediates the link between board meetings and SW.*
- Hc<sub>6</sub>: DP mediates the link between board meetings and SW.*
- Hc<sub>7</sub>: DP mediates the link between CEO duality and SW.*
- Hc<sub>8</sub>: DP mediates the link between managerial ownership and SW.*
- Hc<sub>9</sub>: DP mediates the link between institutional ownership and SW.*
- Hc<sub>10</sub>: DP mediates the link between state ownership and SW.*
- Hc<sub>11</sub>: DP mediates the link between foreign ownership and SW.*
- Hd<sub>1</sub>: BODy moderate dividend policy and shareholders' wealth link.*
- Hd<sub>2</sub>: Board size moderates dividend policy and SW link.*
- Hd<sub>3</sub>: Board independence moderates dividend policy and SW link.*
- Hd<sub>4</sub>: Board meetings moderate dividend policy and SW link.*
- Hd<sub>5</sub>: Board gender diversity moderates the dividend policy and SW link.*
- Hd<sub>6</sub>: CEO duality moderates dividend policy and SW link.*
- Hd<sub>7</sub>: Managerial ownership moderates the link between DP and SW.*
- Hd<sub>8</sub>: Institutional ownership moderates the link between DP and SW.*
- Hd<sub>9</sub>: State ownership moderates the link between DP and SW.*
- Hd<sub>10</sub>: Foreign ownership moderates the link between DP and SW.*

## CHAPTER FIVE

### DESIGN OF RESEARCH AND METHODOLOGY

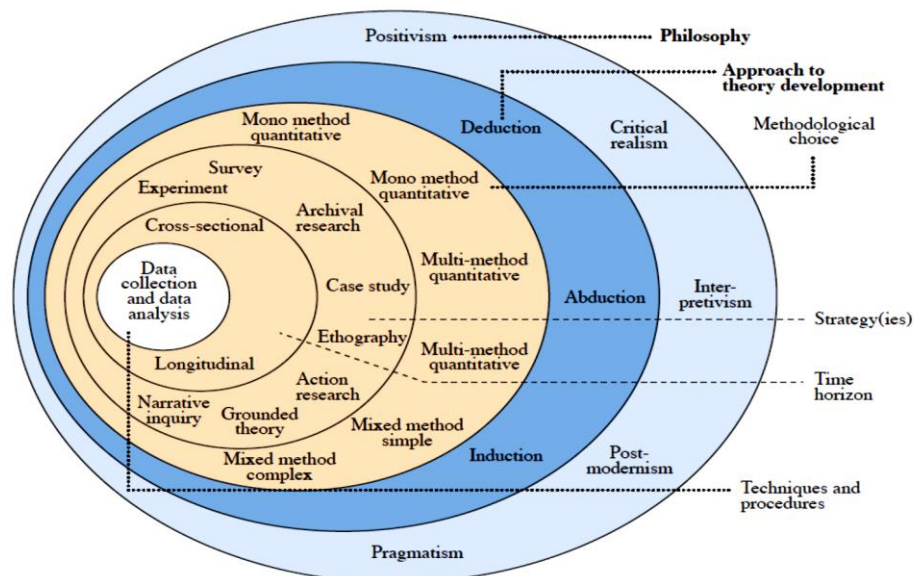
*“Research is what I want to do, how I want to do it, what I am doing, when I actually do not know how to do it, <sup>b</sup>so I see what all eyes have seen but think in a way all brains have not”*  
 - Wernher von Braun<sup>a</sup>, Albert Szent-Gyorgyi<sup>b</sup>

#### 5.1. INTRODUCTION

This chapter covers the research methodology which serves as a set of guidelines that dictate how a researcher approaches and carries out research activities. It pertains to an extensive research scheme that delineates the approach in which research is to be carried out (Kumar, 2018). It involves a framework of beliefs and philosophical norms that impact the comprehension of research questions and facilitate the option of research methodologies. It offers principles for organizing, planning, designing, and executing effective research. This chapter highlights the design and method based on the research onion adopted for the study. It is grouped into ten sections. These sections are: the research onion, the research philosophy, research approach, methodological choice, research strategy, time horizon, population, sample and sampling technique, data analyses, model specification, variable description, and ethical consideration.

#### 5.2. RESEARCH ONION

Figure 5 illustrates the research onion by Saunders (2018) who associates layers of a research to that of an onion. This research adopts and applies the research onion to provide a detailed overview of the fundamental layers or phases followed to establish an operative procedure (Mansoor, 2023).



**Figure 4: Research onion**  
 Source: Saunders (2018).

The research philosophy serves as the foundational layer of the research onion, encompassing beliefs that underpin the study's construction. It can be viewed through an ontological lens that explores the nature of reality and understanding and an epistemological lens that delves into how knowledge is acquired and its limitations. Moving on to the second layered research strategy, the research methodology is classified as either inductive or deductive. The research strategy must be specified precisely since it influences choices about data gathering and processing. The research approach is presented in the third layer, which explains how research may be carried out in accordance with study objectives. Layer four then goes into further detail on the sorts of data that may be used—qualitative, quantitative, or both—and presents three options: mono, mixed, and multi-method. Furthermore, layer five highlights the time horizon by outlining how frequently data are collected. Cross-sectional and longitudinal techniques are among the possibilities available. Last but not least, layer six describes the methods for gathering data and analysing it, which helps researchers make informed conclusions about certain approaches and procedures (Saunders, 2018). The research onion is applied in the subsequent sections to delineate the framework of design and method adopted.

### **5.3. RESEARCH PHILOSOPHY**

The various perspectives of research philosophy can be classified either through an ontological lens or an epistemological one (Saunders *et al.*, 2015). Ontology concerns itself with the fundamental nature of reality and our understanding of it, encompassing the "what" and "how" of our knowledge. Likewise, epistemology delves into the means by which we acquire knowledge and comprehend the world, contemplating how we can discern reality and the boundaries of our understanding (Saunders *et al.*, 2015). The examination of causal relationships in the study signifies an ontologically objective approach that emphasizes hypothesis testing to achieve its research goals (Zyphur and Pierides, 2020). The study promotes the use of factual evidence over subjective opinions put forth by the researcher (Cherland and Harper, 2023).

The epistemological stance of the study aligns with the post-positivist paradigm, utilising established theories to formulate hypotheses that are subsequently validated or challenged through the analysis of gathered data (Casula *et al.*, 2021; Saunders *et al.*, 2015). The investigation upholds the notion that the concept of truth ought to be regarded as objective; nevertheless, it posits that the researcher's encounters with these truths are inevitably flawed due to the mitigating influence of values and experiences. The post-positivist paradigm is adopted because the researcher aims to uphold a level of independence from personal value assessments.

The researcher opts for a heightened sense of objectivity in contrast to alternative methodologies such as the positivist, pragmatic, and interpretivism philosophies (Wood, 2016). The subsequent paragraphs justify the reliance on the post-positivist paradigm by striking the dichotomy with other philosophies.

The post-positivist paradigm in research is very vibrant due to its elaborate approach towards the analysis of reality and the production of knowledge. Compared to the positivist paradigm, which presupposes that reality can be completely described in quantitative terms based on empirical data gathered, post-positivism allows recognizing the idea of complete perfection in observation in humans. It recognizes the fact that research workers work with partially open minds and that they have got to be prepared to abandon their hypotheses when their findings are shown to be incongruous as they were with the reality test (Prathapan, 2022; Shaw, 2018).

With reference to the pragmatic research philosophies, post-positivism has a particular advantage in the hierarchical methodological frameworks in that it fosters a critical outlook towards the results. One limitation that has been often noted is that the concept of pragmatism advocates for the practical use of research as well as the usefulness of the results, which may sometimes translate to a more limited scope of knowledge gained than is preferred (Kaushik and Walsh, 2019; Kelly and Cordeiro, 2020). Post-positivism, on the other hand, guarantees that the proposed research study is rigorous and methodologically sound so that positivism's strengths of formal theory and empirical application are not ignored. This approach does more than improve the reliability of the study but makes it possible to arrive at results that are valuable both from the theoretical and applied standpoints (Omodan, 2024).

Besides, compared to interpretivism, which focuses on individual perspectives and experiences, post-positivism also appreciates the rationality of existence. Interpretivism is beneficial in understanding the nature of human experiences and the complexity of social environments; however, the empirical reality-oriented approach of post-positivism may be more limited in some cases (Pulla and Carter, 2018; Ryan, 2018). Much like interpretivism, post-positivism recognizes the effect of context and the researcher on the process and data but insists on the structure involved in the collection and analysis of data. Thus, the main advantage of post-positivism is that it combines the methods and approaches of positivism with the context of the actual social problems, which in turn, allows one to acquire a more extensive and accurate comprehension of the investigated phenomena (Maksimovic and Evtimov, 2023).

Though it provides a more flexible and nuanced approach to research than classic positivism, the post-positivist ideology is not without flaws. Its emphasis on methodological heterogeneity and recognition of knowledge's fallibility might make it difficult to draw firm conclusions. Research that adopts a critical posture towards findings and acknowledges underlying ambiguity may be interpreted as being less definite or conclusive. It has weaknesses that may make the conclusions unclear—the focus on methodological diversification and acknowledging that knowledge is relative. Furthermore, the way that post-positivism strikes a balance between subjectivity and objectivity can occasionally make it challenging to define precise, widely recognized criteria for confirming study findings, which could complicate the process of developing and applying theories (Kaushik and Walsh, 2019; Kelly and Cordeiro, 2020; Omodan, 2024).

#### **5.4. APPROACH TO THEORY DEVELOPMENT**

This research utilises the induction and deduction research approaches to theory development. The induction approach is used for the bibliometric analysis in achieving objective one of the study. Induction research is characterized by data collection followed by the formulation of theories from the patterns and themes noticed. The bibliometric analysis adopts content analysis and thematic techniques, which are characteristic of inductive approaches, to arrive at conclusions and suggestions. The inductive approach is helpful in finding new patterns and generating new hypotheses. Existential induction has the tendency of delivering less accurate and consistent results sometimes. The induction approach relies on data as the main source of its conclusion and can be influenced by biased opinions (McFarland *et al.*, 2018; Flach and Kakas, 2000).

The adoption of the deduction approach is based on the establishment of theories and frameworks within the study in addressing objectives 2 to 4 (Casula *et al.*, 2021). Due to the sequential derivation of the deduced approach from the general to concrete instances, it is very suitable for theory building. The basis for this method is a general theory or hypothesis, which then employs actual observations and experiments (Borsboom *et al.*, 2021). This approach is strong because of its plausible predictability and ease of comprehension among the players in the structures. It provides the researchers with definite guidelines for their work and ensures the theories to underpin hypotheses are indeed evaluated to the highest level.

This systematic approach minimises the risk of prejudice and facilitates highly controlled, consistent research that contributes to the growth of science knowledge (Fellows and Liu, 2021). The succeeding paragraphs justify the selection of the induction and deduction approaches with a comparison between them and also to the abduction approach.

The primary challenge associated with the deductive method is that the analysis is conducted within the frameworks suggested by certain theories or assumptions, which might not enable identifying new phenomena. It may filter or eliminate anything that does not fit in the set paradigm as it focuses on exercising anticipated hypotheses (Pearse, 2028).

The inductive method, on the other hand, formulates the hypothesis from the given particulars and so gives rise to the grander theories and generalizations. It is useful to use induction to discover novel patterns and ideas. There is a chance that existential induction will occasionally provide less precise and reliable conclusions. The primary source of an inductive analysis's conclusion is data, and issues like a limited sample size and biased perspectives might have an impact (McFarland *et al.*, 2018; Flach and Kakas, 2000). The deduction approach can also be less arbitrary and more efficient in generating outcomes in terms of theory outcomes since hypotheses stated are certain and backed by evidence. This is the case since it tends to assert itself on testing and verification (Borsboom *et al.*, 2021).

The abduction method is more imaginative and of discoveries, as it develops a hypothesis from one of the best possible ideas for a collection of facts. Rather important in conditions of the lack of knowledge, it will help us to come up with new ideas and to search for the reasons. The researcher must employ the abduction method as an approach to account for any surprising or perplexing findings that current theories or hypotheses cannot fully support. In exploratory research, this particular technique is highly useful in creating new hypotheses and discoveries. The investigation starts by finding out a number of probable causes for observed phenomena, which will later lead to development of further knowledge on the issue at hand. In complex situations or those not well understood, it is always appropriate to use this approach as opposed to using either deductive or inductive methods, which may not be able to give a wide explanation. On this note, abduction may not be as rigorous as deduction and induction approaches since it is more of a guesswork (Makri and Neely, 2021; Labaree and Scimeca, 202; Koskela *et al.*, 2018; Niiniluoto and Niiniluoto, 2018).

## **5.5. METHODOLOGICAL CHOICE**

The study utilises the multi-method quantitative as opposed to other methodological choices such as the mono-method quantitative or qualitative, multi-method qualitative, and mixed method simple or complex. Multi-method quantitative research is a type of research that applies or uses several quantitative methods in the sample data collection and data analysis in a specific research study. This is applied when conducting research with the view of answering specific research questions and finding solutions that cannot be arrived at, at once through quantitative analysis.

It allows for a broad, yet detailed, view on a problem since the application of various methods, including questionnaires, experiments, and statistical analysis, is possible. Quantitative simultaneity designs are especially useful when research issues and the nature of the problem imply the use of different methods and/or types of data to get the whole picture of the phenomena investigated (Creswell and Plano Clark, 2023).

The strengths in multi-method quantitative research therefore reside in the achievement of a more sound and trustworthy understanding of a research problem. Thus, it is possible to argue that applying multiple quantitative techniques allows researchers to cross-validate their results, which, in turn, helps increase the validity and reliability of conclusions drawn from the study. This means that you are able to do an even better and more in-depth analysis pertaining to the research question since various methods are appropriate for various facets of the issue. For example, descriptive methods such as the surveys may result in description, while inferential methods such as experiments can determine causation and other relationships by statistical modelling. The multiple data collection methods can also decrease the biases and flaws that are unavoidable when using several methods at once, giving a more truthful picture of the researched phenomena (Tashakkori *et al.*, 2020).

Nevertheless, multi-method quantitative study also has its own tasks. Generally speaking, it is even costlier in terms of the amount of time needed, funding, the expertise of the researcher involved for the purpose of coordinating and integrating the multiple methods. The strategy of applying various forms of data collection and analysis is not without challenges, and this includes logistical and analytical complications. Furthermore, when comparing results from different methodologies, there is a need to show consistency in order to avoid contradiction in the synthesis of the results. In comparison to just pure quantitative research with one method, it is easier and also concentrates on one method, while multi-method quantitative research can be complex and time-consuming in terms of resources. However, the advantage of getting a wider and different perspective by using multiple methods seems to outweigh the separate difficulties and efforts.

Multi-method quantitative research, whether simple or complex, however, only covers the quantitative data, unlike the mixed method, which combines the quantity and quality data. Complicated mixed methods may incorporate qualitative data as supplementary to a quantitative analysis, while elaborate integration of mixed methods is characterised by the research incorporating both approaches at various stages of the study. To be more precise, one of the advantages of using both quantitative and qualitative assessment techniques is the fact that they may complement each other and enrich an analyst's perspective by offering both numbers and circumstances.

For that reason, it is possible to note that both mono-method and multi-method qualitative research concern the search for the richness of human experience. Mono-method qualitative research only focuses on one way of data collection, say an interview, while multi-method qualitative research includes several qualitative means. Both are contextually rich but may not have the level of measurement of generalizable conclusions that some quantitative methods give (Onwuegbuzie and Hitchcock, 2022). The multi-method quantitative is adopted based on the objectives of this research as stated in Section 1.3.2 under Chapter 1.

## **5.6. RESEARCH STRATEGY**

This study uses the archival research strategy. The archival research approach entails the use of research questions in the analysis of available records or documents. Such records can comprise historical documents, records from the official archives, organization/personal correspondents, news reports, and any other previous records. This method is especially relevant in historically-based research, with the longitudinal perspective, and when the modern data are insufficient to become the background for the research (Ventresca and Mohr, 2017). Archival research is applied as the researcher uses past data of financial statements of listed non-financial companies in South Africa, Nigeria, Kenya, and Ghana from 2013 to 2022 and bibliometric data from 2008 to 2022, obtained from the Scopus database.

The limitation of archival research is that the strengths of the study include the comprehensive data that would have a hard time coming through with otherwise moderate to little information available. This enables the researcher to study events in history and any chances that occur over time, therefore providing a temporal perspective to social events. Archival research can also be inexpensive in that the data collected is already available, eliminating the need to generate data as in surveys and other types of research. In addition, it can generate findings from data that has been collected not necessarily for research purposes, wherein the findings can be unbiased or unexpected (Ventresca and Mohr, 2002; Yin, 2018). At the same time, several issues can also be noted with archival research: Access in some cases can be a problem, and the quality of the records may be poor; that is, some records may not be complete or may not be as objective as may be desired. This is rather problematic because of how data was collected and categorised in different periods, which presents daunting challenges to the researcher. Also, the use of archival data might be even more problematic because such data were not collected to address the current research question; therefore, they may not contain all the needed variables and/or contextual information, which could hamper the depth and generalizability of the results (Berg & Lune, 2012).

Thus, the strengths and weaknesses of the archival research method must be understood when comparing it to other research tactics including, case studies, experiments, surveys, action research, ethnography, grounded theory, and narrative research. A case study is detailed examination of contemporary events with their actual life setting but can be limited by their specificity, giving limited external validity. They enable hypothesis testing and provide accuracy, but they might be restricted by controlled settings. Speaking of its advantages and disadvantages, it is necessary to mention that surveys are good at collecting a significant amount of information from a large population but can provide only a narrow cross-sectional view.

Action research focuses on generating solutions with participants and is cyclic but can be practical in nature and thus less theoretical. Ethnography is earned through informal observation while engaging with the target community and is detailed and contextual but possibly slow and subjective. Grounded theory is a type of approach that generates theories from the data, although this data has to be collected and coded to a high level. Personal histories are thoroughly investigated in narrative inquiry, but the method may be highly subjective and generalizing the results may be problematic. Such methods are accompanied by the archival research which has a historical and longitudinal view of the problem that can be useful to get an additional point of view which is more difficult to gain using other research methods (Creswell and Poth, 2018; Stake, 1995).

## **5.7. TIME HORIZON**

This study is longitudinal as opposed to cross-sectional in time horizon. In the process of conducting research, longitudinal time horizon is when information is gathered from the same source or respondents at different points in time. This approach is used in analysing variations in the societal structure and other dynamics across a certain period by observing the same people; hence, for example it enables a researcher to establish patterns, trends and inferences within the same group. Consequently, longitudinal research offers the best opportunities in research where researchers need to understand how certain variables change over time for example, psychology, sociology, medicine, and education, among others. They can assist in determining the later consequences and determine the progression and prognosis relying on the past statistics (Caruana *et al.*, 2015).

The main strengths of longitudinal research include the fact that the work enables the analysis of temporal variations as well as causal relationships. Tracking the same subjects over time helps separate short- and long-term changes for more accurate conclusions about the dynamics of variables' relationships. At the same time, this method can pinpoint the time and order of events, which is critical in examining causal relationships.

Longitudinal studies may improve the validity of the conclusions by minimizing the impact of the systematic bias resulting from the inter-individual differences because the same subjects act as their own controls (Singer and Willett, 2003).

However, longitudinal research has some limitations, which can be even more formidable than those of cross-sectional research. Longitudinal studies are more time-consuming, demanding, and costly when compared with cross-sectional studies due to the fact that they need a lot of time, a lot of money, and commitment from both the researchers and the participants. Another issue is participant attrition, and where the specific subjects withdraw during the process, this may still skew the findings if the outcome is dependent on explicit conditions. Furthermore, it is difficult to maintain reliable and standardized procedures of data gathering and to keep long-term data stable. In contrast with this type of research, cross-sectional research is simpler, more efficient, and cheaper because it concerns a specific point in time in the lives of participants. However, cross-sectional survey research has its own limitations; first, it does not establish causality, and second, it does not follow the subjects over a period of time as the longitudinal studies do (Levin, 2006).

## **5.8. TECHNIQUES AND PROCEDURES**

This section covers the techniques and procedures adopted in collecting and analysing data. In this section, the researcher discusses the data collection strategies, which cover the population, sample and sampling technique, and data sources and collection method. Subsequently, the data analysis strategies are discussed, which cover the model specifications and variables measurement and description.

### **5.8.1. Data collection**

#### **5.8.1.1. Population**

All data on the Scopus database serve as the population for the bibliometric analysis in addressing objective 1, whereas the research concentrates on Sub-Saharan Africa (SSA) within the realm of knowledge, the population in addressing objectives 2 to 4 pertains to all listed firms in South Africa (JSE), Nigeria (NGX), Kenya (NSE), and Ghana (GSE). The Scopus database is selected for bibliometric data as against the Web of Science due to its advantages. Compared to Web of Science, Scopus indexes more journals, particularly many conference proceedings and more international journals, meaning that it is able to present a larger and more diverse set of data for analysis (Burnham, 2006). Such wide coverage may prove even more valuable for research areas that are growing relatively fast or extensively studied.

Scopus offers a broader citation track record, h-index computation, and a vast range of subject areas for interdisciplinary approaches to bibliometric analysis. Again, Scopus has a user friendly and simple user interface, which helps researchers find data suitable for further analysis more efficiently (Aghaei Chadegani *et al.*, 2013; Mongeon and Paul-Hus, 2016).

This study uses South Africa, Nigeria, Kenya, and Ghana as representatives of SSA due to their large impact on SSA's economy and heterogeneous financial markets in the area. They are among the largest economy-scale countries in SSA and have a significant share of the region's GDP figures, as well as relatively diversified structures that offer a wide range of data variables under study (World Bank, 2020; 2022).

They also offer variation in cultural, regulatory, and institutional settings which can help to get an overview of the SSA dynamics. The selection of these economies is workable and enables performing a deeper analysis of the topic, and due to the similarities in the development of other countries in the region, it can be concluded that the obtained results can also be applied to other SSA countries (Adusei, 2012).

Likewise, employing the stock markets in the selected countries (Johannesburg, Nigeria, Nairobi, and Ghana stock exchanges) instead of all stock markets in SSA is justified in view of their size and the availability of data. These stock exchanges are among the most developed, vibrant, and liquid in the region and provide much more reliable and broader data required for studying the relationships on the board, dividend policy, and shareholders' wealth (Mensi *et al.*, 2023; Ngong *et al.*, 2022; Korley and Giouvris, 2021; Gourène and Mendy, 2018; Kelikume and Muritala, 2019; Okeahalam, 2001).

They also cover different market sizes and market development, for instance, the Johannesburg Stock Exchange as a developed one and the Nairobi and Ghana stock exchanges as developing ones, while the Nigerian stock exchange is emerging, giving a relatively diverse angle on the matters investigated. Thus, by identifying these major exchanges, the researcher effectively excludes various noises in the context of the given analysis, while at the same time remaining feasible in the given context of data collection and robust analysis (Yartey and Adjasi, 2007).

#### **5.8.1.2. Sample and sampling technique for objective 1**

A sample of 9,549 published articles is selected for the bibliometric analysis to answer the objective 1 using the inclusion and exclusion sampling technique to obtain data from the Scopus database (Appiah *et al.*, 2022).

Through the inclusion and exclusion sampling technique, the researcher identifies and sets particular characteristics that guide the inclusion or exclusion of the subjects into the study. The method helps in achieving the independence of the population sample with the intention of the research because it weeds out other variables that might influence the findings. The inclusion criteria refer to the requirements subjects must meet in order to participate in a study, while the exclusion criteria refer to traits/factors that make a subject ineligible. This technique is frequently employed in social research to increase the credibility and consistency of the results (Patino and Ferreira, 2018).

The advantage of this technique is that internal validity is likely to be high because the selected sample is likely to be homogeneous regarding the variables of interest; thus there is less variability, and the results are more precise. They also make it easier to identify a manageable study population, thus conducting a more intense analysis. However, the technique can turn out to be biased if the set criteria are highly rigorous, such that they can hamper the study's ability to generalize. In contrast to random sampling which provides high external validity, and to convenience sampling, which is easier and faster but less strict, inclusion and exclusion sampling is an optimal point between relevance and feasibility, but before using this kind of sampling, it is important to use more precise thought to avoid a chance of bias (Daniel, 2011).

The steps below are employed to arrive at the final data and sample for the analysis. A search for both past and present relevant literature was conducted in the Scopus Database, like Pinto *et al.* (2019). Publications are identified using the following search string or keywords: "board" OR "director\*" OR "board of director\*" OR "board attributes" OR "board characteristics" OR "board features" OR "board structure" OR "board diversity" OR "board gender diversity" OR "ownership structure" OR "ownership characteristics" OR "ownership concentration" OR "institutional ownership" OR "managerial ownership" OR "government ownership" OR "family ownership" OR "foreign ownership" OR "corporate governance."

The search string focused on literature from 2008 to November 7, 2023, due to the fact that most interest in the subject matter gained significant attention following the highest number of global scandals like Bear Stearns, Northern Rock, Lehman Brothers, and Royal Bank of Scotland Group, after that of Enron and WorldCom in 2001 and 2002, respectively. The cut-off of November 7, 2023, is the search date for data in the Scopus platform. Only final articles that were published in journals for business, management, and accounting were included in the analyses. Books, doctoral theses, working papers, technical reports, and conference proceedings are not included.

Table 1 provides a summary of the steps and tasks completed throughout the literature search. A preliminary search turned up 373,390. Journals of business, management, and accounting made up 41,701 of these 29,698 articles left after limiting the search to only published journal articles in English. In the end, a total of 9549 English journal articles were kept for thematic and bibliometric examinations after limiting the search to all open access, green, gold, hybrid gold, and bronze access as per the search key<sup>1</sup>.

**Table 1: Inclusion results from board-ownership dynamics literature search**

Stage	Activity	No. of Articles
1	Literature search in Scopus from 2008 to November, 7, 2023 at 5:37PM	373,390
2	Limited to Business, Management & Accounting	41,701
3	Limited to published journal articles	30,478
4	English articles only	29,698
5	Limited to all open access (gold, hybrid, green and bronze)	9,549

*Source: Author's creation*

### 5.8.1.3. Sample and sampling technique for objectives 2 to 4

In answering research questions 2, and 4, the study utilises the purposive-simple random sampling technique to select a sample of 157 listed non-financial firms due to data availability. The sample of 157 listed non-financial firms comprises 65 firms on the JSE, 49 on NGX, 26 on NSE, and 17 on GSE, as shown in Table 9. The paragraphs below explain the operationalization and justification for the purposive-simple random sampling technique.

Purposive-simple random sampling is a hybrid method between purposive sampling and simple random sampling to improve the method of selection. First of all, purposive sampling is applied to make a list of a definite segment of the population that is of interest to the researcher in connection with certain characteristics, circumstances, or backgrounds valuable for the investigation. This technique is employed to select only listed non-financial firms in SSA, represented by the JSE, NGX, NSE, and GSE (justified under Section 5.7.1.1).

<sup>1</sup> TITLE-ABS-KEY ( "board" OR "director\*" OR "board of director\*" OR "board attributes" OR "board characteristics" OR "board features" OR "board structure" OR "board diversity" OR "board gender diversity" OR "ownership structure" OR "ownership characteristics" OR "ownership concentration" OR "institutional ownership" OR "managerial ownership" OR "government ownership" OR "family ownership" OR "foreign ownership" OR "corporate governance" ) AND PUBYEAR > 2007 AND PUBYEAR < 2024 AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) ) AND ( LIMIT-TO ( DOCTYPE , "ar" ) ) AND ( LIMIT-TO ( SRCTYPE , "j" ) ) AND ( LIMIT-TO ( LANGUAGE , "English" ) ) AND ( LIMIT-TO ( OA , "all" ) OR LIMIT-TO ( OA , "publisherfullgold" ) OR LIMIT-TO ( OA , "publisherhybridgold" ) OR LIMIT-TO ( OA , "publisherfree2read" ) OR LIMIT-TO ( OA , "repository" ) )

The researcher purposively selects only non-financial entities, excluding financial institutions such as banks, insurance firms, brokerage houses, and investment firms due to their substantial and distinct regulatory frameworks in comparison to non-financial entities (Kimwaki, 2023; Kamau, 2022; Tshipa, 2017). Non-financial firms are selected due to the fact that most studies on board attributes, ownership structure, and dividend policy focus on financial institutions such as banks (Flayyih and Khiari, 2023; Menicucci and Paolucci, 2023; Eklemet *et al.*, 2023; Ebimobowei, 2022; Quoc Trung, 2022; Ofori-Sasu *et al.*, 2022; Mai and Syarief, 2021; Al Hiyari, 2020).

After defining the targeted group as shown in the preceding paragraph, simple random sampling is performed as a way of choosing participants within this category in a random manner; that is, no individual has a higher probability of being selected within this group than the other. This method is applied since the researcher is interested in some specific group of the population to investigate but at the same time needs to eliminate sampling bias to increase the generalisation potential of the obtained sample (Patton, 2015).

The simple random technique is used to determine the workable sample size using the formula of Yamane (1973);  $n = N/(1+N(e)^2)$ , where n represents the sample size, N signifies the total number of listed firms on the stock markets as of 2023, and e denotes the degree of relevance at 10% for markets with more than 30 listed non-financial firms and 5% for markets with less than 30 listed non-financial firms as of 2023, as summarised in Table 2. The simple random technique is used to select only firms with substantial information, excluding those with significant missing data.

**Table 2: Computation of sample size**

Country	Total Listed firms (2023) (N)	Less Financial firms	Non-financial firms (2023)	Calculation of sample size using Yamane's formula	Sample (n)
JSE	303	(118)	185	$185 / (1 + 185(0.10)^2)$	65
NGX	158	(60)	98	$98 / (1 + 98(0.10)^2)$	49
NSE	62	(26)	36	$36 / (1 + 36(0.10)^2)$	26
GSE	31	(10)	22	$21 / (1 + 22(0.05)^2)$	17
<i>Total</i>	<i>555</i>	<i>(214)</i>	<i>341</i>		<i>157</i>

**Source: Author's construct**

The advantages of purposive-simple random sampling include the capacity to select specific subgroups of a population that enriches the study's application and the penetration of view. Therefore, through the use of purposive and random sampling methods, the researcher ensures that the kind of sample used has high relevance to the identified subgroup in enhancing generalizability.

However, this technique is somehow time-consuming and resource-intensive, because to apply random sampling, it entails first identifying and selecting the target subgroup. As compared to the purposive sampling technique, which has a higher degree of bias, and the random sampling technique, which may include participants who are not relevant to the study, the current hybrid technique creates a balance, as noted by Palinkas *et al.* (2015), though it requires effort to ensure strict adherence to its provisions to avoid bias.

### **5.8.2. Data sources and data collection method**

Secondary data sources are employed to gather data for the study. This is used since it is reliable and of high quality, free from the problems of subjectivity and biases as normally characterized with primary data. Bibliometric data is sourced from the Scopus database. The Scopus database is a relevant and reliable database for quality data. A CSV file was downloaded from the Scopus database for the bibliometric analysis. Due to the quality and delicate nature of such data, the researcher used it as it were. A sample image of the content of the bibliometric data is shown in Figure 5.

Financial data is sourced from listed firms' financial statements due to the high level of data verifiability. All companies listed on the stock market are required by statutes to prepare and publish their financial statements, making such data readily available for use. The financial statement data are obtained from the Thomson Reuters Refinitiv Eikon Database, African Stock Market Database, and the annual reports of the selected listed firms, and the World Bank Index on macroeconomic factors of the selected economies from 2013 to 2022. These databases provided the researcher with access to a wide range of the yearly reports and financial statements of the sampled listed firms. The researcher compiled the financial data in a panel dataset spanning a decade (10 years) using MS Excel for subsequent analysis in STATA 18. The necessary variables were chosen by hand by the researcher and entered into Ms Excel in a panel format, similar to the example in Figure 6. After being checked for accuracy and balance, the gathered data were exported to STATA for further analysis.

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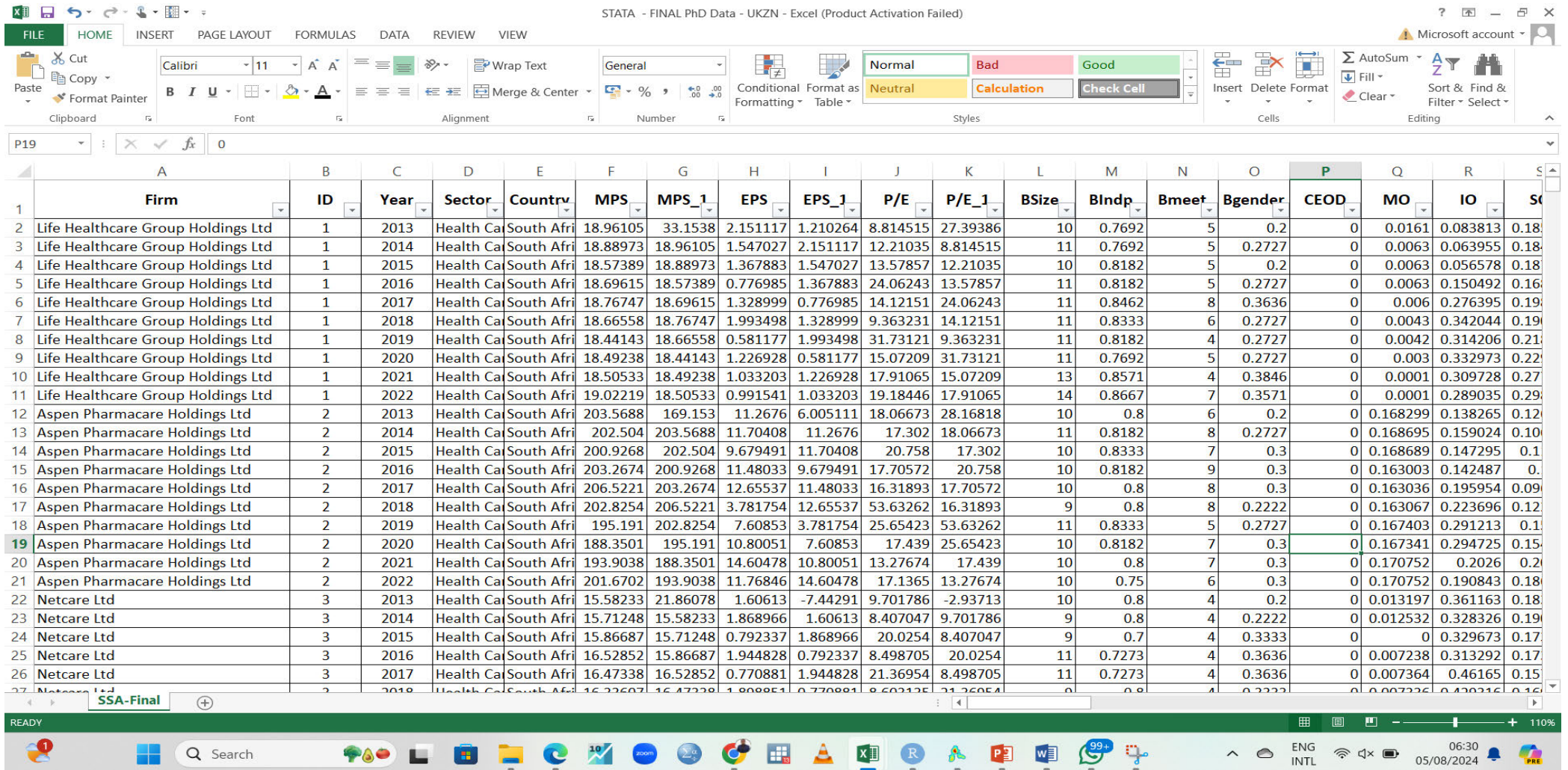
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**Figure 5: Sample bibliometric data**  
*Source: Extract from author's data*



**Figure 6: Sample panel data**  
*Source: Extract from author's data*

### **5.8.3. Data analyses**

This section provides the analyses adopted by the researcher to achieve the study objectives, specifically, bibliometric analysis for objective one and panel data analysis for objectives 2, 3, and 4.

#### **5.8.3.1. Bibliometric analysis**

In order to find pertinent literature in the topic, the analysis of bibliometric entails an assessment of authors, articles, and journals. Subsequently, a scientific mapping of national output and a keyword analysis are carried out to illustrate the range of study issues within the discipline. For the bibliometric analysis, the study employs the software programs VOSviewer and R Biblioshiny for visualisation and conceptualisation. Content and thematic analysis are performed to identify trends and further areas for research. These analyses were used to answer research question 1 below:

*RQ1:* What are the progress, developments, trends, and current issues over the years that significantly contribute to the field of board-ownership dynamics to influence further research?

Bibliometric analysis entails the use of quantitative methods to analyse scientific documents to evaluate research outputs and trends, besides mapping the scholarly structure of the discipline. The primary assumption includes the fact that the number of publications and citations can accurately reflect the quality and the impact of the research carried out (Moed, 2005). Bibliometric analysis is vital for this research as it measures the scientific production and performance in the field, as well as suggesting further areas for studies.

The researcher uses bibliometric analysis to uncover emerging trends in article and journal performance, collaboration patterns, and research constituents and to explore the intellectual structure of the board-ownership dynamics in the extant literature (Donthu *et al.*, 2021; Verma and Gustafsson, 2020; Donthu *et al.*, 2020c). It is used since the data obtained from Scopus tends to be massive (in thousands) and objective in nature (e.g., number of citations and publications, occurrences of keywords and topics), though its interpretations rely on both objective (e.g., performance analysis) and subjective (e.g., thematic analysis) evaluations established through informed techniques and procedures. In other words, bibliometric analysis is useful for deciphering and mapping the cumulative scientific knowledge and evolutionary nuances of well-established fields by making sense of large volumes of unstructured data in rigorous ways.

Despite its advantages, bibliometric analysis is still relatively new in business research, and its use frequently falls short of its full potential. Because of the large data size and wide scope involved, bibliometric analysis may not fully capture the nuanced contributions of individual researchers or works, but it offers a more standardized and scalable approach than alternative methods like meta-analysis, systematic literature, and peer reviews (Donthu *et al.*, 2021).

#### **5.8.3.2. Correlation and diagnostic tests**

In the analysis of data, correlation and diagnostic tests are very useful in relation to determining the existence and validity of a particular model. These tests assist the researcher in revealing problems like multicollinearity, non-stationary, non-normality, and heteroscedasticity, which affect the reliability of conclusions made through statistical tests.

The following tests are conducted on the data obtained using STATA 18: Pearson Correlation Matrix, multicollinearity tests (variable inflation factor - VIF), tolerable level (calculated as  $1/VIF$ ), panel unit root tests (Fisher-type: Augmented Dickey-Fuller and Phillips-Perron), and normality tests (Skewness and Kurtosis). The Breush-Pagan Lagrange Multiplier test is used to assess the applicability of pooled OLS or random effects. The sections below briefly discuss the correlation matrix and diagnostic test used in the study.

##### **a. Pearson correlation matrix**

The Pearson correlation coefficients reflect the strength of the linear relationship of two variables, between  $-1$  to  $1$ . Negative one ( $-1$ ) for perfect negative linearity and positive one ( $1$ ) for perfect positive linearity. This is useful as it helps the researcher identify collinear variables that may cause issues of multicollinearity in the regression models and thus drop them from the model. However, Pearson correlation as a measure of association only proposes relationships that display a linear pattern and include outliers; hence, the test fails to capture other forms of associations with non-linearity (Grewal *et al.*, 2004).

##### **b. Multicollinearity tests**

The VIF and tolerance level are adopted to test for multicollinearity in the study. The variance inflation factor (VIF) measures the extent to which the variance of a regression coefficient is increased as a result of multicollinearity. Any VIF value higher than 10 is considered problematic, in relation to multicollinearity (O'Brien, 2007).

The researcher adopts this method because it is easy to perform and understand, but it does not indicate which of the variables causes multicollinearity. Also, high VIFs may exist even after deleting certain variables with high VIF.

The tolerance level is calculated by taking the inverse of VIF and therefore defines the amount of variance in a predictor variable that is not attributed to other predictors. Tolerance is considered to be below 0.1, which indicates severe multicollinearity. Like VIF, it does not directly point towards rectifying the problem of multicollinearity, but in fact aids in identifying the problem (O'Brien, 2007).

**c. Panel unit roots tests**

A unit root test is a statistical procedure employed to establish whether a time series variable adheres to a unit root process, denoting non-stationary. Non-stationary implies that the mean, variance, or other statistical properties of the series undergo changes over time, rendering the modelling and analysis of data arduous using traditional statistical techniques. The popularity of unit root tests in a panel enables the researcher to employ the Fisher-type tests that combine both ADF and PP tests in coming up with a signal for a panel unit root. The ADF test addresses higher-order autocorrelation while the PP test addresses serial correlation and heteroscedasticity. These tests are useful for checking non-stationary in panel data, hence useful in avoiding spurious regression results as postulated by Maddala and Wu (1999). These tests can be sensitive to panel structure and sample size.

**d. Normality tests**

Skewness and kurtosis are used to test for normality of the data for analysis. Skewness is the measure of asymmetry of the data distribution, whereas kurtosis means tailedness of the data distribution. Values far from zero imply non-normality of the data, hence affecting the chosen tests and confidence intervals. These measures are not sufficient for defining the degree of normality, and such visual checks as Q-Q plots can be used for more profound results (Kim, 2013).

**e. Heteroscedasticity test**

The Breusch-Pagan Lagrange Multiplier (LM) test is used to analyse heteroscedasticity in regression models of the study to test for a variance of errors. It is useful for detecting models that might fail the homoscedasticity assumption to affect the OLS estimators' efficiency (Breusch and Pagan, 1979).

The LM test's potential disadvantage is its dependence on model specification, and thus, using the White test instead might be more appropriate for other types of heteroscedasticity.

### **5.8.3.3. Panel data analysis**

In panel data, there is a use of multi-faceted data which entails data, measured across time (Bond, 2002). There is the assumption that the attributes of the cross-sectional units (for instance, people, firms) do not change with time while the units are identified over some time (Baltagi, 2008). Thus, the value of panel data is reduced unobserved individual effects, simultaneity, capturing dynamic effects, and increasing the efficiency of estimates. The method enables the analysis of the effect of variables on a dependent variable in a certain time while considering the differences in cases as cross-sectional data and excess of time series data cannot do. However, panel data analysis has its shortcomings, which include the complex data collection method compared to the cross-sectional method, the problems of temporal reproducibility of data, and the methods used to correct for autocorrelation and endogeneity are relatively more complex (Hsiao, 2022). Panel data contain more information as compared to pure cross-sectional or pure time series, data but at the same time, analysis of panel data is more complex and needs more expertise.

The study adopts the Generalized Method of Moments (GMM), Panel-Corrected Standard Errors (PCSEs), Fixed Effects (FE), Random Effects (RM), and Structural Equation Model Path analysis models to analyse the panel data. GMM is used to examine the causal relationships among the variables under investigation. The PCSEs, fixed and random effect models are used for comparative analysis to confirm the GMM output or otherwise. The Hausman specification criterion is used to determine stable panel analysis for the Fixed and Random effects regression. The SEM path analysis is used to test the mediation effect of DP on BODY and SW. The subsequent sections highlight the assumptions and justifications for the choice of the panel models selected.

### **5.8.3.4. Generalized Method of Moments**

GMM is a statistical method of estimating the parameters in models, the variables of which could be endogenous. The use of GMM is based on the assumption of correct specification of the model and the availability of suitable instruments for the endogenous variables (Hansen 1982). The value applicable to GMM involves its capacity to work with endogenous variables, and this makes the use of GMM highly influential in today's socio-economic studies because it is capable of achieving efficient estimates of models characterized by heteroscedasticity as well as autocorrelation of errors.

The major challenge of using GMM is the difficulty in determining the instrumental variables, and the results are highly sensitive to the choice of instrumental variables. It can be associated with weak instrument bias. Despite outcompeting other methods such as OLS and 2SLS in terms of addressing endogeneity and robustness concerns, GMM is more complex and sensitive to the validity of instruments.

Instruments for Generalized Method of Moments (GMM) are selected based on their ability to meet two key criteria: relevance and the variables' exogeneity. Certain prerequisites applying to all instruments concern their relevance to the endogenous explanatory variables—the instruments have to contain a great deal of information for predicting these variables. Exogeneity also means that the instruments used in the model have to be independent with the error terms to avoid bringing in bias into the model. Thus, the lagged values of the endogenous variables and such other variables that are conceptually reasonable and statistically appropriate are preferable instruments. Using the Hansen J test for over-identifying restrictions, it is possible to check the overall validity of the instruments, which collectively meet the requirement of exogenous nature (Hansen, 1982).

GMM is generally applied either using the difference GMM (DGMM) or the system GMM (SGMM). Both Difference GMM and System GMM are two econometric techniques that are used when estimating models with dynamic panel data, which are fixed effects models. Differenced GMM, developed by Arellano and Bond (1991), lays on the fact that endogeneity could be resolved by first-differencing the model to get rid of unobserved individual effects. They incorporate lagged levels of the endogenous variables as instruments for the level difference equations on the basis of the assumption that the latter are uncorrelated with the difference error terms. This method is helpful to control endogeneity and unobserved heterogeneity in the panel data though, the consistency of the results depends on the validity of the chosen instruments and the exogeneity of errors, such as no serial correlation in idiosyncratic errors.

Difference GMM can be enhanced to form System GMM, which is established by Blundell and Bond (1998). It adds the level equations with the first-difference equations, in which lagged differences are used as instruments for the level equations and lagged levels for the first-difference equations. It also enhances efficiency and can solve issues that may hinder Difference GMM from using certain instruments.

However, similar to many estimators, System GMM also makes certain assumptions that need to hold, such as that the instruments used has to be valid and there should not be serial correlation. Both methods are known to be prone to endogeneity and can also result from instrument proliferation and hence decrease the power of the test for the validity of the instruments. A pre-test of the data meets the assumptions of the GMM to warrant its application.

#### **5.8.3.5. Panel-Corrected Standard Errors**

Panel-Corrected Standard Errors (PCSEs) are commonly used in panel data analysis to remove heteroscedasticity and autocorrelation in a panel. The main assumption of PCSEs is contemporaneous error for panels, but the errors need not necessarily have the same distribution (Xu, 2023). The significance of PCSEs is therefore anchored on their capacity to yield reliable standard errors, especially when there is heteroscedasticity of unknown form and autocorrelation in panel data regressions. This method is especially appropriate where such problems relate to large panels and, in any case, is a primary approach to dealing with such problems. However, the following limitations characterise these models: a large sample size is required for the estimation of these parameters; it is a made supposition that the error structure is properly specified. While superior to conventional robust standard errors and Generalized Least Squares (GLS), PCSEs are more specific to panel data, though computationally expensive and sensitive to the specification of a panel's error structure. The data for the research meet the assumptions of the PCSEs

#### **5.8.3.6. Fixed Effects**

Fixed effects (FE) models assume that the characteristics, which are constant over—time, personal factors, for example—are related to the explanatory variables and these latter are controlled by adding individual dummies to the model. This method is important because it purges out the bias that comes with omitting time-invariant variables, hence improving the estimation of the impacts of time-varying aspects (Wooldridge, 2010). The major weakness of FE models is that they do not allow for assessing the impact of time-invariant independent variables since they are included in individual effects. Also, FE models need enough variation of the explanatory variables within the entity to yield a valid estimation. Compared to the random effects (RE) models, where there is no correlation assumed between specific individual effects and the explanatory variables, FE models provide more efficient estimates if there is correlation between the two, but at the same time they have more variance and are less efficient if the assumption of correlation is wrong.

### **5.8.3.7. Random Effects**

Random effects (RE) models assume that the individual-specific effects are independent of the set of regressors used in the analysis and, therefore, permit time-invariant variables in analysis (Hsiao, 2022). The use of RE models lies in their efficiency as they exploit both within-and between-entity variation and deliver more accurate estimates, given that the assumption of no correlation is correct. That is why RE models are most appropriate where the researcher is conducting both time-varying and non-time-varying effects. However, the major limitation is the probability of having a true bias in the results if it is wrongly assumed that the random effects are uncorrelated with the explanatory variables. The Hausman test is often employed to choose between FE and RE models and if the null hypothesis that is set stating that FE and RE models, are not correlated is not rejected, then RE models are preferred. While FE models have the drawback of low efficiency, RE models are more efficient if the assumptions of the model are correct and the estimates are thus not going to be biased.

### **5.8.3.8. SEM Path analysis**

Structural Equation Modelling (SEM) path analysis assumes that the systematic part of the relations between the variables can be described by linear equations. It assumes that the model is specified accurately with no relevant variables left out. It incorporates factor analysis and multiple regression, making it possible to determine the interrelations between variables observed and latent in a single run (Kline, 2023). The value of SEM path analysis is its ability to test theoretical models, distinguishing between direct and indirect effects and measurement errors, and yielding a detailed perspective on the structure of the interrelations in the data. However, it has some drawbacks, such as a large number of samples, being sensitive to model specification, model identification challenges, and estimation problems (Byrne, 2016). Compared to multiple regression that can only test the direct relations between observed variables or factor analysis that can only establish factors, SEM path analysis provides a more comprehensive but complex outlook, though it requires higher standards of data.

### **5.8.4. Model specification**

The constrained availability of data, notably in numerous developing nations, renders the use of panel data beneficial in addressing the challenge of data scarcity. Panel data possesses the capacity to deal with the issues of omitted variables and unobserved heterogeneity commonly found in either pure cross-sectional data or pure time series data. Through amalgamating observations from a cross-sectional entity across multiple time periods, panel data facilitates the exploration of an impact that might remain imperceptible in purely cross-sectional or time series analyses.

The formulation of the panel regression equation diverges from the traditional time series or cross-sectional regression by incorporating a dual methodology to combat data scarcity, particularly in developing regions. The fundamental framework of the panel data model can be delineated as follows:

$$Y_{it} = \alpha + \beta_1 X_{it} + \varepsilon_{it} \dots \dots \dots Eqn (1)$$

The subscript  $i$  represents the cross-sectional dimension, whereas  $t$  represents the time-series dimension. The explanatory factors are indicated by  $\beta$ , and the error term is denoted as  $\varepsilon$ . The dependent variables are represented by  $Y$ , while the independent variables are denoted by  $X$ .

The utilisation of panel data gives rise to concerns regarding endogeneity, stemming from a correlation between the independent variable and the error terms. Estimations derived from a panel data model might produce inconsistent results due to these endogeneity concerns (Asongu and Minkoua, 2018; Tchamyoun, 2019). Many studies typically assume the uncorrelated nature of the independent variable  $X_{it}$  and the error term  $\varepsilon_{it}$ , treating them as exogenous. Nevertheless, in cases where this assumption is breached and a correlation between  $X_{it}$  and  $\varepsilon_{it}$  exists, an endogeneity issue emerges.

Endogeneity can result in unobserved individual heterogeneity, potentially compromising the study's conclusions. To tackle this issue, numerous studies incorporate a lag of the dependent variable to accommodate the temporal persistence of performance. Arellano and Bover (1995), as well as Blundell and Bond (1998), devised the System Generalized Method of Moments (SGMM) to address both endogeneity and unobserved heterogeneity in panel data. Consequently, equation (1) is transformed into the GMM model as equation (2).

$$Y_{it} = \alpha + \phi Y_{it-1} + \beta' X_{it} + \eta_{it} + v_t + \mu_t + \varepsilon_{it} \dots \dots \dots Eqn (2)$$

This study employs and favours the GMM estimator due to two reasons. First off, when there are more cross-sections than there is time in each sample selected for analysis, GMM is the suitable method for the analysis. Asymptotic imprecision or bias may arise in situations when the number of cross-sections is not higher than the time period. Second, the endogeneity problem is especially addressed by the GMM estimator (Li *et al.*, 2021). Alternatively, it includes an internal instrumentation procedure to reduce the influence of time-invariant fixed effects and reverse causality in order to account for concerns about unobserved heterogeneity.

The GMM model is specifically adopted to answer research questions 2, and 4, while SEM Path analysis is adopted for research question 3 to test the mediating effect of dividend policy as on the link between BODY and SW. These models are presented below;

*RQ2* How do board-ownership dynamics affect shareholders' wealth and dividend policy of non-financial listed firms in Sub-Saharan Africa, and if so, which specific aspects?

The first set of hypotheses (Ha1–10), which address how board-ownership dynamics affect shareholders' wealth, must be addressed in order to respond to research question 2. The GMM models in equations 4 and 5 are applied in line with extant literature (Boshnak, 2023; Eklemet *et al.*, 2023; Rooly, 2022; Yakubu *et al.*, 2022; Ofosu-Sasu *et al.*, 2022; Ofosu-Sasu *et al.*, 2017).

$$SW = f(\text{BODY}, \text{Board attributes}, \text{Ownership structure}, \text{Control variables} \dots \dots \dots \text{Eqn (3)}$$

$$MPS_{it} = \alpha_0 + \alpha_1 MPS_{it-1} + \alpha_2 (BODY)_{it} + \sum_{j=9}^n \alpha_j Z_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it}$$

.....Eqn (4)

$$EPS_{it} = \alpha_0 + \alpha_1 EPS_{it-1} + \alpha_2 (BODY)_{it} + \sum_{j=9}^n \alpha_j Z_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it}$$

.....Eqn (5)

Where; MPS and EPS serve as indicators of shareholders' wealth within a specific firm and time frame, denoted by firm *i* and year *t*;  $\alpha_0$  is the fixed term;  $\alpha_1$  is the coefficient representing the impact of lagged MPS ( $MPS_{it-1}$ ) and lagged EPS ( $EPS_{it-1}$ );  $\alpha_2$  is the coefficient of BODY.  $\alpha_1: j = 9 \dots n$ , shows the regression coefficients of board characteristics and ownership structure variables to be appraised;  $Z_{it}$  is a collection of board and ownership structure variables (such as BSize, BIndp, BGD, CEOD, MO, IO, SO, and FO);  $\alpha_1$  denoted by  $k=7 \dots n$ , symbolizes the coefficients of regression for control variables are represented;  $X_{it}$  encompasses control variables (including FSize, FAge, leverage, liquidity, exchange rate, GDP and rate of inflation).

The model takes into account unobserved differences between nations, ( $\eta t$ ) time-specific effects that are mutual to all listed firms and nations, and time-variant, such as the effects of firm age, size, liquidity, leverage, GDP, inflation, and exchange rates, ( $v_t$ ) country-fixed effects, and ( $\mu_t$ ) time fixed effects. The classical error term, denoted by  $\varepsilon_{it}$ , is presumed to be independent and has an identical distribution.

The impacts of board-ownership dynamics on DP is the second set of hypotheses (Hb<sub>1-10</sub>) that need to be tested in order to address the second part of research question 2, the GMM models in equations 7 and 8 were applied in line with extant literature (Boshnak, 2023; Eklemet *et al.*, 2023; Rooly, 2022; Yakubu *et al.*, 2022; Salawudeen, 2020; Ofosu-Sasu *et al.*, 2022; Ramirez and Ferrer, 2021; Ofosu-Sasu *et al.*, 2017; Saleh *et al.*, 2018).

$$DP = f(\text{BODY}, \text{Board attributes}, \text{Ownership structure}, \text{Control variables} \dots \dots \dots \text{Eqn (6)}$$

$$DPS_{it} = \alpha_0 + \alpha_1 DPS_{it-1} + \alpha_2 (\text{BODY})_{it} + \sum_{j=9}^n \alpha_j Z_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it}$$

.....Eqn (7)

$$DPR_{it} = \alpha_0 + \alpha_1 DPR_{it-1} + \alpha_2 (\text{BODY})_{it} + \sum_{j=9}^n \alpha_j Z_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it}$$

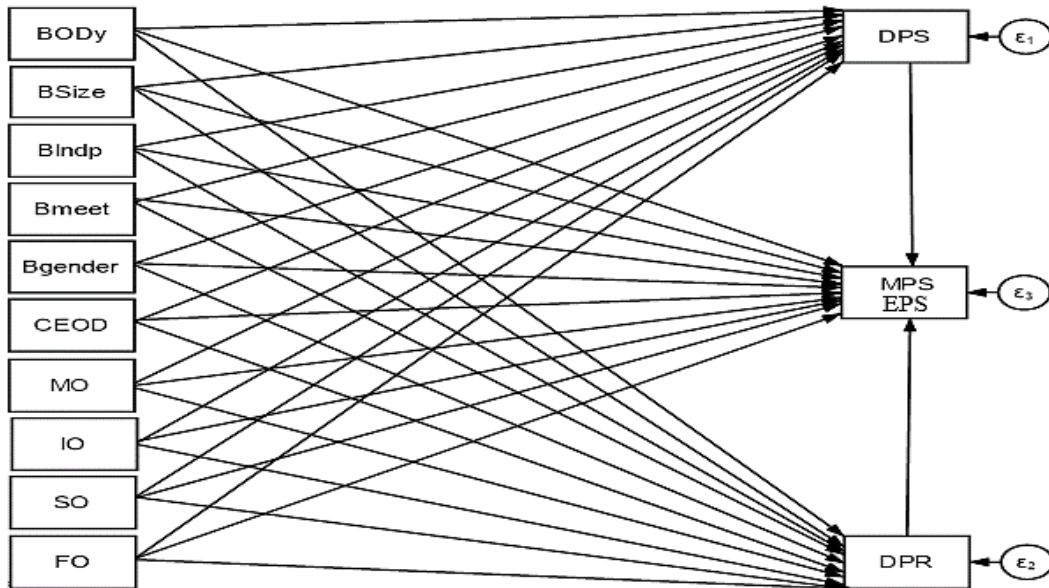
.....Eqn (8)

Where  $DPS_{it-1}$  and  $DPR_{it-1}$  are the lags of DPS and DPR, respectively. All other variables previously defined remain the same.

**RQ3** What is the mediating role of dividend policy in explaining the connection between board-ownership dynamics and shareholders' wealth of listed non-financial firms in Sub-Saharan Africa?

The essence of this objective is to ascertain the degree to which changes in any of the independent variables by a mediating variable (DP) contribute to the variability regarding the outcome variable (SW). In order to accomplish this, SEM Path analysis is employed.

Path analysis is particularly suitable for analysing panel data, where data is collected for the same individual multiple times. The use of path analysis in this study is motivated by its ability to establish causal relationships in longitudinal research designs. The data sets were analysed using STATA 18.0, and as seen in Figure 7, the potential correlations between the variables are verified expending SEM Path analysis. This approach is in line with existing literature (Aminu and Salawudeen, 2019; Soewarno *et al.*, 2017). The model is defined as follows:



**Figure 7: Conceptual framework on mediating effect of DP**  
**Source: Output from STATA 18**

To investigate the mediating function of DP on board-ownership dynamics and SW, or research question three, and test the third set of hypotheses (Hc<sub>1-11</sub>), the following models are utilised.

Equations 9 and 10 test the direct effect of DP on shareholders' wealth

$$DP \rightarrow SW \quad MPS_{it} = \alpha_0 + \alpha_1 DPS_{it} + \alpha_2 DPR_{it} + \varepsilon_{it} \dots \dots \dots Eqn (9)$$

$$EPS_{it} = \alpha_0 + \alpha_1 DPS_{it} + \alpha_2 DPR_{it} + \varepsilon_{it} \dots \dots \dots Eqn (10)$$

Equations 11 and 12 test the direct effect of board-ownership dynamics on DP

$$BODY \rightarrow DP \quad DPS_{it} = \alpha_0 + \alpha_1 BODY_{it} + \varepsilon_{it} \dots \dots \dots Eqn (11)$$

$$DPS_{it} = \alpha_0 + \alpha_1 BODY_{it} + \varepsilon_{it} \dots \dots \dots Eqn (12)$$

Equations 13 and 14 test the direct consequence of board attributes and ownership structure on DP

$$Z \rightarrow DP \quad DPS_{it} = \alpha_0 + \sum_{j=9}^n \alpha_j Z_{it} + \varepsilon_{it} \dots \dots \dots Eqn (13)$$

$$DPS_{it} = \alpha_0 + \sum_{j=9}^n \alpha_j Z_{it} + \varepsilon_{it} \dots \dots \dots Eqn (14)$$

Equations 15 and 16 test the direct influence of board-ownership dynamics on shareholders' wealth

$$BODY \rightarrow SW \quad MPS_{it} = \alpha_0 + \alpha_1 BODY_{it} + \varepsilon_{it} \dots \dots \dots Eqn (15)$$

$$EPS_{it} = \alpha_0 + \alpha_1 BODY_{it} + \varepsilon_{it} \dots \dots \dots Eqn (16)$$

Equations 17 and 18 test the direct effect of board attributes and ownership structure on shareholders' wealth

$$Z \rightarrow SW \quad MPS_{it} = \alpha_0 + \sum_{j=9}^n \alpha_j Z_{it} + \varepsilon_{it} \dots \dots \dots Eqn (17)$$

$$EPS_{it} = \alpha_0 + \sum_{j=9}^n \alpha_j Z_{it} + \varepsilon_{it} \dots \dots \dots Eqn (18)$$

Equations 19 and 20 test the mediating role of DP on the link between BODY and SW

$$BODY \rightarrow DP \rightarrow SW \quad MPS_{it} = \alpha_0 + \alpha_1 BODY_{it} + \alpha_2 DPS_{it} + \alpha_3 DPR_{it} + \varepsilon_{it} \dots \dots \dots Eqn (19)$$

$$EPS_{it} = \alpha_0 + \alpha_1 BODY_{it} + \alpha_1 DPS_{it} + \alpha_2 DPR_{it} + \varepsilon_{it} \dots \dots \dots Eqn (20)$$

Equations 21 and 22 examine how dividend policy influences the relationship between ownership structure, SW, and individual board qualities.

$$Z \rightarrow DP \rightarrow SW \quad MPS_{it} = \alpha_0 + \sum_{j=9}^n \alpha_j Z_{it} + \alpha_{10} DPS_{it} + \alpha_{11} DPR_{it} + \varepsilon_{it} \dots \dots \dots Eqn (21)$$

$$EPS_{it} = \alpha_0 + \sum_{j=9}^n \alpha_j Z_{it} + \alpha_{10} DPS_{it} + \alpha_{11} DPR_{it} + \varepsilon_{it} \dots \dots \dots Eqn (22)$$

Where Z refers to each of the following: CEO duality, MO, IO, SO, FO, board independence, size, meetings, and board-gender diversity. All other variables previously defined remain the same.

*RQ4* Do board-ownership dynamics have a moderating influence on the relationship between dividend policy and shareholders' wealth of listed non-financial firms in Sub-Saharan Africa?

Using the GMM estimation technique, the following models in line with the existing literature were used to test the fourth sets of hypotheses and respond to the fourth research question (Hd<sub>1-10</sub>). The model tests the explanatory effect of BODY on DP and SE based on prior studies (Guizani, 2018; Miglani and Mogla, 2019; Ofosu-Sasu *et al.*, 2019; Ramirez and Ferrer, 2021; Saleh *et al.*, 2018; Yakubu *et al.*, 2022).

$$MPS_{it} = \alpha_0 + \alpha_1 MPS_{it-1} + \alpha_2 DPS_{it} + \alpha_3 DPR_{it} + \alpha_4 (BODY)_{it} + \alpha_5 (DPS * BODY)_{it} + \alpha_6 (DPR * BODY)_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it} \dots \dots \dots Eqn (23)$$

$$EPS_{it} = \alpha_0 + \alpha_1 EPS_{it-1} + \alpha_2 DPS_{it} + \alpha_3 DPR_{it} + \alpha_4 (BODY)_{it} + \alpha_5 (DPS * BODY)_{it} + \alpha_6 (DPR * BODY)_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it} \dots \dots \dots Eqn (24)$$

$$MPS_{it} = \alpha_0 + \alpha_1 MPS_{it-1} + \alpha_2 DPS_{it} + \alpha_3 DPR_{it} + \sum_{j=10}^n \alpha_j L_{it} + \sum_{h=20}^n \alpha_h [(DP) * (L)]_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it} \dots \dots \dots Eqn (25)$$

$$EPS_{it} = \alpha_0 + \alpha_1 EPS_{it-1} + \alpha_2 DPS_{it} + \alpha_3 DPR_{it} + \sum_{j=10}^n \alpha_j L_{it} + \sum_{h=20}^n \alpha_h [(DP) * (L)]_{it} + \sum_{k=7}^n \alpha_k X_{it} + v_i + \mu_t + \varepsilon_{it} \dots \dots \dots Eqn (26)$$

Where the explanatory effects of BODY of DP on SW are represented by (DPS\*BODY) and (DPR\*BODY); the regression coefficients of the board characteristics and ownership structure variables are shown by  $\alpha_j : j=9...N$ ; the vector  $L_{it}$  comprises variables related to boards and ownership structures, such as board dynamics, size, independence, BGD, CEOD, MO, IO, SO, and FO.

The regression coefficients,  $\alpha_h : h=20...N$ , indicate how variables related to OS and individual board characteristics mitigate the influence on the dividend system and the wealth of shareholders. The vector  $[(DP) * (L)]_{it}$  is a combination of board features and ownership structure variables that moderate the relationship between shareholders' wealth and DP. All other variables previously defined remain the same.

### 5.8.5. Description and definition of variables

Table 3 shows the measurement, description, symbol, expected sign, supporting theories and references for each variable under study.

**Table 3: Variables description and definition**

Variable	Measurement Dimension	Symbol	Formulation	Expected Sign & Supporting Theories	Reference
<i>Dependent</i> Shareholders' Wealth (SW)	Market Price Per Share	$MPS_{it}$	Market price per share for firm 'i' at year 't' (Market value of firm divided by outstanding shares)	To be determined	Miglani and Mogla (2019); Etale and Ujuju (2018)
	Earnings Per Share	$EPS_{it}$	$\frac{Profit\ after\ tax}{Number\ of\ shares}$	To be determined	Farrukh <i>et al.</i> (2017), Gejalakshmi and Azhagaiah (2015)
<i>Independent</i>					

Board Attributes	Board Size	$BS_{it}$	<i>The entire number of individuals on the board</i>	+ Agency or Signalling	Kao <i>et al.</i> (2018); Hanafi <i>et al.</i> (2018), Boshnak (2023); Ain <i>et al.</i> (2021); Dissanayake and Dissabandara (2021).
	Board Independence	$BI_{it}$	<i>Percentage of directors who are not executives on the board</i>	+/- Outcome or Substitute	Boshnak (2023); Roy (2015); Shehu (2015)
	Board Meetings	$BM$	<i>The entire number of board meetings that take place annually</i>	+/- Outcome or Substitute	Mehdi <i>et al.</i> (2017); Juhmani (2020) Mehdi <i>et al.</i> (2017)
	Board Gender Diversity	$BGD_{it}$	<i>Percentage of female directors relative to the total number of board members.</i>	+ Substitute	Thompson and Manu, (2021); Chen <i>et al.</i> (2017); Ye <i>et al.</i> (2019)
	CEO Duality	$CEOD_{it}$	<i>Dummy variable with a code of 1 in cases when the chairperson also serves as the CEO and 0 in other cases</i>	- Agency	Boshnak (2023); Sumail (2018); Nguyen <i>et al.</i> (2021)
Ownership Structure	Managerial Ownership	$MO_{it}$	<i>Percentage of stock owned by management, such as inside directors and/or the CEO</i>	- Substitute	Pramodya and Chathurika, (2022) Boshnak (2023)
	Institutional Ownership	$IO_{it}$	<i>The proportion of shares owned by institutional investors</i>	+ Agency	Boshnak (2023); Elmagrhi <i>et al.</i> (2017); Bataineh, (2020) Boshnak (2023)
	State Ownership	$SO_{it}$	<i>The proportion of shares owned by investors from the government</i>	+ Signalling and Substitute	
	Foreign Ownership	$FO_{it}$	<i>Percentage of shares owned by overseas investors</i>	+ Signalling	Boshnak (2023); RM Musallam and Choo (2019).
Mediating Dividend Policy (DP)	Dividend Per Share	$DPS$	$\frac{\text{Dividend paid}}{\text{Number of shares}}$	+/- Agency, Signalling & Clientele	Ramirez and Ferrer (2021), Aminu and Salawudeen (2019)
	Dividend Pay-out Ratio	$DPR_{it}$		+/-	Ramirez and Ferrer (2021), Aminu

			$\frac{\text{Dividend per share}}{\text{Earnings per share}}$	Agency, Signalling & Clientele	and Salawudeen (2019); Al-Kahmisi <i>et al.</i> (2018)
	Dividend Yield	$DY_{it}$	$\frac{\text{Dividend per share}}{\text{Market price per share}}$	+/- Agency, Signalling & Clientele	Ramirez and Ferrer (2021), Aminu and Salawudeen (2019); Al-Kahmisi <i>et al.</i> (2018)
Moderating Board-Ownership Dynamics	Board-Ownership Dynamics Index	$BODI$	Aggregate index encompassing dummy variables: <i>Independence of board (equal 1 if half or more directors are non-executive directors, 0 otherwise),</i>  <i>Size of board, 1 if the number of directors in each company per year is more than the mean of board size in each year, otherwise 0)</i>  <i>Frequency of board meetings (equal to 1 if the number of board meetings in each company is more than the mean of board meetings in each year, otherwise 0)</i>  <i>Board gender diversity (equal 1 if there is a woman present on the board, 0 otherwise).</i>  <i>Duality of CEO (equal 1 if CEO duality is absent, 0 otherwise);</i>  <i>Independent Audit (equal 1 if firm is audited by any of the top 4 auditing firms);</i>  <i>Audit committee (equal 1 if audit committee exists and meets at least once within the year, otherwise 0)</i>	+	Agency  Ofori-Sasu <i>et al.</i> (2022); Mubaraq <i>et al.</i> (2021); Ramirez and Ferrer, (2021); Akbar <i>et al.</i> (2016);

*Nomination committee (equal 1 if nomination committee exists and meets at least once within the year, otherwise 0)*

*Managerial ownership (taking the value of 1 if the CEO and member(s) of the board (inside directors) own share(s), otherwise 0);*

*Managerial control (a dummy variable equal to 1 if the number of shares held by directors and CEO is less than 10% of the total outstanding shares)*

*Institutional ownership (a dummy variable taking the value of 1 if the institutions own share(s), otherwise 0);*

*State ownership (a dummy variable taking the value of 1 if the state own share(s), otherwise 0);*

*Foreign ownership (a dummy variable taking the value of 1 if there are foreign shareholder, otherwise 0);*

*Control*

Firm Size	<i>FSize<sub>it</sub></i>	<i>Natural logarithm of total assets</i>	+/- Signalling	Boshnak (2023); Ofori-Sasu <i>et al.</i> (2019)
Firm Age	<i>FAge<sub>it</sub></i>	<i>logarithm of age</i>	+/- Perking Order Life Cycle	Hartono and Matusin (2020); Sharma and Bakshi (2019)

Liquidity	$LIQ_{it}$	$\frac{Current\ Asset}{Current\ Liabilities}$	+	Bird-in-hand	Hartono <i>et al.</i> (2020); Sharma and Bakshi (2019)
Leverage	$LEV_{it}$	$\frac{Total\ Liability}{Total\ Equity}$	-	Perking Order	Sharma and Bakshi (2019); Zutter and Smart (2019)
Gross Domestic Product	$GDP_t$	Natural Logarithm of GDP	-	Clientele	Ofori-Sasu <i>et al.</i> (2017)
Exchange Rate	$EXR_t$	Natural logarithm of a country's currency rate to the dollar	-	Perking Order	Ofori-Sasu <i>et al.</i> (2017)
Inflation Rate	$INF_t$	log of real inflation rate	-	Bird-In-Hand	Ofori-Sasu <i>et al.</i> (2017)

**Source:** Author's construct from relevant literature

### 5.8.6. Validity of data and reliability

Numerous prior studies (Boshnak, 2023; Rooly, 2022; Aminu and Salawudeen, 2019; Ofori-Sasu *et al.*, 2022; Yakubu *et al.*, 2022; Ramirez and Ferrer, 2021; Mubaraq *et al.*, 2021; Miglani and Mogla, 2019; Ofori-Sasu *et al.*, 2019; and Saleh *et al.*, 2018) have all approved the validity of the research and its hypotheses. Furthermore, the researcher's supervisor and competent witnesses at the proposal defence closely examined and assessed the study in order to recognize its significance for knowledge advancement and policy consequences.

The use of numerous theories to support or contradict research findings and the use of several data analysts to validate data outcomes would constitute multiple triangulations (theoretical and investigator triangulations). A more comprehensive knowledge and viewpoint of the issue at hand would be improved by the use of related and opposing ideas. The usefulness of the data and output would be guaranteed by many data analysts producing identical results. One validity metric that improves the study's accuracy is triangulation (Carter *et al.*, 2014). To further validate the study, the researcher would also do member checks. Colleague PhD students, professor supervisors from prior universities, and submission of data and conclusions to cohorts for evaluation and critiquing were included in this process. The information used for the research came from the financial statements and annual reports of some selected listed African companies. Publicly traded companies' financial statements are often subject to an external audit, primarily by one of the Big Four or other accredited private audit firms, to ensure their dependability.

Once more, the yearly reports and financial statements are prepared in accordance with both statutory and non-statutory rules to guarantee their dependability in helping internal and external consumers of accounting information make educated economic decisions. These rules include CG codes, business policies, tax laws, securities exchange laws and regulations, international financial reporting standards (IFRS), corporate codes or acts of the chosen nations, and other pertinent legislation. Financial statements are corrected in accordance with internationally accepted principles that make them dependable because of the International Accounting Standards Board's (IASB) harmonization goal. Again, the reliability qualitative characteristic of accounting information in line with the IASB's conceptual framework, ensures that financial statements prepared in line with IFRS are faithfully represented, free from error, objective, complete, prudent, and thus reliable to use.

### **5.9. ETHICAL CONSIDERATION**

Secondary data often do not need express authorization to be used, in contrast to primary data, which demand participants' or respondents' approval before undertaking a survey or interview. This is due to the fact that secondary data and information are typically easily evaded by the researcher. Academic and research-related databases are often subscribed to by higher education establishments. The University of KwaZulu-Natal's institutional access is used to obtain and retrieve data in CSV file format for the bibliometric analysis.

Again, most stock market websites as well as the website of the company in question offer free downloads and usage of the financial statements and annual reports for listed companies. The data and information acquired were only utilised for the stated goal of the study to improve policy implications and add to scholarly knowledge.

### **5.10. SUMMARY OF CHAPTER FIVE**

The methodology section of the dissertation utilised the research onion framework to present a comprehensive research plan. It commenced with a discourse on the research philosophy, which highlights the ontological and epistemological perspectives of the study. The research philosophy section further discussed the post-positivist paradigm as the adopted philosophy for the study. The section continued with the research approach, highlighting the adoption of the inductive and deductive approaches. After the research approach, the section continued with the methodological choice, research strategy, and time horizon, indicating the applications of the multi-method quantitative, archival, and longitudinal data in analysing data. This is followed by population, sample and sampling technique, data analyses, model specification, variable description, and ethical consideration.

## CHAPTER SIX

### RESULTS FOR OBJECTIVE ONE: BIBLIOMETRIC REVIEW ON BOARD- OWNERSHIP DYNAMICS

*“The huge obstacle is discovering something current, new, and trending without altering completely what you’ve already done – diving deeper into what has already been done and discovering new ideas while resounding your original intention”*

— Condola Rashad

#### 6.1. INTRODUCTION

This section presents the results and discussion for the bibliometric analysis on board-ownership dynamics. This results addresses the research objective 1 which is to ascertain the progress, development, and current and trending issues in the general field of board-ownership dynamics, employing bibliometric tools and techniques to inspire further research areas in the field. The primary contribution of this chapter is the identification of the most notable and current research in board-ownership dynamics field. It contributes to the corpus of prior research and offers novel insights on ownership structure and board attribute studies. The analysis charts the topic's conceptual framework to identify the recurring themes that provide scholars and aspiring researchers with guidance. The chapter is structured as follows: Section 6.2 reports the descriptive statistics of the bibliometric analysis, Section 6.3 – top contributing constituents, Section 6.4 – authors’ key word analysis, Section 6.5 - citation analysis, 6.6 - co-citation and co-authorship visualization, 6.7 - bibliographic coupling, 6.8 - thematic/ cluster analysis, 6.9 - future research agenda, and 6.10 – summary of the chapter.

#### 6.2. DESCRIPTIVE STATISTICS FOR BIBLIMETRIC DATA

**Table 4: Statistics of data gathered as at 06/08/2023**

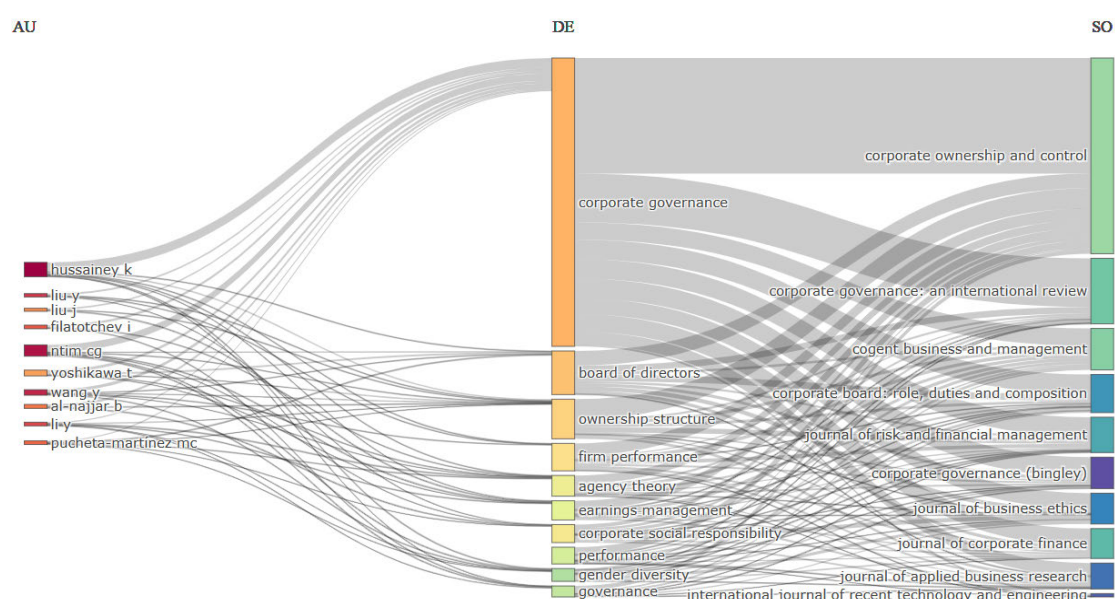
Description	Output
Journal articles	9549
Time span	2008 – 2023
% of annual growth rate	9.85
Average citations per article	21.1
Authors	18609
Co-authors / appearance of authors	26260
Authors who authored single articles	1329
Authors of article written my multiple authors	17280
Articles written by multiple authors	8867
Researchers per article	1.95
Published papers per author	0.513
Co-researchers per article	2.75
Index of collaboration	4.49
Sources	1022
Average citation per year per article	3.02
References	435312

Key words plus (ID)	5560
Authors keywords (DE)	18015

**Source: R-tool for Bibliomatrix: Biblioshiny, 2021**

Table 4 presents the data for the bibliometric analysis, revealing 9549 academic publications from 1022 sources with 435,312 references, 18609 authors, 18015 keywords, 0.513 articles per author, and 2.75 co-authors per article. The collaboration index is 4.49, calculated as the ratio of multi-authored researchers to total multiple researchers. Scopus data shows Mugele and Schnitzer's 2008 work on multinational operations and ownership structure was the first citation of board-ownership dynamics in the International Journal of Industrial Organization. The study has grown at a 9.85% rate from 2008 to 2023.

The research uses a three-field plot as shown in Figure 8 to display literature streams and sample content. Two prominent authors, Hussainey K., Ntim C.G., and Wang Y., studied corporate governance, ownership structure, board of directors, and business financial output. However, most studies overlooked board dynamics and competing theories, leaving gaps for further research. Existing literature is categorized into five keywords: corporate governance, board of directors, ownership structure, company performance, and agency theory. With regard to the sources, the three main publications that publish studies on the topic are Corporate Ownership and Control; Corporate Governance: An International Review; and Cogent Business and Management. CG is the main topic of most research in the Corporate Ownership and Control journal.



**Figure 8: Three-field plots**

**Source: R-tool for Bibliomatrix: Biblioshiny, 2021**

### 6.3. TOP CONTRIBUTING CONSTITUENTS

This section covers the top contributing journals, authors, institutions and countries in the field of board-ownership dynamics.

#### 6.3.1. Productive journals

**Table 5: Ten highest research publication journals on board-ownership dynamics**

Sources	Articles	%
Corporate Ownership and Control	675	66.05
Cogent Business and Management	219	21.43
Corporate Governance: an International Review	178	17.42
Journal of Corporate Finance	165	16.14
Journal of Risk and Financial Management	159	15.56
Corporate Board: Role, Duties and Composition	136	13.31
Journal of Business Ethics	123	12.04
Journal of Applied Business Research	110	10.76
International Journal of Recent Technology and Engineering	109	10.67
Corporate Governance (Bingley)	104	10.18

*Source: Author's creation*

The top 10 most influential works in terms of the quantity of papers on ownership structure and board attributes research are displayed in Table 5. Noteworthy, out of 9549 articles, the top ten journals produced 1978 papers, accounting for 20.71% of the articles in the dataset with Corporate Ownership and Control being the most productive journal with 675 articles followed by Cogent Business and Management and Corporate Governance: an international review with 219 and 178 publications respectively on the topic. The bulk of these publications, according to the results, were ranked three or two on the ABS Journal quality list. These interdisciplinary sources collectively imply that the subject is appealing to all academics of accounting, finance, and management.

#### 6.3.2. Top contributing authors

**Table 6: Ten highest contributing researchers on board-ownership dynamics literature**

Element	H	G	M	TC	NP
Ntim Collins. G, University of Huddersfield, Department of Accountancy and Finance	29	45	2.231	3101	45
Hussainey, Khaled, Plymouth Business School, Plymouth University	25	45	1.786	2085	61
Filatotchev, Igor, Sir John Cass Business School, City University London	17	22	1.063	2526	22
Renneboog, Luc, Department of Finance and Center, Tilburg University	16	19	1	1779	19

Pucheta-Martínez, María Consuelo, University Jaume I of Castellón	15	22	1.5	711	22
Lin, Ching-Chung, from the Southern Taiwan University of Science and Technology, Tainan	14	17	0.875	1943	17
Wright, Mike, Imperial College Business	14	17	0.875	1870	17
Yoshikawa, Toru, at the Singapore Management University, Lee Kong Chian School of Business,	14	21	0.875	883	21
de Massis, Alfredo, Free University of Bozen-Bolzano, Piazza Università	13	18	1.182	1351	18
Elamer, Ahmed A., Brunel Business School, Brunel University London	13	20	2.167	877	20

NP, TC, M, G, and H denote number of publication, total citation, M-index, G-index and H-index

**Source: Author's creation**

Table 6 displays the authors with most effect. We evaluate the influence of prominent writers by looking at the output of scholarly yardstick pointers of performance, including citations, H-index, G-index, and M-index (Appiah *et al.*, 2022; Carpenter *et al.*, 2014). As an example, the H-index, which is regarded as an objective summary, adds up the number of articles and article citations to measure a researchers' total contributions scientifically (Egghe, 2006). But since it overlooks them, the H-index appears to favour prolific writers over well-known but discerning ones. As a result, we offer both the H-index analysis and the G-index analysis.

The study reveals that various Finance, Accounting, and Management researchers have contributed significantly to the discussion on board and ownership structure attributes from 2008 to present. Ntim Collins, with an H-index of 29 and G-index of 45, is the most influential author, with 45 publications and 3101 citations. Other authors include Hussainey Khaled, Filatochey Igor, Renneboog Luc, and Pucheta-Martinez. The G-indices alternate between the fourth and tenth authors.

Further, critics claim that the G-index and H-index fail to take into account varying career durations Costas and Franssen, (2018). In line with creating a clearer depiction of authors ranking in the study domain, this research utilises the M-index (also known as the M-quotient), which is a ratio of H-index to researcher's active literary years. With an M-quotient/index of 2.23 and 2.17, Ntim Collins and Elarner Ahmed are the highest ranking scholars in relation to the M-quotient. Hussainey Khaled, Pucheta-Martinez and de Massis Alfredo are next, with M-quotient/indices of 1.79, 1.5 and 1.18 respectively.

### 6.3.3. Institutional and country scientific production

**Table 7: Top 20 influential organizations on board-ownership dynamics literature**

Institutions/ Organizations	Number of Articles
Uni. of Southampton	106
Uni. of Essex	94
Uni. of Portsmouth	94
Uni. of Groningen	93
Universiti Utara Malaysia	92
Universiti Putra Malaysia	89
Singapore Management University	87
Uni. Teknologi Mara	86
Coventry University	80
Queensland University of Technology	76
Universitas Airlangga	75
De Montfort University	74
Griffith University	70
Universiti Sains Malaysia	67
Curtin University	66
Durham University Business School	63
Sun Yat-Sen University	62
Notreported	60
Universiti Kebangsaan Malaysia	58
University of Huddersfield	57

*Source: Author's creation*

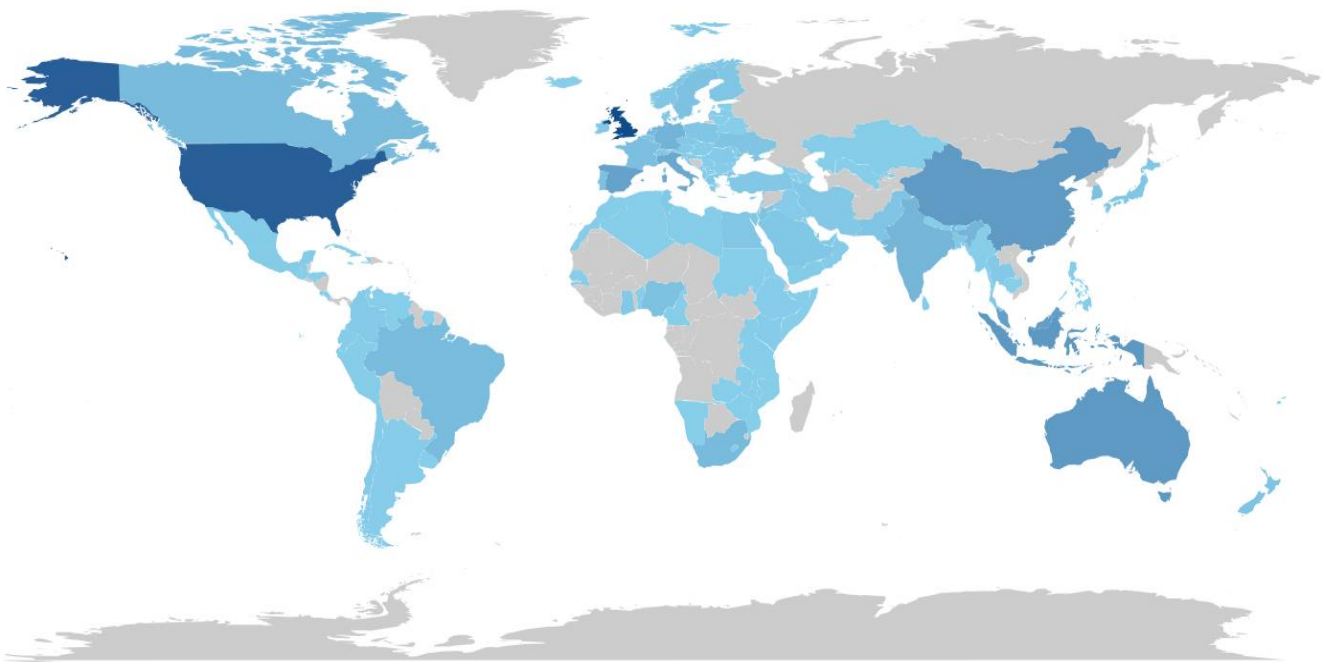
The top 10 organizations that publish the most articles on the board-ownership dynamics are shown in Table 7. With 106 papers, the University of Southampton in the United Kingdom makes the most contribution, followed by the University of Essex and University of Portsmouth with 94 papers each. With 93 and 92 papers each, University of Groningen and Universiti Utara Malaysia follow respectively. Other institutions that make the top 20 are Universiti Putra Malaysia, Singapore Management University, Universiti Teknologi Mara, Coventry University, Queensland University of Technology, and Universitas Airlangga.

Remarkably, Table 7 does not mention the organizations of the majority of other notable writers. For example, Ntim Collins (University of Huddersfield), Hussainey Khaled (Plymouth University), Filatotchev Igor (City University London), Renneboog Luc (Tilburg University), and Pucheta-Martínez, María Consuelo (University Jaume I of Castellón) show up as the top 5 contributing writers, accordingly, although their companies are not listed in reputable organizations. Similarly, the influential organization list does not include any of the other connections of the top ten influential writers.

The findings suggest that the writers who contributed had varied backgrounds in research conducted in various methodological and industrial contexts. The University of Southampton's 106 papers, for example, encompass a variety of techniques, empirical research, financial markets, and case studies. Interestingly, no university in Africa made it at the top 20 influential organizations. This is an indication that the subject matter has not focused much on Sub-Saharan Africa, and thus, room for further research.

Following several business scandals, especially in the advanced economies due to corporate governance lapses, the United Kingdom with 3551 (17.27%) articles has the highest productivity on the subject matter, followed by the USA with 3036 (14.77%), Indonesia with 1407 (6.84%), Australia with 1361 (6.62%), China with 1343 (6.53%), and Malaysia with 1242 (6.04%), respectively. Figure 9 shows that countries in the United Kingdom, USA, Asia, Australia, and Europe have the highest interest in studies on board dynamics and ownership structure as compared to Africa.

The African countries that make the list of top 20 productive states are South Africa and Nigeria with the 12<sup>th</sup> and 16<sup>th</sup> positions, respectively. The body of existing literature demonstrates how interconnected the modern global economy is, according to Appiah *et al.* (2022); thus, more empirical analysis on the topic is needed in Sub-Saharan Africa with its antecedent business and corporate failures in recent times, coupled with dire economic challenges, post COVID 19.



**Figure 9: Country production on board-ownership dynamics**  
*Source: R-tool for Bibliomatrix: Biblioshiny, 2021*

#### 6.4. ANALYSIS OF AUTHORS' KEYWORDS

**Table 8: Top 20 authors' and indexed keywords**

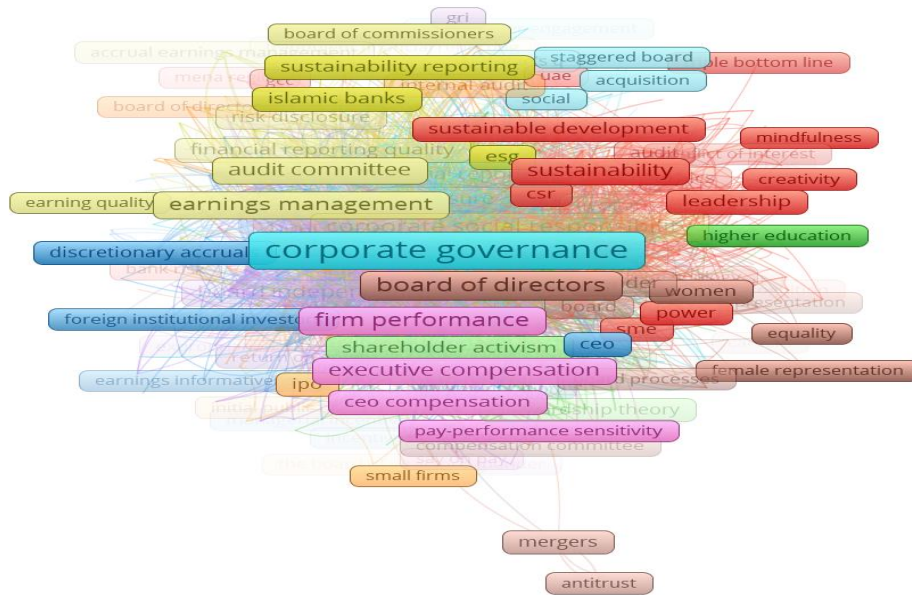
Authors' key words	Occurrences	Indexed key words	Occurrences
Corporate Governance	2671	Human	92
Board of Directors	438	Decision Making	81
Ownership Structure	342	United Kingdom	72
Firm Performance	298	Governance Approach	68
Corporate Social Responsibility	272	Corporate Governance	67
Agency Theory	243	Corporate Strategy	66
Earnings Management	214	Article	59
Performance	203	United States	55
Governance	183	Investments	51
Gender Diversity	176	Sustainable Development	51
Financial Performance	168	Management	48
Family Firms	161	Finance	44
Audit Committee	151	Leadership	43
China	134	Innovation	41
Firm Value	131	China	39
Executive Compensation	126	Commerce	39
Ownership	126	Female	37
Sustainability	124	Printed Circuit Boards	36
Board Independence	118	Regression Analysis	35
Malaysia	114	Industrial Performance	32

*Source: Author's creation*

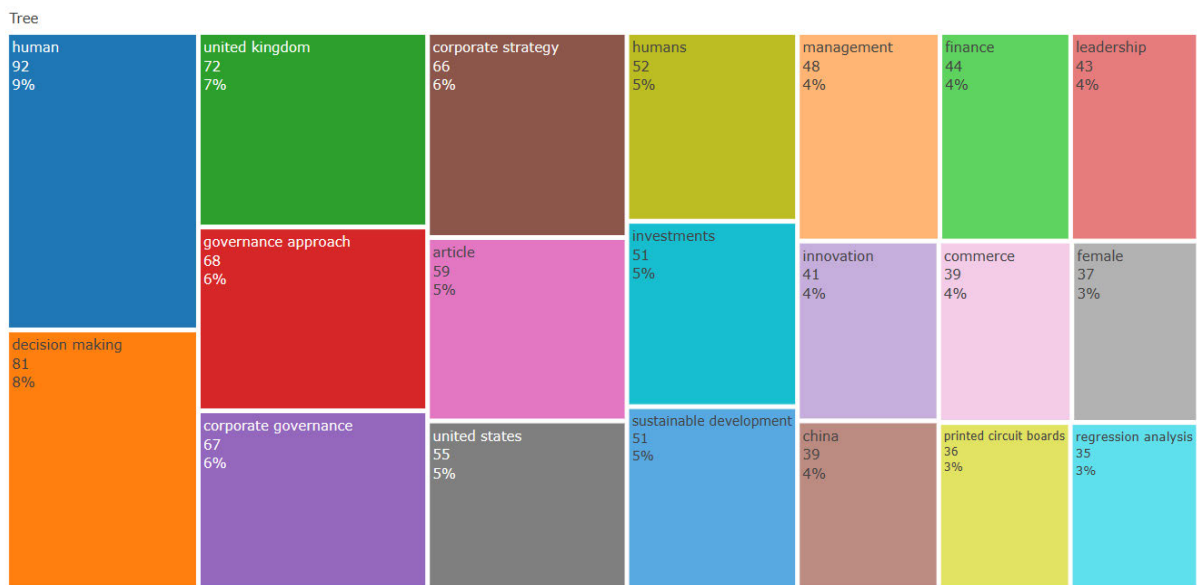
Table 8 comprises the bibliometric analysis of keyword outcomes of 2671 authors' keywords in the 9549 papers studied in the research. The top ranking authors' key words are corporate governance, board of directors, ownership structure, corporate performance, and corporate social responsibility as shown in Figure 10. However, important keywords such as agency theory, earnings management, gender diversity, family firms, and financial performance are other key words that contribute to the board-ownership dynamics literature.

The keyword analysis is carried out utilising authors' key phrases and indexed keywords (Figure 11) in Scopus to determine prevalent research viewpoints in the field. By analysing popular research trends, the author's keywords analysis facilitates the identification of gaps in the literature or suggests topics for future research. The indexed keywords align with vocabularies and consider plurals, generic terms, different spellings, and synonyms, in contrast to Author keywords. From Table 6, it observed that the top indexed key words are human, decision making, United Kingdom, governance approach, corporate governance, and corporate strategy.

However, important keywords such as investments, sustainable development, management and finance are other relevant trends corporate academics are charting to add to the board-ownership dynamics literature. Figure 11 (TreeMap) shows the probable 20 keywords progressing the subject matter. It is observed that the indexed key words reflect the authors' key words as shown in Table 8.



**Figure 10: Co-occurrence Authors' key words in board-ownership dynamics**  
 Source: R-tool for Bibliomatrix: Biblioshiny, 2021



**Figure 11: TreeMap of keywords of board-ownership dynamics literature**  
 Source: R-tool for Bibliomatrix: Biblioshiny, 2021

## 6.5. CITATION ANALYSIS

**Table 9: Top 10 cited research articles on board-ownership dynamics literature**

Authors	Title	Journal	TC	TC/Yr	NTC
Adams R.B.; Ferreira D. (2009)	The influence of women in boardrooms on performance and governance	Journal of Financial Economics	2666	177.73	36.44
Djankov S.; La Porta R.; Lopez-de-Silanes F.; and Shleifer A. (2008)	The economics and legality of self-dealing	Journal of Financial Economics	1873	117.06	29.89
Bebchuk L.; Cohen A.; Ferrell A. (2009)	Issues in corporate governance	Review of Financial Studies	1728	115.20	23.62
Laeven L.; and Levine R. (2009)	Bank governance, regulation and risk taking	Journal of Financial Economics	1681	112.07	22.98
Eccles R.G.; Ioannou I.; and Serafeim G. (2014)	The impact of corporate sustainability on organizational processes and performance	Management Science	1042	104.20	36.73
Hong H.; and Kacperczyk M. (2009)	The price of sin: The effects of social norms on markets	Journal of Financial Economics	992	66.13	13.56
Kim J.-B.; Li Y.; and Zhang L. (2011)	CFOs versus CEOs: Equity incentives and crashes	Journal of Financial Economics	952	73.23	22.46
Terjesen S.; Sealy R.; and Singh V. (2009)	A review and investigation of female directors on company boards	Corporate Governance: An International Review	900	60.00	12.30
Dyck A.; Morse A.; and Zingales L. (2008)	The whistle blown by who on corporate fraud?	Journal of Finance	846	60.43	17.94
Ghobakhloo M. (2018)	The future of manufacturing industry: a strategic roadmap toward Industry 4.0	Journal of Manufacturing Technology Management	755	125.83	30.76

TC, TC/Yr, and NTC denote total article citation, total citation per year and normalized total citation

### **Source: Author's creation**

Table 9 is a list of the most commonly referred publications grounded on the number of citations an article received yearly. Additionally, the table includes the normalized total citation (NTC), which is determined by dividing the number of citing items in the actual document count by the predicted citation rate for papers in the same topic area, year of publication, and document type. When a publication (or a series of publications) is published in a particular journal (or a collection of journals), the NTC indicator can provide information about how well the publication performs in comparison to the performance of other researchers (Bornmann *et al.*, 2018). This study uses the term "most influential articles" to refer to publications with the highest annual research citations. Understanding these influential articles helps future researchers generate original research ideas.

The most referenced papers are Adams and Ferreira (2009) and Djankov *et al.* (2008) from the Journal of Financial Economics, with 177.73 and 117.06 citations respectively.

Adams & Ferreira's study on female boardrooms found that female directors significantly impact corporate performance and governance. They found that women directors have higher attendance records, suggesting more inspection time for gender-diverse boards. Gender diversity negatively impacts a company's success, with less takeover resistance being the main driver.

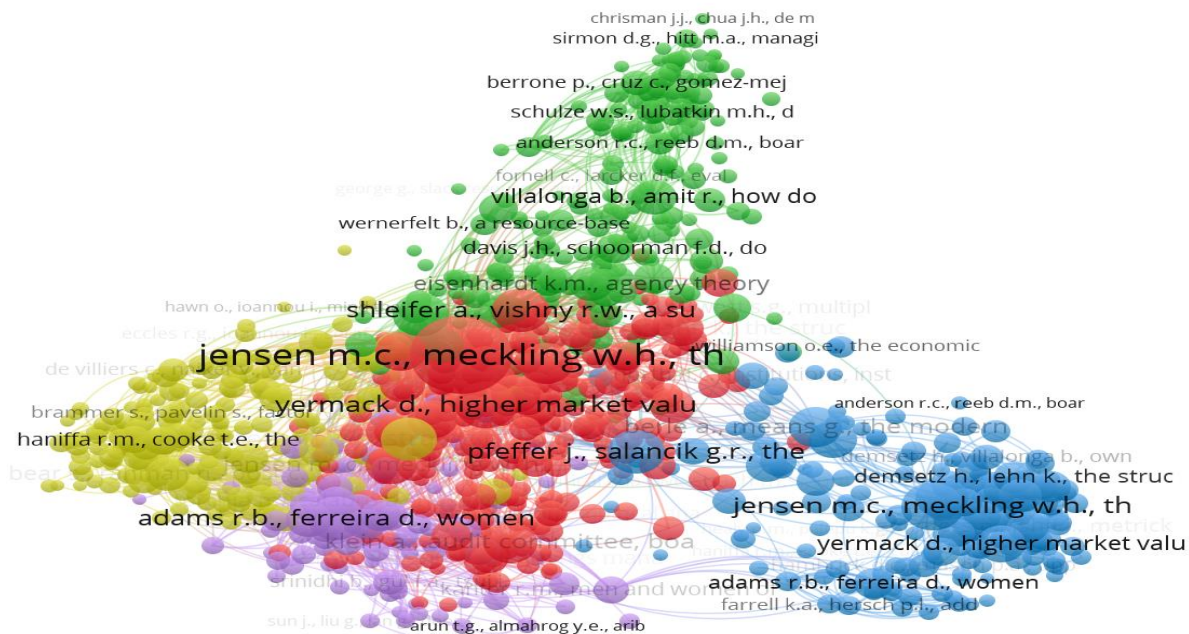
Djankov *et al.* (2008) introduced the index of anti-self-dealing, a legal safeguard for minority shareholders against corporate insider expropriation. The index, based on 2003 regulations and 72 nations, emphasizes private enforcement methods controlling self-dealing transactions. This theoretically based index outperforms the previous anti-director rights index in predicting stock market outcomes.

## **6.6. CO-CITATION AND CO-AUTHORSHIP VISUALIZATION**

### **6.6.1. Co-citation of articles**

Figure 12 presents the visualization of network illustrating the biggest connected sets of referenced articles. An examination was conducted on the 9549 articles within our set of data, using a minimum benchmark of 3 citations, resulting in a set encompassing 22445 cited references out of the total 430241 references documented by VOSviewer.

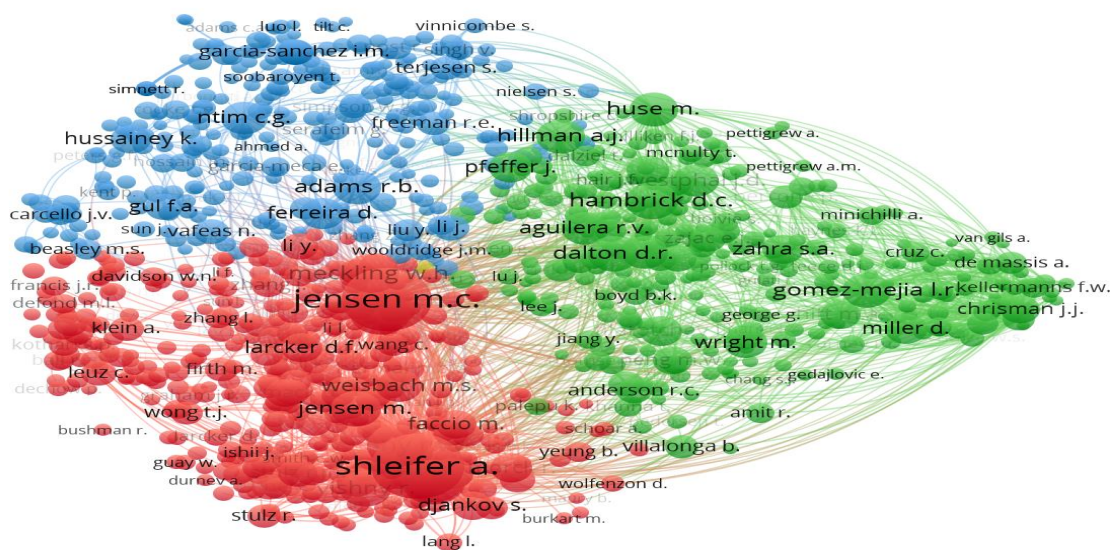
The visualisation in Figure 12 highlights the five most connected references, notably Jensen and Meckling (2019), which delves into the theory of the firm: managerial behaviour, costs of agency, and structure of ownership as discussed in pages 77 to 132 of the *Corporate Governance* journal by Gower, and Yermack, D., 1996, addressing shareholders' wealth. Research shows that smaller boards of directors lead to higher business valuations. Studies also explore the impact of women's presence on performance and governance. Pfeffer and Salancik's research on external control and resource dependence perspectives provides insights into corporate governance dynamics.



**Figure 12: Co-citation of articles of board-ownership dynamics literature**  
*Source: VOSviewer output*

### 6.6.2. Co-citation of authors

With reference to the 242480 cited authors, 18923 had more than 10 citations, 9571, more than 20 times, and 6271, more than 30 times, as visualised in Figure 13. The authors are: Shleifer, A. (5016), Jensen, M.C. (4711), La Porta, R. (2356), Lopez-de-Silanes, F. (2169), Vishny, R. W. (2137), and Gomez-Mejia, L. (1360) from Harvard University, Nice, France, Harvard University, EDHEC, Harvard University, and Arizona State University respectively. Figure 13 shows visualisation network of co-citation of authors.

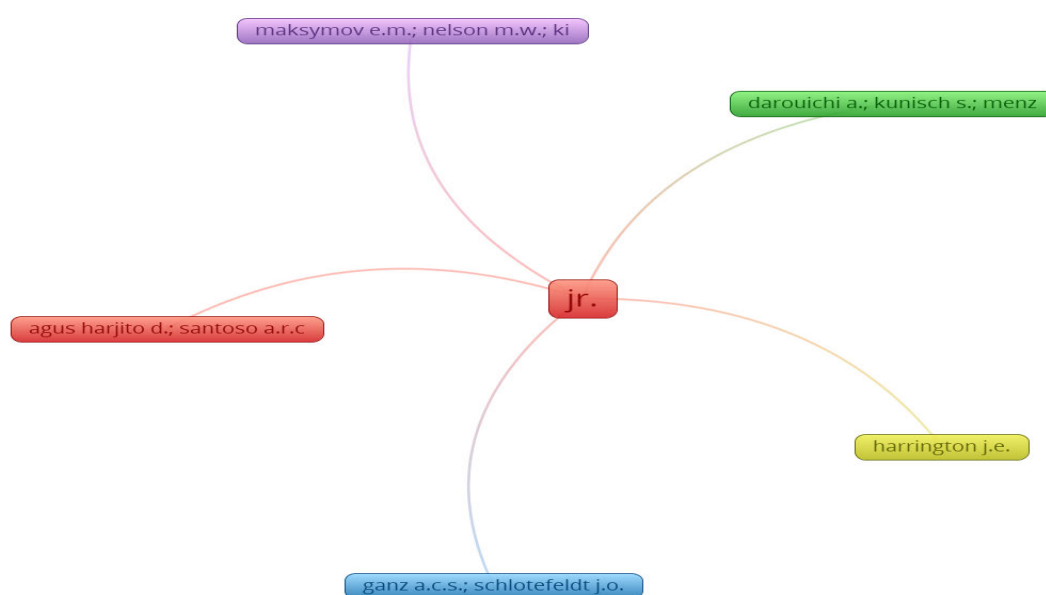


**Figure 13: Co-citation of authors of board-ownership dynamics literature**  
*Source: VOSviewer output*

### 6.6.3. Co-authorship visualization

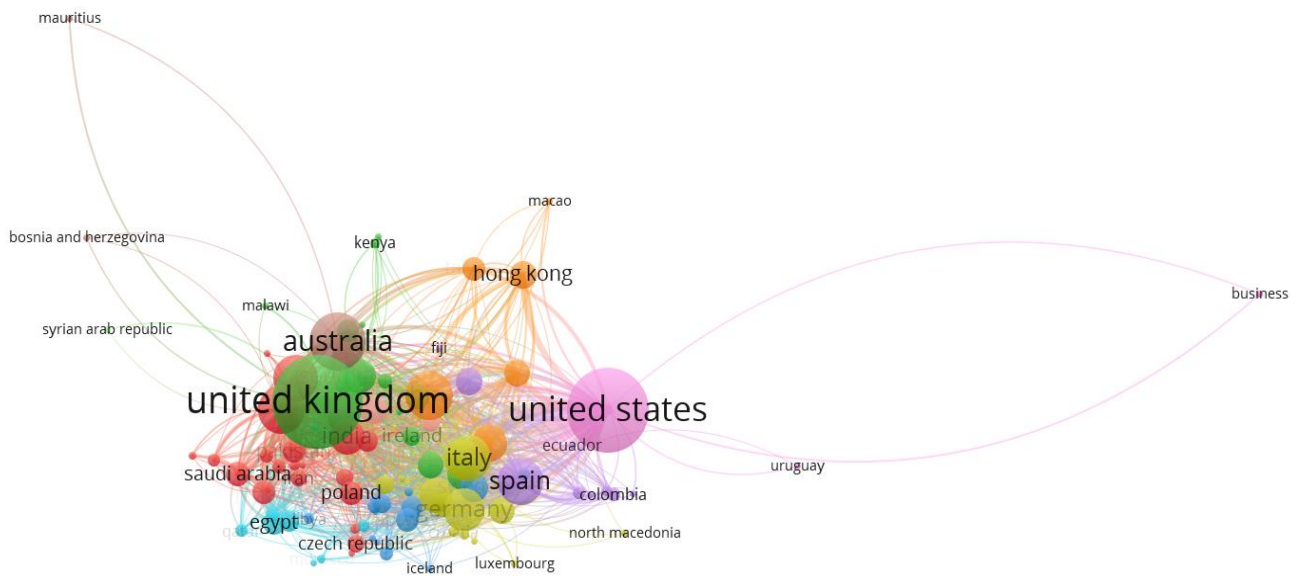
The collaboration among authors reveals the intricate social connections among researchers with respect to their domestic research partnerships based on the research contributors' countries and the configuration of the team of researchers within the global collaborative authorship framework. The diagram in Figure 14 delineates the collaboration among authors who have focused on the dynamics of board ownership. In Figure 15, the visual representation illustrates the collaborative authorship patterns based on the volume of internationally co-authored works. The analysis identified 103 nations within the collaborative authorship structure, each with a minimum of 3 publications produced through international collaboration.

Research authors from the United Kingdom (1992), United States of America (1614), Australia (764), Netherlands (354), Spain (502), China (538), Malaysia (531), Indonesia (487), and Italy (472) are the most active internationally. It is observed that global alliances are relatively less focused among African countries such as Kenya, Egypt, Malawi, and Mauritius. This calls for more studies to be conducted in Sub-Saharan Africa.



**Figure 14: Co-authorship of authors with minimal scale of 1 co-authored publication with 6 citations**

*Source: VOSviewer output*



**Figure 15: International co-authorship**  
*Source: VOSviewer output*

## 6.7. BIBLIOGRAPHIC COUPLING

Bibliographic coupling is a method that assesses the connection between two articles based on their citations of a common third article. The subsequent section demonstrates bibliographic coupling analyses conducted on articles, journals, and authors.

### 6.7.1. Articles

Figure 16 shows a density diagram of articles' bibliographic connections, revealing moderate similarity in cited articles. The most widespread set of linked documents contains 639 published articles, accounting for 6.69% of the data. However, the network does not provide definitive proof of the breadth or depth of the board-ownership dynamics field. Armstrong *et al.* (2010); Jizi *et al.* (2014); Ben Amar *et al.* (2018); Ullah and Zaefariam (2018); and Kotlar and de Massis (2013) are the five studies with the greatest indices of bibliographic connection.



**Figure 16: Density diagram of bibliographic coupling of board-ownership dynamics articles**  
*Source: VOSviewer output*

### 6.7.2. Journals

In line with Ferreira (2018), the analysis set a least criteria of two articles per journal, met by 705 out of 1022 journals (Figure 17). Corporate Ownership and Control, Cogent Business and Management, CG and International Review, Corporate Governance, and Journal of Business Ethics are the five journals with the greatest bibliographic coupling citation index, according to the analysis. Moreover, the essential involvement of other publications such as Small Business Economics and Journal of Financial Economics is revealed by the network and density diagram (Figure 17). This demonstrates how researchers studying board-ownership dynamics are also receiving attention from non-experts in corporate governance.

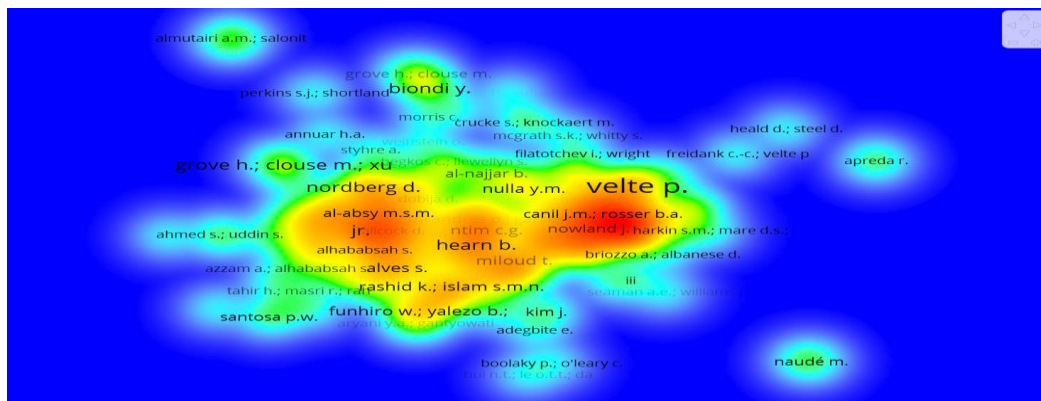


**Figure 17: Density diagram of bibliographic coupling of journals**

*Source: VOSviewer output*

### 6.7.3. Authors

Figure 18 illustrates the density diagram depicting the bibliographic coupling analysis of authors. Among the 9196 authors included in our dataset, a mere 282 individuals had produced a minimum of two papers concerning the dynamics of board ownership (Figure 18). The top five authors with the highest citation index for bibliographic coupling are identified as Velte P, Hearn B, Nordberg D, Grove H, and Clouse M. The examination exposes the nonexistence of a central cohort of researchers, a divergence from the scenario evident in conventional corporate governance research. This observation may be attributed to the absence of a cohesive community of scholars focusing on board-ownership dynamics.



**Figure 18: Density diagram of bibliographic coupling of authors**  
*Source: VOSviewer output*

### 6.8. THEMATIC/CLUSTER ANALYSIS

Drawing inspiration from Appiah *et al.* (2022), we conducted a comprehensive thematic analysis to provide a more in-depth synthesis and identify relevant patterns in the literature on board ownership. The study initially applied thematic analysis to the review papers and subsequently engaged in a detailed discussion on the topics that surfaced from these identified themes. The most recent articles with the highest citations are discussed to churn further research agenda.

Biblioshiny in R is employed for thematic analysis, using the Louvain Clustering Algorithm, 150 words, and a minimum of 5 cluster frequencies to uncover six main thematic areas as illustrated in Figure 19. A more thorough examination of these identified themes or clusters promises to yield additional valuable insights, guiding the trajectory of future research. Within each thematic cluster, the researcher dives into significant publications, synthesizing their key contributions to the board-ownership dynamics literature.

Four major research streams are identified in the literature, as denoted by various colors: red (corporate governance, BoD, performance of firm, agency theory, and executive compensation), blue (ownership structure, earnings management, audit committee, audit quality, and board characteristics), green (corporate social responsibility, sustainability, ESG, and stakeholder theory), violet (performance, family firms, innovation, COVID-19, and risk management), yellow (gender diversity, financial performance, independence of board, and size of board), and brown (firm value, concentration of ownership, institutional ownership, foreign ownership, and capital structure). Consequently, we scrutinize four distinct research paths evident in the literature.



Flayyih and Khiari (2023) highlight agency theory principles in earnings management practices, revealing persistent challenges in banks. The study's financial ratios can aid auditors in financial analyses, highlighting agency problems.

### **6.8.3. Green themes**

The themes under consideration encompass CSR, sustainability, ESG, as well as stakeholder theory. Within this specific cluster, there are 453 articles, amounting to 8.13% of the total six clusters. Noteworthy contributions are found in the works of Sarhan and Al-Najjar (2023); Khatri (2023); Bonfanti *et al.* (2023); and Krasodomska *et al.* (2023). Sarhan and Al-Najjar's (2023) study on CSR and corporate governance highlights a positive link between governance and CSR outcomes, while institutional and managerial shareholdings negatively impact CSR performance. Khatri (2023) uses gender social role theory and upper echelons theory to show a positive correlation between corporate boards and sustainability performance.

### **6.8.4. Violet themes**

The violet themes contain 950 articles, representing 17.06% of the total articles of 5569 in the six clusters. It includes themes such as performance, family firms, innovation, COVID-19, and risk management. The works of Mariani *et al.* (2023); Menicucci and Paolucci (2023); and Muldoon and Page, (2023) are contained in this set. Mariani *et al.* (2023) conducted a systematic literature review on CSR in family businesses, focusing on family involvement, corporate governance, and sustainability. Menicucci and Paolucci (2023) studied the impact of ESG policies on Italian banking industry performance, finding that ESG policies negatively affect operational and market performance. However, reductions in emissions and waste positively influence output.

### **6.8.5. Yellow themes**

The yellow themes include gender diversity, financial performance, board independence, board size, and board diversity. It represents 10.34% of the six clusters. Gull *et al.* (2023) find that companies with greater board gender diversity experience a significant decrease in waste generation and increased recycling, particularly when female directors are present. This relationship is moderated by country culture and sustainable pay practices. The questions, "Do CG systems and ESG disclosure drive CSR narrative tones?" "The nexus between CEOD and business financial output," and "the link between board qualities and social responsibility with corporate innovation" are investigated by Albitar *et al.* (2023), Shafeeq *et al.* (2023), and Yu (2023). Albitar (2023) finds a positive correlation between higher ESG disclosure scores and a positive CSR tone, with gender diversity positively affecting the tone of a larger board.

### **6.8.6. Brown themes**

These themes include firm value, concentration of ownership, IO, FO, and capital structure, representing 8.37% of the entire six clusters. Feng and Wu (2023) find that Real Estate Investment Trusts (REITs) with higher ESG disclosure prior to the pandemic increased firm value. Aibar-Guzmán *et al.* (2023) find that institutional shareholders play a significant role in climate tech investments, with clean technologies and green building influencing company reputation, market value, and profitability. Additionally, Cohen *et al.* (2023) examine executive compensation tied to ESG performance and found that the adoption of this compensation practice fluctuates based on country, industry, and firm characteristics, aligning with the principles of efficient incentive contracting. They further observed a correlation between the incorporation of ESG metrics into executive compensation structures and active participation through voting and trading by institutional investors.

## **6.9. DIRECTION FOR FUTURE STUDIES**

The researcher highlights the need for further research on board attributes and ownership structure in corporate governance research, highlighting the dynamic environment between 2008 and 2023 and the understudied topics that require further investigation as shown in Table 10.

### **6.9.1. CG, BOD, firm performance, agency theory, and executive compensation**

We suggest extending research on the post COVID-19 crisis, the recent global economic downturn, and corporate governance. We need to explore the corporate governance practices that can aid firms to survive and grow, post COVID-19 and its antecedent effects on the global economy. Further studies can look at the institutional investors and board that drive corporate sustainability. Relying on the agency-theoretical framework, the consequence of institutional ownership on firm performance, and the performance of corporate sustainability with a focus on heterogeneity and endogeneity concerns. The concerns of sustainability, including environmental, social, and governance (ESG) assessment, can be analysed in the light of internal controls.

### **6.9.2. OS, earnings management, audit committee, audit quality, and board attributes**

Prospective researchers have an opportunity to make contributions by investigating how ownership structure influences earnings management. Additionally, the study proposes expanding the scope of research in board characteristics, audit committee, and audit quality by incorporating considerations of premiums and capital assets at market price, particularly in cross-nation appraisals. Further studies can focus on corporate environmental disclosures and earnings management.

With an emphasis on Sub-Saharan Africa, the relationship between corporate environmental disclosures and profit management may be examined to determine the moderating and mediating impact of governance measures.

### **6.9.3. CSR, sustainability, ESG, and stakeholder theory**

Further studies may consider the influence of governance mechanisms and structure of ownership on CSR in the light of ESG. Studies may look at the role played by owners and the board of directors regarding social responsibility and sustainable development in emerging economies. Further, the contribution of firms in Sub-Saharan Africa towards the achievement of sustainable development goals may be explored further. In addition, other studies can look at the impact of public funds on the corporate social responsibility of private and public holding companies; effect of renewable governance mechanisms on environmental sustainability.

### **6.9.4. Performance, family firms, innovation, COVID 19, and risk management**

Further studies can look at CSR and performance in family firms, pre and post COVID-19. These studies may use time series as well as panel data to estimate the near-and long-term effects of COVID-19 on CSR and performance, as well as CSR on the financial and sustainable performance of family firms in Sub-Saharan Africa. Additionally, other studies may look at ESG dimensions, risk management, innovation, and the performance of firms in emerging economies. Technological innovation and entrepreneurship ecosystem expansion may also be considered in green business practices and financial performance.

### **6.9.5. Gender diversity, financial performance, board independence, and board size**

Further studies may look at the role of female directors or gender diversity on the relationship between green business practices, firm innovation, and financial performance. The effect of female CEOs on firm innovation and green business practices will be worth exploring. It will be interesting to also study the role gender diversity plays regarding waste management, ESG disclosures, compliance, CSR, and business performance of listed and non-listed companies. Also, an investigation into the religiosity of board gender diversity, disclosure, and compliance will be worth exploring further.

### **6.9.6. Firm value, ownership concentration, IO, FO, and capital structure**

Further research should look at the role of ownership concentration on structure of capital and value of firms. The moderating and mediating role of institutional, family, foreign, and government ownership on the link between structure of capital, value of firm, and performance should be explored further.

Further studies should explore institutional ownership's impact on climate change mitigation innovation investment, research synergy between local and foreign-owned firms, and the role of foreign direct investment in R&D strategies.

**Table 10: Questions for future studies**

Research cluster	QID	Research Question
Corporate governance, board of directors, firm performance, agency theory, and executive compensation	1	What corporate governance practices will improve firm performance, post COVID-19 and global economic downturn?
	2	What is the effect of board attributes on corporate sustainability?
	3	Does corporate ESG ratings influence cost of internal control and internal control mechanisms?
	4	Does corporate fraud affect corporate governance in emerging economies?
	5	Do ESG metrics influence executive compensation contracts?
Ownership structure, earnings management, audit committee, audit quality and board characteristics	6	Do governance mechanisms play a role between audit committee selection and audit quality?
	7	What is the role of audit committee on the effect of corporate environmental disclosures and earnings management?
	8	Does diversity of audit committee affect audit and financial reporting quality?
	9	What is the influence of OS and board attributes on cash holding of businesses in emerging economies?
	10	Does co-opted board affect earnings management and firm performance?
	11	Does audit committee attributes influence, auditor independence, choice of auditor, audit quality, audit fee and non-audit fee?
Corporate social responsibility, sustainability, ESG, and stakeholder theory	12	Does board-ownership dynamics affect corporate social responsibility?
	13	Does board-ownership dynamics affect corporate ESG ratings?
	14	What is the contribution of SSA firms towards the achievement of the SDGs?
	15	What are the sustainable business practices operationalized in sustainable business development models of financial institutions?
	16	What is the effect of public financing on CSR of private-owned businesses?
	17	What is the consequence of renewable governance mechanisms on corporate environmental sustainability?
Performance, family firms, innovation, COVID 19, and risk management	18	How does participative governance affect the development of international market information in local and foreign firms?
	19	What is the consequence of OS on the risk-taking actions of firms in SSA?
	20	What is the post COVID-19 effect of CSR in family firms?
	21	What is the effect of innovation and ESG ratings on risk management of family firms?
	22	What is the effect of technological innovation and green business practices on FP?
Gender diversity, financial performance, board independence, and board size	23	What is the role of female directors on the link between green business practices, innovation and FP?
	24	Does gender diversity influence waste management and ESG disclosure?

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	25	Does gender diversity influence compliance and risk management?
	26	Do gender diversity, board size and independence influence CSR and ESG ratings?
	27	What is the function of CEO duality in the connection between CG and corporate financial misconduct?
Firm value, ownership concentration, IO, FO, and capital structure	28	What is the purpose of concentration of ownership on capital structure and firm value?
	29	What is the role of institutional ownership on the impact of investment in climate change mitigation innovation on firm value and performance?
	30	Do ESG ratings affect debt financing, capital structure and firm value?
	31	Does ownership concentration play a role in the influence of structure of capital on firm value and performance?
	32	What is the influence of IO on climate-related information disclosure

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*Source: Author's creation*

## 6.10. SUMMARY OF CHAPTER SIX

This chapter presents a thorough summary of the body of research on board-ownership dynamics using bibliometric analysis. Considering the importance of ownership concentration and board characteristics for the operation of the company, especially when it comes to handling stewardship and agency concerns, managers are frequently faced with the decision of whether to put the interests of shareholders or themselves first. Even though board characteristics and ownership structure have been the subject of several studies, there are still a number of open problems that need to be further explored in order to deepen the body of literature. 9,549 published papers were chosen as a sample for the review after being filtered out of a bigger pool. Within the field of board-ownership dynamics, the chapter identified the most significant journals, authors, citations, institutions, co-authorship patterns, and bibliographic links. The chapter also identified six major streams of research dealing with: (1) corporate governance, BoD, FP, agency theory, and executive compensation; (2) ownership structure, earnings management, audit committee, audit quality, and board characteristics; (3) corporate social responsibility, sustainability, ESG, and stakeholder theory; (4) performance, family firms, innovation, COVID 19, and risk management; (5) gender diversity, financial performance, board independence, and board size; (6) firm value, concentration of ownership, IO, FO, and capital structure. The research output should crave greatly the indulgence of academics, experts in finance, setters of accounting standards, financiers, and other experts. Granting the pertinent input the chapter makes to knowledge addition, and showcasing relevant researchers in the area of inquiry, the relevant and very impactful researchers list in the chapter is not exhaustive. The chapter also combines the H, G, and M indices, as these indices give an indication of an author's influence; nonetheless, it should be acknowledged that these assessments are by no means ideal.

## CHAPTER SEVEN

### RESULTS AND DISCUSSION: BODY AND SHAREHOLDERS' WEALTH (OBJECTIVE 2)

*“Activism on behalf of shareholders is a right and a duty, not a luxury. Upon investing in a business, we become a part owner and bear some of the responsibility for the company's development.  
- Mobius Mark*

#### 7.0. INTRODUCTION

This chapter covers the diagnostic data analysis, results, and discussion for objective 2 which seeks to assess the impact of board-ownership dynamics (BODY) on dividend policy (DP) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA) through empirical analysis and a framework to understand their influence. The chapter covers the descriptive statistics in Section 7.1, the correlation matrix in Section 7.2, the unit root test in Section 7.3, the model diagnostics and robustness check in Section 7.4, the effect of board-ownership dynamics on shareholders' wealth in Section 7.5, and the effect of board-ownership dynamics on dividend policy in Section 7.6.

#### 7.1. DESCRIPTIVE STATISTICS

**Table 11: Results of descriptive statistics**

Variables	Obs	Mean	Std. Dev.	Min	Max	Skew.	Kurt.
MPS	1570	80.111	257.816	0	3169.161	9.303	102.925
EPS	1570	6.691	56.292	-526.007	1456.379	15.054	358.77
BSize	1570	9.75	2.683	3	18	.299	2.876
BIndp	1570	.674	.173	.333	3	1.057	23.055
BMeet	1570	5.216	2.097	0	24	2.966	16.212
BGD	1570	.202	.157	0	.75	.507	2.702
CEOD	1570	.059	.235	0	1	3.759	15.127
MO	1570	.108	.198	0	.88	2.096	6.375
IO	1570	.498	2.385	0	69.65	24.156	619.813
SO	1570	.085	.162	0	.943	3.073	13.371
FO	1570	.693	6.523	0	82.08	12.385	154.601
DPS	1570	4.006	10.067	0	70	3.846	18.17
DPR	1570	.617	4.893	-19	141.699	21.858	583.178
BODY	1570	8.662	1.964	3	12	-.562	2.818
LnFSize	1570	22.651	2.744	9.037	28.503	-1.498	6.777
LnFAge	1570	3.781	.703	1.099	7.538	.355	7.454
LIQ	1570	323.494	7364.171	0	175000	22.887	525.906
LEV	1570	6.939	241.938	-3993.093	7292.02	17.393	626.114
LnGDP	1570	5.555	.771	3.9	6.353	-1.014	2.265
LnEXC	1570	3.749	1.54	.684	6.054	.066	1.561
LnINFL	1570	2.035	.504	1.166	3.442	.466	2.395

Note: MPS = Market Price per Share, EPS = Earnings per Share, BSize = Board size, BIndp = Board independence, BMeet = Board meetings, BGD = Board gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, LnFSize = Natural log of Firm size, LnFAge = Natural log of Firm age, LIQ = Liquidity, LEV = Leverage, LnGDP = Natural log of Gross Domestic Product, LnINFL = Natural log of Inflation, LnEXC = Natural log of Exchange rate.

**Source: Author' construct**

Table 11 shows a positive mean return for all variables, with a mean market price per share of 80.11 and a high standard deviation of 257.816. Firms' outstanding shares represent 80% of their market capitalization, resulting in a capital gain of approximately 80 currency units over a 10-year study period. The distribution exhibits a positive skewness (Skew. = 9.303), implying a bias towards larger values. The kurtosis value (Kurt. = 102.925) indicates the presence of heavy-tailedness or a high degree of peakedness in the distribution.

The earnings per share (EPS), a key indicator of a company's profitability, varies significantly across different firms. The mean value is 6.69, with a high standard deviation of 56.29. The range of EPS values is extensive, with negative figures indicating financial losses and positive values indicating significant earnings. On average, there is a dividend per share of 4 currency units and an average dividend pay-out ratio of 61.7%, ranging from 0 to 70 and -19 to 141.70, respectively. A dividend per share of 4 currency units signifies that each share of the company's stock receives a dividend payment of 4 currency units. Dividend per share serves as a metric to gauge the amount of dividends allocated to shareholders for each outstanding share of stock they possess. This value represents the cash return that shareholders receive for each share they hold and reflects the company's dividend policy, profitability, and financial well-being. The pay-out ratio, at 61.7%, indicates a company prioritising dividend distribution to shareholders, while retaining the remaining portion for internal growth, debt reduction, or reinvestment.

The mean number of members on the board is around 10, with a range of 3 to 18 members and a standard deviation of 2.68. This suggests that non-manufacturing companies listed in SSA typically have a favourable board size, as a board with more than 12 members is generally considered large (Adams and Ferreira, 2009). In accordance with general principles of corporate governance, a board size of 10 in SSA could be seen as moderately to slightly larger compared to global standards. This size represents a balance between ensuring diverse perspectives and expertise while maintaining effective decision-making processes and communication among BoD (Aguilera *et al.*, 2021). The board's independence is based on factors like significant connections with the company, such as employment, financial ties, or family relationships. A 67% board is considered independent, indicating two-thirds of board members are independent. Independent directors on a board provide unbiased perspectives, challenge management decisions, and represent shareholders' interests, enhancing corporate governance. The distribution of board independence ratios is positively skewed, with a skewness value of 1.057 and a kurtosis value of 23.055.

On average, the frequency of board meetings is about five, with a standard deviation of 2.097. The range of meetings varies from 0 to 24. The fact that the sampled listed firms have an average of five board meetings implies that the boards typically convene five times within a fiscal year. The frequency of board meetings can differ based on several elements, including the size, complexity, industry, regulatory requirements, and precise governance practices of the organization (Jones and Pollitt, 2004). Generally, a higher frequency of board meetings, such as 24 times, indicates an active involvement and supervision by the board of directors, allowing for timely decision-making, monitoring of organizational performance, and addressing emerging issues. Excessive board meetings may indicate micromanagement or inefficiencies, while lower frequency may indicate a strategic approach. Absence of meetings within a fiscal year raises concerns about oversight and responsiveness. The distribution of board meetings is positively skewed.

The study shows that 20% of board members in listed non-financial firms in SSA are women, indicating progress towards gender balance. However, it suggests a need for improvement in women's representation in leadership roles. Greater diversity on boards can improve board effectiveness, broader perspectives, and decision-making outcomes. The distribution is slightly skewed towards larger diversity. An average of approximately 6% is reported for CEO duality with a low standard deviation of 0.235. A CEO duality of 6% implies that approximately 6% of the organizations have a single individual holding both the CEO and board chair roles. This indicates that a minority of the firms examined follow this governance structure. The distribution is positively skewed, with a skewness value of 3.759, indicating a skew towards a higher number of BMeet. The kurtosis value of 15.127 suggests a heavy-tailed distribution with a high peak.

The descriptive outcomes further demonstrate that the proportion of foreign ownership has the highest percentage of approximately 69.3% on average, ranging from 0 to 82% across the selected firms. This composition consists of both foreign institutions and foreign individuals. Subsequently, local institutional shareholders follow with an average shareholding of 49.8%, ranging from 0 to 70% among the firms analysed. In terms of ownership structure, managerial ownership ranks third with an average of approximately 10.8%, while state ownership exhibits an average ownership of 8.5% across the firms under investigation. All these variables display a distribution with a high peak that is positively skewed and has heavy tails.

## 7.2. CORRELATION MATRIX

The correlation matrix in Table 12 reveals a strong positive link between MPS, DPS, and BSize, with a correlation coefficient of 0.335 indicating increased market price per share leads to higher dividend pay-outs and larger board sizes. Larger board sizes may indicate better corporate stability and governance quality, potentially boosting stock prices and dividend payments, highlighting the interplay between market valuation and shareholder returns. The study indicates a moderately positive relationship between board size and board-ownership dynamics, suggesting larger boards accommodate diverse ownership structures and promote greater accountability and oversight.

Additionally, the moderate positive correlations of 0.462 between BODY and managerial ownership and 0.310 between BODY and board-gender diversity, suggest associations between specific ownership dynamics and board compositions. This suggests that companies with distinct ownership structures, such as higher managerial ownership or greater gender diversity among board members, may exhibit unique governance characteristics. These findings provide insights into the intricate relationships between board size, ownership dynamics, and governance practices, shedding light on corporate governance structures and their implications for organizational performance and stakeholder interests. The analysis of correlation reveals that CEO duality shows weak correlations with other variables, indicating that the presence of CEO duality may not be strongly associated with other governance or financial factors in the dataset. This implies that CEO duality operates somewhat independently of other governance and financial metrics considered. Similarly, liquidity (LIQ) and leverage (LEV) exhibit weak correlations with most other variables, suggesting that liquidity and leverage may be relatively detached from other governance and financial metrics.

On the contrary, BDG and state ownership (SO) display negative correlations with several variables, suggesting potential inverse relationships. For example, higher levels of state ownership may coincide with lower levels of board gender diversity. These findings provide insights into the intricate relationships between CEO duality, liquidity, leverage, board gender diversity, state ownership, and other governance and financial metrics, highlighting the complex dynamics inherent in corporate governance structures and their interactions with various organizational and external factors. On the other hand, Table 13 demonstrates that earnings per share (EPS) shows weak correlations with most other variables, indicating that EPS may not strongly correlate with other governance or financial factors considered in the dataset. Similarly, liquidity (LIQ) and leverage (LEV) also exhibit weak correlations with other variables, indicating that liquidity and leverage may operate relatively independently from other governance and financial metrics.

**Table 12: Correlation matrix with dependent variable: Market price per share**

Var	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
(1)	1.000																			
(2)	0.178	1.000																		
(3)	0.248	0.594	1.000																	
(4)	0.094	0.525	0.370	1.000																
(5)	0.135	0.398	0.253	0.236	1.000															
(6)	0.094	0.462	0.212	0.310	0.232	1.000														
(7)	-0.055	-0.034	0.095	-0.048	0.025	-0.095	1.000													
(8)	-0.087	-0.318	-0.232	-0.178	-0.108	-0.187	0.126	1.000												
(9)	-0.020	-0.071	-0.049	-0.048	-0.007	0.002	-0.027	-0.039	1.000											
(10)	0.038	0.373	0.168	0.332	0.221	0.136	-0.119	-0.228	-0.053	1.000										
(11)	-0.015	0.066	0.003	0.171	-0.005	0.118	-0.023	-0.050	-0.019	-0.018	1.000									
(12)	0.335	0.107	0.126	0.040	0.020	0.148	-0.075	-0.090	-0.017	-0.088	-0.024	1.000								
(13)	0.026	0.035	-0.029	-0.011	-0.024	0.008	-0.027	-0.007	-0.000	-0.016	-0.010	0.110	1.000							
(14)	0.196	0.100	0.243	-0.009	0.127	0.133	-0.013	-0.077	0.000	-0.062	-0.215	0.117	-0.002	1.000						
(15)	0.144	-0.024	0.035	0.006	-0.032	-0.022	0.036	-0.042	0.027	-0.061	-0.062	0.195	0.100	-0.011	1.000					
(16)	-0.014	0.007	0.037	-0.044	-0.025	-0.010	-0.011	-0.022	-0.004	-0.023	-0.005	-0.017	-0.005	0.010	0.002	1.000				
(17)	-0.007	0.015	-0.032	0.007	-0.017	-0.033	-0.004	-0.011	0.005	-0.045	0.009	-0.010	-0.003	-0.060	-0.013	-0.001	1.000			
(18)	0.002	-0.010	-0.012	0.019	-0.002	0.004	0.001	0.005	0.001	-0.051	0.040	0.002	-0.000	0.008	-0.003	0.000	0.029	1.000		
(19)	0.050	0.008	0.273	-0.126	0.004	-0.011	0.175	-0.028	0.060	-0.228	-0.152	-0.041	-0.003	0.374	-0.142	0.040	-0.048	0.005	1.000	
(20)	-0.163	-0.428	-0.268	-0.223	-0.205	-0.338	0.236	0.218	0.048	-0.103	0.076	-0.146	-0.053	-0.317	0.106	0.009	0.034	-0.044	-0.066	1.000

Note: (1) Market price per share (2) Board-ownership dynamics (3) Board size (4) Board independence (5) Board meeting (6) Board gender diversity (7) CEO duality (8) Managerial ownership (9) Institutional ownership (10) State ownership (11) Foreign ownership (12) Dividend per share (13) Dividend payout ratio (14) Natural logarithm of firm size (15) Natural logarithm firm age (16) Liquidity (17) Leverage (18) Natural logarithm of gross domestic product (19) Natural logarithm of exchange rate (20) Natural logarithm of inflation

**Source: Author's construct**

**Table 13: Correlation matrix with dependent variable: Earnings per share**

Var	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
(1)	1.000																			
(2)	0.108	1.000																		
(3)	0.163	0.594	1.000																	
(4)	0.079	0.525	0.370	1.000																
(5)	0.110	0.398	0.253	0.236	1.000															
(6)	0.043	0.462	0.212	0.310	0.232	1.000														
(7)	-0.029	-0.034	0.095	-0.048	0.025	-0.095	1.000													
(8)	-0.041	-0.318	-0.232	-0.178	-0.108	-0.187	0.126	1.000												
(9)	-0.012	-0.071	-0.049	-0.048	-0.007	0.002	-0.027	-0.039	1.000											
(10)	0.044	0.373	0.168	0.332	0.221	0.136	-0.119	-0.228	-0.053	1.000										
(11)	-0.007	0.066	0.003	0.171	-0.005	0.118	-0.023	-0.050	-0.019	-0.018	1.000									
(12)	0.089	0.107	0.126	0.040	0.020	0.148	-0.075	-0.090	-0.017	-0.088	-0.024	1.000								
(13)	-0.004	0.035	-0.029	-0.011	-0.024	0.008	-0.027	-0.007	-0.000	-0.016	-0.010	0.110	1.000							
(14)	0.126	0.100	0.243	-0.009	0.127	0.133	-0.013	-0.077	0.000	-0.062	-0.215	0.117	-0.002	1.000						
(15)	0.061	-0.024	0.035	0.006	-0.032	-0.022	0.036	-0.042	0.027	-0.061	-0.062	0.195	0.100	-0.011	1.000					
(16)	-0.005	0.007	0.037	-0.044	-0.025	-0.010	-0.011	-0.022	-0.004	-0.023	-0.005	-0.017	-0.005	0.010	0.002	1.000				
(17)	-0.003	0.015	-0.032	0.007	-0.017	-0.033	-0.004	-0.011	0.005	-0.045	0.009	-0.010	-0.003	-0.060	-0.013	-0.001	1.000			
(18)	0.022	0.008	0.273	-0.126	0.004	-0.011	0.175	-0.028	0.060	-0.228	-0.152	-0.041	-0.003	0.374	-0.142	0.040	-0.048	1.000		
(19)	-0.061	-0.517	-0.178	-0.439	-0.187	-0.293	0.297	0.321	0.0	-0.420	-0.125	0.013	-0.017	0.207	0.188	0.039	-0.037	0.284	1.000	
(20)	-0.090	-0.428	-0.268	-0.223	-0.205	-0.338	0.236	0.218	0.008	-0.103	0.076	-0.146	-0.053	-0.317	0.106	0.009	0.034	-0.066	0.452	1.00

Note: (1) Earnings per share (2) Board-ownership dynamics (3) Board size (4) Board independence (5) Board meeting (6) Board gender diversity (7) CEO duality (8) Managerial ownership (9) Institutional ownership (10) State ownership (11) Foreign ownership (12) Dividend per share (13) Dividend pay-out ratio (14) Natural logarithm of firm size (15) Natural logarithm firm age (16) Liquidity (17) Leverage (18) Natural logarithm of gross domestic product (19) Natural logarithm of exchange rate (20) Natural logarithm of inflation

**Source: Author's construct**

Conversely, board gender diversity (BGD) and state ownership (SO) display negative correlations with several variables, indicating potential inverse relationships. For instance, higher levels of state ownership may coincide with lower levels of board gender diversity. These findings emphasize the complex interplay between earnings, governance dynamics, financial metrics, and external factors, underscoring the need for comprehensive analysis when evaluating organizational performance and governance structures.

Table 14 shows the Variable Inflation Factor (VIF) measures multicollinearity among predictor variables in regression models, with higher VIF indicating stronger correlation and lower VIF indicating independence. The VIF values, ranging from 1.010 to 2.888, indicate low multicollinearity among predictor variables in the model, with an average VIF of 1.421 indicating no significant multicollinearity. Higher values of 1/VIF suggest that the predictor variable contributes more unique information to the model. Overall, the VIF results indicate that multicollinearity is not a concern among the predictor variables, enabling more reliable estimation in regression analysis.

**Table 14: Variable inflation factor**

	VIF	1/VIF
BODy	2.888	.346
LnEXC	2.602	.384
BSize	1.914	.523
LnINFL	1.829	.547
LnFSize	1.61	.621
BIndp	1.6	.625
LnGDP	1.538	.65
SO	1.447	.691
BGD	1.406	.711
MO	1.269	.788
BMeet	1.228	.814
CEOD	1.218	.821
LnFAge	1.198	.835
DPS	1.156	.865
FO	1.141	.876
DPR	1.033	.968
IO	1.022	.978
LEV	1.018	.982
LIQ	1.01	.99
Mean VIF	1.421	.

Note: BODy = Board-ownership dynamics, LnEXC = Natural log of Exchange rate, BSize = Board size, LnINFL = Natural log of inflation, LnFSize = Natural log of Firm size, BIndp = Board independence, LnGDP = Natural log of Gross domestic product, SO = State ownership, BGD = Board-gender diversity, MO = Managerial ownership, BMeet = Board meetings, CEOD = CEO duality, LnFAge = Natural log of Firm age, DPS = Dividend per share, FO = Foreign ownership, DPR = Dividend pay-out ratio, IO = Institutional ownership, LEV = Leverage, LIQ = Liquidity

**Source: Author's construct**

### 7.3. TEST FOR UNIT ROOT

**Table 15: Results of unit root test at level and first difference**

Variable	ADF		PP	
	Constant No trend	Constant Trend <i>Log Level</i>	Constant No trend	Constant Trend
MPS	-25.696***	-25.696***	-25.696***	-25.696***
EPS	-25.696***	-25.696***	-25.696***	-25.696***
BODy	-19.977***	-20.330***	-19.977***	-20.330***
BSize	-25.634***	-25.686***	-25.634***	-25.686***
BIndp	-24.057***	-22.818***	-24.057***	-22.818***
BMeet	-24.874***	-24.239***	-24.874***	-24.239***
BGD	-25.598***	-25.669***	-25.598***	-25.669***
CEOD	-25.696***	-25.696***	-25.696***	-25.696***
MO	-25.696***	-25.696***	-25.696***	-25.696***
IO	-25.696***	-25.511***	-25.696***	-25.511***
SO	-25.696***	-25.540***	-25.696***	-25.540***
FO	-25.696***	-25.696***	-25.696***	-25.696***
DPS	-24.6683***	-22.923***	-24.683***	-22.923***
DPR	-25.696***	-25.696***	-25.696***	-25.696***
FSize	-21.283***	-22.215***	-21.283***	-22.215***
FAge	-25.066***	-24.491***	-25.066***	-24.491***
LIQ	-24.827***	-23.995***	-24.827***	-23.995***
LEV	-25.696***	-25.696***	-25.696***	-25.696***
GDP	-20.682***	-20.196***	-20.682***	-20.196***
INF	-23.227***	-22.839***	-23.227***	-22.839***
EXC	-19.535***	-18.771***	-19.535***	-18.771***
<i>First Difference</i>				
MPS	-22.256***	-21.145***	-25.696***	-25.696***
EPS	-22.361***	-21.127***	-25.696***	-25.696***
BODY	-12.063***	-12.626***	-19.459***	-20.052***
BSize	-17.920***	-19.092***	-25.607***	-25.683***
BIndp	-16.441***	-15.057***	-23.878***	-22.675***
BMeet	-19.718***	-18.339***	-24.877***	-24.251***
BGD	-18.382***	-18.223***	-25.572***	-25.666***
CEOD	-17.047***	-15.583***	-25.696***	-25.696***
MO	-20.547***	-19.830***	-25.696***	-25.696***
IO	-21.478***	-20.980***	-25.696***	-25.522***
SO	-18.867***	-17.213***	-25.696***	-25.523***
FO	-23.496***	-22.279***	-25.696***	-25.696***
DPS	-19.060***	-17.428***	-24.644***	-22.886***
DPR	-21.371***	-20.438***	-25.696***	-25.696***
FSize	-13.326***	-14.283***	-20.871***	-22.072***
FAge	-19.863***	-20.011***	-25.058***	-24.509***
LIQ	-18.201***	-16.497***	-24.678***	-23.826***
LEV	-25.058***	-24.640***	-25.696***	-25.696***
GDP	-21.615***	-20.927***	-21.071***	-20.603***
INF	-21.661***	-21.701***	-23.389***	-23.081***
EXC	-19.673***	-18.986***	-19.815***	-19.133***

\*, \*\*, \*\*\*\* show significant at the 10%, 5% and 1% significance level respectively

MPS = Market Price per Share, EPS = Earnings per Share, BODy = Board-ownership dynamics, BSize = Board size, BIndp = Board independence, BMeet = Board meetings, BGD = Board-gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, DPS = Dividend per share, DPR = Dividend pay-out ratio, FSize = Firm size, FAge = Firm age, LIQ = Liquidity, LEV = Leverage, GDP = Gross domestic product, INF = Inflation, EXC = Exchange rate.

**Source: Author's construct**

Table 15 showcases the outcomes of unit root tests for diverse variables utilising two predominant unit root test statistics: the ADF test, which stands for the Augmented Dickey- and the Phillips-Perron (PP) test. To ascertain the stationary or non-stationary nature of a time series variable, these methods are widely used. Test statistics for the Phillips-Perron and Augmented Dickey-Fuller tests are shown beneath the PP and ADF columns, respectively. These statistics are employed to determine whether the unit root's null hypothesis (that is., non-stationary) in the variable can be refuted.

From Table 15, it can be observed that the outcome of the unit root test indicates that all elements are determined to be static at both the level and the first difference. This implies that the data possess consistent statistical characteristics over time, rendering them suitable for a variety of econometric analyses. Various forms of regression models, namely ordinary least squares regression, fixed effects simulations, random effects estimations, and dynamic panel data techniques, could be employed. Depending on the research inquiry and data structure, the study opted for the GMM model due to the data structure consisting of a limited time period of 10 years and a large number of panels or numerous individual variables, totalling 21. The GMM model is also chosen as it addresses endogeneity, heteroscedasticity, and serial correlation. Furthermore, panel correction standard errors (PCSEs), fixed effects (FE), and random effects (RE) regressions are implemented for the purpose of conducting robustness checks.

#### 7.4. MODEL DIAGNOSTICS AND ROBUSTNESS CHECK

**Table 16: Choosing between Difference GMM and Systems GMM**

Variable	Co-efficient of lagged dependent variables		
	Pooled OLS	Fixed Effect	Difference GMM
MPS	0.958706	0.188435	0.086546
EPS	0.782759	0.538304	0.367955
DPS	0.651153	0.083049	0.043883
DPR	0.062506	0.007726	0.013067

Note: MPS = Market Price per share; EPS = Earnings per share; DPS = Dividend per share; DPR = Dividend payout ratio

**Source: Author's construct**

Based on the findings presented in Table 16, the selection of SGMM as the preferred estimator for the GMM regression models is justified as the  $\emptyset$  values for the DGMM approach closely approximate those of the FE model. The comparison of outcomes between the fixed effect and Pooled OLS estimators is of utmost importance in determining the most suitable estimator for this study, namely System GMM (SGMM) or Difference (GMM).

The analysis reveals that the  $\emptyset$  values for the Pooled OLS estimator, as shown in Table 16, act as the upper-bound estimate (0.959, 0.783, 0.651, and 0.065), while the lower-bound estimate is represented by the  $\emptyset$  values of the fixed effect estimator (0.188, 0.538, 0.083, and 0.008). Bond (2001) offers a general guideline for deciding between DGMM and SGMM, stating that if the  $\emptyset$  values for DGMM, in this case, 0.087, 0.368, 0.044, and 0.0131, are near to or beneath those of the FE estimator, it indicates a downward bias due to weak instrumentation. Consequently, SGMM should be favoured for the analysis. System GMM offers an extension of Difference GMM by incorporating additional moment conditions derived from the first differences of the model, thereby potentially enhancing efficiency, particularly in dynamic panel data settings. Alternatively, if the primary concern is addressing endogeneity while maintaining efficiency, Difference GMM may be preferred as it provides consistent estimates under weaker assumptions.

To validate the outcomes obtained from the GMM regression, the study uses the Panel Corrected Standard Errors (PCSEs) method and the Random (RE) or Fixed Effects (FE) technique as additional robustness checks. While the PCSEs method effectively addresses both autocorrelation and contemporaneous correlation across panels, the RE and FE techniques do not. Nonetheless, they are included as robustness checks to support the use of GMM, should they have been utilised instead. Thus, Table 17 presents the Hausman Specification test, which shows that the RE should be used for objectives one and two with MPS and DPR as dependent variables respectfully. The FE technique is also adopted for objective two with dependent variables EPS and DPS and objective four with MPS and EPS as dependent variables, as depicted in Table 17.

**Table 17: Hausman Specification test**

	Objective two				Objective four	
	MPS	EPS	DPS	DPR	MPS	EPS
Chi <sup>2</sup>	18.23	30.53	26.28	10.89	450.61	376.75
<i>Prob &gt; Chi<sup>2</sup></i>	0.3745	0.0228	0.0009	0.2830	0.0000	0.0000
<i>Test</i>	Random	Fixed	Fixed	Random	Fixed	Fixed

*Source: Author's construct*

#### **7.4. EFFECT OF BOARD-OWNERSHIP DYNAMICS ON SW**

This segment presents the regression outcome of the effect of board-ownership dynamics on shareholders' wealth. The results are presented using multiple panel regression analysis: SGMM, comparative to PCSEs, and RE or FE regressions for robustness checks.

The link between the dependent variables, market price per share (MPS) and earnings per share (EPS), and the different independent factors is shown in Table 18. The results show that the lags of MPS (MPS t-1) and EPS (EPS t-1) are positive and 1% statistically significant with MPS and EPS respectively, across all regression models from panels 1 to 12, showing persistence in MPS and EPS over time. This suggests that higher past MPS and EPS are related to higher current MPS and EPS.

The results show that BODY ( $\beta = 0.805$ ; sig. < 10%;  $\beta = 0.886$ ; sig. > 10%) has a positive relationship with MPS and EPS as reported in panels 1 and 7, respectively. This relationship is significant with only MPS at the 10% significance level and not with EPS. This indicates that an upsurge in BODY will cause an increase in SW (MPS). This result is partly confirmed by the SEM path analysis in panels 27 ( $\beta = 0.505$ ; sig. < 10%) and 28 ( $\beta = -0.640$ ; sig. < 10%) of Table 20. The PCSEs outputs in panels 3 and 9 for robustness check also confirm the GMM results with a significant positive relationship of BODY and MPS ( $\beta = 2.392$ ; sig. < 1%) but not significant with EPS ( $\beta = 0.671$ ; sig. > 10%). However, the RE regression in panel 5 reports an insignificant negative relationship between BODY and MPS, while the FE regression output in panel 11 reports an insignificant positive relationship between BODY and EPS. The conflicting results may be due to issues of endogeneity and autocorrelation. In summary, a positive relationship exists between BODY and shareholders' wealth.

As seen by panels 1 and 7, respectively, the results demonstrate a substantial positive association between BODY and shareholders' wealth as evaluated by MPS rather than EPS. The null hypothesis, which holds that board-ownership dynamics and shareholders' wealth are related, is validated. This suggests that higher BODY will result in higher MPS. This result is confirmed by a significant positive relationship between BODY and MPS in the PCSEs regression output. This phenomenon can be attributed to the fact that robust dynamics between the board and ownership safeguard the interests of shareholders by augmenting their market value. The outcomes of the study propose that enhancing the dynamism between the board and ownership can prove advantageous for shareholders, aligning with the theoretical forecasts of agency theory. This outcome affirms the discoveries made by Ofori-Sasu *et al.* (2022), which identify a positive relationship between board dynamics and shareholder wealth at the organizational level. Moreover, this observation aligns with the findings of Guluma (2021) and Ramirez and Ferrer (2021), whose research provides evidence in support of the proposition that effective governance contributes to value creation for firms and that efforts to establish robust governance frameworks offer a clear advantage that should be actively pursued.

Nevertheless, the outcome is in contrast to the study conducted by Kusi *et al.* (2018), which suggest that corporate governance arrangements result in a reduction in the maximisation of shareholder value. This could be as a result of the limited scope of their study.

Board size ( $\beta = 2.286$ ; sig. < 5%;  $\beta = 1.432$ ; sig. < 1%) has a substantial positive link with SW (MPS and EPS) as reported in panels 2 and 4 of Table 18. The positive relationship between BSize and SW is confirmed by the PCSEs outputs in panels 4 ( $\beta = 5.162$ ; sig. < 1%) and 10 ( $\beta = 1.118$ ; sig. < 10%), as well as the random and fixed effects results ( $\beta = 0.679$ ; sig. > 10%;  $\beta = 1.803$ ; sig. < 10%) in panels 5 and 12 of Table 18. The SEM path analysis results in panels 27 ( $\beta = 18.957$ ; sig. < 1%) and 28 ( $\beta = 3.103$ ; sig. < 1%) of Table 20 also support the outcomes with a direct, noteworthy positive link between BSize and SW. In summary, a significant positive link exists between board size and shareholders' wealth. This denotes that large board size will cause an improvement in both MPS and EPS as measures of shareholders' wealth. Board-gender diversity ( $\beta = 50.260$ ; sig. < 1%) also shows a strong positive and significant relationship with MPS as reported in panels 2 but negative and not significant ( $\beta = -0.843$ ; sig. > 10%) with EPS as reported in panel 8 of Table 18. The significant positive effect between BGD and MPS is supported by the PCSEs results in panel 4 ( $\beta = 49.328$ ; sig. < 1%). The link between BGD and EPS is, however, not supported by the PCSEs results shown in panel 10 ( $\beta = -7.006$ ; sig. > 10%). The random ( $\beta = 13.849$ ; sig. > 10%) and fixed effects ( $\beta = 18.692$ ; sig. > 10%) results in panels 6 and 11 also report a positive relationship between BGD and SW but are not significant. The SEM path analysis results in panels 27 ( $\beta = -26.953$ ; sig. > 10%) and 28 of Table 20 ( $\beta = -5.484$ ; sig. > 10%), however, report an insignificant negative relationship and do not support the output.

In summary, a significant positive nexus exists between board-gender diversity and shareholders' wealth measured with MPS. This infers that an increase in BGD will cause an increase in SW. Further, board meetings ( $\beta = 0.381$ ; sig. > 10%;  $\beta = 0.5780$ ; sig. > 10%) has a positive relationship with SW but not is significant, as shown in panels 2 and 10 of Table 18. This relationship is confirmed by that of PSCes in panels 4 ( $\beta = 1.555$ ; sig. < 10%) and 10 ( $\beta = 0.356$ ; sig. > 10%), which displays a significant positive nexus between board meetings and MPS but not significant with EPS. Also, the relationship is confirmed by the SEM path analysis, which shows a direct, significant positive relationship between board meetings ( $\beta = 10.186$ ; sig. < 1%;  $\beta = 2.144$ ; sig. < 1%) and SW (MPS and EPS) as reported in panels 27 and 28 of Table 20. In summary, a positive link exists between board meetings and SW. This implies a rise in the number of board meetings and will lead to a direct increase in SW (MPS and EPS).

On the contrary, board independence ( $\beta = -17.899$ ; sig. > 10%;  $\beta = -0.843$ ; sig. > 10%) has an insignificant negative relationship with SW (MPS and EPS) as shown in panels 2 and 10 of Table 18. This is confirmed by the PCSEs result ( $\beta = -49.943$ ; sig. < 1%;  $\beta = -0.276$ ; sig. > 10%) in panels 4 and 20 which shows a substantial negative link between board independence and MPS, as well as EPS, but is not significant. The adverse connection between BIndp and MPS is also confirmed by the path analysis in panel 27 ( $\beta = -20.528$ ; sig. > 10%), while that of BIndp and EPS is not confirmed by the path output in panel 28 ( $\beta = 5.311$ ; sig. > 10%). In summary, an insignificant negative relationship exists between board independence and shareholders' wealth.

The results also indicate that BSize, BGD, and BMeet have a positive relationship with shareholders' wealth. These links are significant except that of board meetings. This implies that large board size and greater female representation on boards will improve the wealth of shareholders. The positive output of board size and SW supports the hypothesis and confirms the outcome theory, which suggests that a larger board size is seen as a means of safeguarding shareholders' interests. This leads to the anticipation of a direct correlation between board size and dividend disbursements, thereby enhancing shareholders' wealth. This contrasts with the alternative theory, which suggests that smaller board sizes are more efficient in overseeing activities, leading to lower coordination costs and ultimately decreasing agency expenses.

The conclusions validate those of Rooly (2022), Kajola (2022), Ebimobowei (2022), Abbassi *et al.* (2021), and Kao *et al.* (2018), who reveal that larger board sizes positively impact the augmentation of shareholder wealth or company value. Nevertheless, Salem *et al.* (2019) note that board size has a significant and adverse influence on firm value in the United States and Egypt, while Prempeh and Odartei-Mills (2015) highlight that board size does not notably affect shareholders' wealth when assessed by dividend yield but does have a positive impact when measured by dividend per share as a surrogate for shareholder wealth. The favourable association between board gender diversity and shareholders' wealth is evident with MPS, not EPS, which exhibited a relatively insignificant negative correlation. This partially upholds the null hypothesis of a positive link between board gender diversity and shareholders' wealth.

The findings endorse the resource dependence theory, asserting that gender-diverse boards are beneficial for firms in the modern era, not only for ethical considerations but also for cultivating valuable connections with the external environment to secure essential resources. These results align with those of Eluyela *et al.* (2019), who argue that a lack of gender diversity in corporate boards exposes companies to legal risks, endangering profitability and competitive advantage.

The results also align with those of Arvanitis *et al.* (2022), Ofori-Sasu *et al.* (2022), and Bennouri *et al.* (2018), who identify that the optimal level of female representation on boards maximises firm performance. However, this contradicts the findings of Elmagrhi *et al.* (2017) and Mustafa *et al.* (2020), who identify a negative correlation between BGD and shareholders' wealth. The positive results from board meetings partially validate the null hypothesis since the significance is only observed for the comparative PCSEs outcomes, not for the SGMM results.

It also supports the outcome theory, which suggests that board meetings give the directors the chance to carry out their responsibilities in harmony with the corporate governance principles. The positive result supports that of Agustia *et al.* (2022), Mishra and Kapil (2018), and Eluyela *et al.* (2018), who discover a positive link between the frequency of board-management meetings and firm performance and shareholders' wealth. It however opposes that of Benjamin and Zain (2015), who observe that based on the substitution theory, a negative link exists between board meeting frequency and shareholders' wealth.

CEO duality ( $\beta = -5.970$ ; sig. > 10%;  $\beta = -2.906$ ; sig. > 10%) also has an inconsequential adverse relationship with SW. This outcome is confirmed by the PCSEs outputs in panels 4 ( $\beta = -10.892$ ; sig. < 1%) and 10 ( $\beta = -2.163$ ; sig. < 10%) which displays a substantial negative link between CEOD and MPS and CEOD and EPS at 1% and 10% levels of significance, respectively. The path analysis in panels 27 and 28 of Table 20 also indicates a direct, significant negative link between CEOD and MPS ( $\beta = -58.239$ ; sig. < 1%) but CEOD and EPS ( $\beta = -9.913$ ; sig. > 10%) is not significant. In summary, a negative link exists between CEOD and SW. This implies that the presence of CEO duality will lead to a decline in SW.

In summary, the outcomes demonstrate a significant adverse relationship between CEO duality and shareholders' wealth, managerial ownership and shareholders' wealth, as well as state ownership and shareholders' wealth measured by MPS. The hypotheses for these outputs are fully and partially supported for the CEO and the ownership structure (managerial and state), respectively. This is because the negative relationship is significant with only the MPS as a dependent variable and not EPS for both MO and SO. Besides, an insignificant positive relationship is observed between MO and EPS. This implies that the presence of CEO duality, MO, and SO may lead to adverse influence on the shareholders' wealth. This supports the agency theory, which suggests that CEOs who double as board chairs and the presence of MO and SO may create conflict of interest in championing the wealth of shareholders as opposed to working for their own benefit and interests.

The negative relationship supports the studies of Ali *et al.* (2022), Briano-Turrent *et al.* (2020), which observe a negative association between CEO duality and wealth of shareholders. The results also support those of Kirimi *et al.* (2022); Nguyen and Nguyen (2020); and Rashid *et al.* (2020) who collectively conclude that a concentration of managerial ownership can lead to diminished returns for shareholders, reducing their overall wealth. Again, the result supports that of Aluchna *et al.* (2019); Amin and Haq (2022); Duqi *et al.* (2020); Queiri *et al.* (2021); and Iwasaki *et al.* (2022), who record an adverse relationship between SO and shareholders' wealth.

Managerial ownership ( $\beta = -32.747$ ; sig.  $< 1\%$ ) has a significant adverse association with MPS but an insignificant positive relationship with EPS ( $\beta = 2.609$ ; sig.  $> 10\%$ ) as reported in panels 2 and 10 of Table 18. The PCSEs outputs confirm the results with a significant negative relationship with MPS ( $\beta = -27.236$ ; sig.  $< 1\%$ ) and significant positive relationship with EPS ( $\beta = 2.495$ ; sig.  $< 10\%$ ). The random and fixed effects results also report a negative relationship between MO ( $\beta = -1.641$ ; sig.  $> 10\%$ ;  $\beta = -0.293$ ; sig.  $> 10\%$ ) and SW (MPS and EPS) but not significant. The outputs of the SEM path analysis ( $\beta = 0.455$ ; sig.  $> 10\%$ ;  $\beta = 2.325$ ; sig.  $> 10\%$ ) in panels 27 and 28 of Table 20 are however positive but not significant. In summary, a significant negative relationship exists between MO and MPS of SW. This implies that the presence of managerial ownership will lead to a decrease in MPS. Also, a negative relationship exists between institutional ownership ( $\beta = -0.476$ ; sig.  $> 10\%$ ;  $\beta = -0.005$ ; sig.  $> 10\%$ ) and shareholders' wealth but is not significant. This is confirmed by the PCSEs results in panels 4 and 10, which show a significant negative relationship between IO and MPS ( $\beta = -0.774$ ; sig.  $< 1\%$ ) and an insignificant negative relationship between IO and EPS ( $\beta = -0.008$ ; sig.  $> 10\%$ ). The random effect results ( $\beta = -5.484$ ; sig.  $> 10\%$ ) is also negative but not significant, while the fixed effect ( $\beta = -5.484$ ; sig.  $> 10\%$ ) is positive and also not significant as reported in panels 6 and 12, respectively. The outputs of the SEM path analysis also show a direct negative relationship between IO and SW but not is significant. In summary, an insignificant negative relationship exists between IO and SW (MPS and EPS).

Again, a significant negative relationship exists between state ownership ( $\beta = -24.796$ ; sig.  $< 5\%$ ) and MPS and insignificant negative relations SO and EPS ( $\beta = -8.317$ ; sig.  $> 10\%$ ) as shown in panels 2 and 8. The PCSEs results in panels 4 ( $\beta = -28.146$ ; sig.  $< 10\%$ ) and 10 ( $\beta = -2.709$ ; sig.  $> 10\%$ ) confirm the negative relationship. The RE result ( $\beta = 25.762$ ; sig.  $> 10\%$ ) is however positive and not significant, while the FE result is negative and also not significant ( $\beta = -18.128$ ; sig.  $> 10\%$ ). Contrary, the SEM path analysis results show an insignificant positive relationship between SO and SW ( $\beta = 20.062$ ; sig.  $> 10\%$ ;  $\beta = 3.156$ ; sig.  $> 10\%$ ), as reported in panels 27 and 28.

In summary, a significant negative relationship exists between SO and MPS of SW, implying that an increase in SO will cause SW to fall. Further, an insignificant negative relationship exists between foreign ownership ( $\beta = -0.180$ ; sig. > 10%) and MPS and an insignificant positive relationship between FO ( $\beta = 0.035$ ; sig. > 10%) and EPS. The PCSEs output shows no relationship between FO and SW, while the RE and FE results show an insignificant positive relationship between FO and MPS ( $\beta = 0.626$ ; sig. > 10%) and a significant positive relationship between FO and EPS ( $\beta = 27.491$ ; sig. < 10%), as reported in panels 6 and 12 respectively. The SEM path analysis also shows an insignificant negative relationship between FO and SW ( $\beta = -0.180$ ; sig. > 10%;  $\beta = -0.044$ ; sig. > 10%), as reported in panels 27 and 28, respectively. In summary, an insignificant negative relationship exists between FO and SW.

Board independence and institutional ownership have a negative association with MPS and EPS but are insignificant, while foreign ownership does not have any relationship. The null hypotheses relating to their relationships are rejected. The output supports Bhagat and Bolton (2019), who find the proportion of independent directors to significantly decrease firm value. It also supports that of Nguyen and Li (2020), who discovered an insignificant connection between institutional ownership and shareholders' wealth in the US and Australian markets, but opposes that outcome of Firth *et al.* (2016); Crane *et al.* (2016), and Chang *et al.* (2016), who record a strong positive link between IO and SW.

The control variables do not have any significant relationships with SW, except firm size ( $\beta = -2.775$ ; sig. < 5%;  $\beta = 1.036$ ; sig. < 5%), which has a significant adverse association with MPS and a weighty positive association with EPS, and GDP ( $\beta = 34.633$ ; sig. < 10%), with a significant favourable link with MPS. This implies that a surge in firm size will contribute to a reduction in MPS but an increase in EPS. This may be due to the fact that an increase in firm size in terms of total assets represents an increase in the outstanding number of shares which in turn leads to a decrease in MPS, all things being equal. On the other side, an increase in firm size in terms of total assets may result from improved profitability, which in turn leads to an increase in EPS. Also, an increase in GDP will lead to an increase in MPS. This implies that a growth in the economy in terms of GDP will cause shareholders wealth in terms of MPS to increase.

In summary, firm size significantly impacts MPS and EPS, with large firms having lower MPS but higher EPS. Higher EPS signals investors to buy more shares, causing MPS to decrease. This supports the signalling theory.

The adverse association supports Ofori-Sasu *et al.* (2019), who find a negative association between firm size and MPS in studies on banks in SSA; the positive link contradicts Ofori-Sasu *et al.* (2017) due to limitations in the scope of their study. GDP has a significant favourable link with MPS and an insignificant negative relationship with EPS. This suggests that board and ownership dynamics maximise SW during economic growth. The result confirms that of Ofori-Sasu *et al.* (2017). The other control variables do not report any significant relationships.

Time and country fixed effects were controlled for in the GMM, PCSEs and RE models since a pre-test of the data using the “testparm” command in STATA 18 showed the presence of time and country effects but not for industry effects. For the FE models, there were no country and time fixed effects present. The Arellano-Bond test for AR(2) in first differences and the Sargan tests for the SGMM models in Table 16 show insignificant co-efficient as reported in panels 1, 2, 7, and 8. This implies the absence of serial correlation at the second order, as well as confirming the validity of the instruments used, respectively.

**Table 18: Effect of board-ownership dynamics on shareholders' wealth**

Variables	Market Price Per Share						Earnings Per Share					
	1	2	3	4	5	6	7	8	9	10	11	12
	GMM	GMM	PCSEs	PCSEs	RE	RE	GMM	GMM	PCSEs	PCSEs	FE	FE
MPS <sub>t-1</sub>	1.009*** (0.052)	1.014*** (0.055)	0.948*** (0.080)	0.944*** (0.080)	0.066*** (0.008)	0.065*** (0.008)						
EPS <sub>t-1</sub>							0.749*** (0.028)	0.741*** (0.028)	0.797*** (0.193)	0.791*** (0.192)	0.537*** (0.025)	0.529*** (0.025)
BODY	0.805* (1.209)		2.392*** (0.731)		-0.861 (0.975)		0.886 (0.764)		0.671 (0.542)		1.661 (1.593)	
BSize		2.286** (1.068)		5.162*** (0.652)		0.679 (0.613)		1.432*** (0.550)		1.118* (0.599)		1.803* (1.012)
BIndp		-17.899 (12.473)		-49.943*** (13.239)		13.239* (7.742)		-0.843 (8.589)		-0.276 (2.983)		12.829 (12.669)
BMeet		0.381 (0.978)		1.555* (0.829)		0.399 (0.444)		0.578 (0.648)		0.356 (0.466)		0.450 (0.720)
BGD		50.260*** (12.962)		49.328*** (18.434)		13.849 (8.980)		-8.399 (8.610)		-7.006 (4.287)		18.692 (14.134)
CEOD		-5.970* (7.381)		-10.892*** (3.041)		0.764 (16.766)		-2.906 (4.914)		-2.163* (1.227)		7.186 (29.929)
MO		-32.747*** (9.212)		-27.236*** (5.247)		-1.641 (11.622)		2.609 (6.046)		2.495* (1.381)		-0.293 (19.449)
IO		-0.476 (0.710)		-0.774*** (0.276)		-0.029 (0.289)		-0.005 (0.489)		-0.008 (0.050)		0.001 (0.472)
SO		-24.796*** (11.348)		-28.146*** (6.016)		25.765 (22.999)		-8.317 (7.820)		-2.709 (3.214)		-18.128 (40.179)
FO		-0.180 (0.255)				0.626 (1.400)		0.035 (0.170)				27.491* (16.174)
LnFSize	-2.229* (1.179)	-2.775** (1.204)	-0.812 (0.628)	-1.318** (0.610)	4.590*** (1.428)	4.555*** (1.433)	1.078** (0.498)	1.036** (0.510)	0.942** (0.452)	0.876** (0.412)	7.074*** (2.448)	7.360*** (2.460)
LnFAge	0.596 (4.051)	-2.082 (4.189)	4.133 (3.403)	1.858 (3.221)	17.271** (7.137)	17.583** (7.214)	2.162 (1.563)	1.793 (1.594)	1.963 (1.323)	1.673 (1.237)	-6.256 (12.178)	-12.787 (12.513)
LIQ	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000* (0.000)	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
LEV	-0.001	-0.001	-0.003	-0.002	0.000	0.000	0.001	0.001	0.001	0.001	0.000	-0.000

	(0.007)	(0.007)	(0.002)	(0.002)	(0.003)	(0.003)	(0.005)	(0.005)	(0.001)	(0.001)	(0.004)	(0.004)
LnGDP	28.043	34.633*	20.980	28.162**	-7.708	-4.506	-4.359	-3.219	-4.013	-3.535	-7.079	-7.126
	(20.153)	(20.393)	(15.844)	(13.468)	(7.447)	(7.559)	(13.979)	(14.019)	(13.472)	(13.109)	(8.160)	(8.334)
LnINFL	5.766	7.050	13.752	16.168*	2.721	2.523	-10.097	-9.757	-8.384	-8.367	-5.067	-4.873
	(11.339)	(11.438)	(9.032)	(9.266)	(3.912)	(3.920)	(7.900)	(7.882)	(6.509)	(6.358)	(4.053)	(4.092)
LnEXC	18.900	25.875	10.048	17.705	-2.101	1.859	3.967	3.226	4.931	4.417	0.888	1.328
	(18.538)	(18.860)	(14.190)	(12.418)	(6.954)	(7.125)	(12.913)	(12.982)	(11.229)	(10.849)	(5.526)	(5.598)
Constant	-107.179	-123.313	-140.363	-155.733*	-103.247*	-157.039**	3.735	-2.323	2.145	-0.473	-101.413	-120.789*
	(103.365)	(106.812)	(93.925)	(82.081)	(58.857)	(61.010)	(70.118)	(70.783)	(79.951)	(77.311)	(66.969)	(69.716)
Observations	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570
Number of firms	157	157	157	157	157	157	157	157	157	157	157	157
Time FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO
Country FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO
R-squared			0.827	0.830	0.237	0.240			0.514	0.516	0.266	0.270
Wald chi <sup>2</sup>	6098***	6410***	26540***	25653***	137.12***	144.79***	862.03***	883.05***	10729***	10854***		
AR(1)	3.24***	3.35***					49.05	49.82				
AR(2)	0.81	0.76					6.37	6.56				
Sargan	11.92	11.86					700.55	701.79				

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Note: MPS<sub>1</sub> = lag of Market Price per Share, EPS<sub>1</sub> = lag of Earnings per Share, BODY = Board-ownership dynamics, BSize = Board size, BIndp = Board independence, BMeet = Board meetings, BGD = Board gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, LnFSize = Natural log of Firm size, LnFAge = Natural log of Firm age, LIQ = Liquidity, LEV = Leverage, LnGDP = Natural log of Gross Domestic Product, LnINFL = Natural log of Inflation, LnEXC = Natural log of Exchange rate.

**Source: Author's construct**

#### 7.4. EFFECT OF BOARD-OWNERSHIP DYNAMICS ON DP

Table 19 provides insights into the link between BODY variables and dividend policy (DPS and DPR). The outcomes show that the lags of DPS (DPS t-1) are positive and 1% statistically significant with DPS as reported in panels 13 and 14 ( $\beta = 1.050$ ; sig. < 1%;  $\beta = 1.061$ ; sig. < 1%). This shows persistence in DPS over time. This result is confirmed by the PCSEs and FE regression outputs in panels 15 to 18. This suggests that higher past DPS are related to higher current DPS. On the other side, the lags of DPR (DPR t-1) have an insignificant negative relationship with current DPR as reported in panels 19 ( $\beta = -0.048$ ; sig. > 10%) and 20 ( $\beta = -0.047$ ; sig. > 10%). This is, however, different from the alternative outputs using PCSEs and RE regressions, which show a positive relationship as reported in panels 21 to 24. This shows that previous higher DPR is related to lower current DPR but is not significant. In summary, the results show that previous dividend policy in terms of DPS has a higher relation with the current while DPR does not.

The results show that BODY with GMM coefficients of -0.118 (sig. > 10%) and -0.045 (sig. > 10%) has an insignificant negative relationship with dividend policy (DPS and DPR), as reported in panels 13 and 19, respectively. This output is not confirmed by the PCSEs and FE outputs in relation to DPS but confirmed in relation to DPR as reported in panels 15, 17, 21, and 23, respectively. However, using SEM path analysis, a direct significant positive link is observed between BODY and DPR ( $\beta = 0.318$ ; sig. < 1%) but not with DPS ( $\beta = 0.182$ ; sig. > 10%), as reported in panels 26 and 25 of Table 20. In summary, an insignificant negative relationship exists between BODY and dividend policy.

In summary, the findings indicate that BODY exhibits a non-significant adverse association with dividend policy (DPS and DPR) utilising GMM, yet a direct, significant positive correlation exists between BODY and DPR through SEM path analysis. The adverse connection between BODY and DP resembles Endang (2020) research, indicating that the impact of ownership dynamics on DP is negative and not statistically notable. This finding contrasts with Fayyaz *et al.* (2023), who identify corporate governance quality as a pertinent factor influencing dividend disbursements. This may be due to the geographical difference of their study.

It is observed that board size ( $\beta = 0.025$ ; sig. > 10%) has an insignificant positive relationship with DPS and an insignificant negative relationship with DPR ( $\beta = -0.092$ ; sig. > 10%) as reported in panels 14 and 20 of Table 19. This is supported by the PCSEs results, which show a significant positive relationship between BSize ( $\beta = 0.124$ ; sig. < 10%), and DPS and a significant negative relationship between BSize ( $\beta = -0.114$ ; sig. < 10%) and DPR, as reported in panels 16 and 22.

The SEM path analysis results in panels 25 and 26 report a significant positive relationship between BSize ( $\beta = 0.392$ ; sig.  $< 1\%$ ) and DPS and a significant negative relationship between BSize ( $\beta = -0.137$ ; sig.  $< 1\%$ ) and DPR, confirming the GMM report. In summary, a favourable link exists between BSize and DPS and an adverse association between BSize and DPR but both are not significant.

In summary, the research reveals that board size demonstrates a negative correlation with DPS. Nonetheless, this correlation lacks statistical significance. The negative association aligns with the studies of Abu Afifa *et al.* (2022); Nharo *et al.* (2021); Shafana and Safeena (2022); and Sani and Musa (2017), all reporting a negative link between board size and dividend policy. However, it contradicts the findings of Dissanayake and Dissabandara (2021); Kanojia and Bhatia (2022); and Khan (2022); and Thompson and Manu (2021), who identify a positive relationship between these variables. This may be due to their scope and market focus. The negative correlation supports the study's formulated hypothesis. The inverse relationship between board size and DP aligns with the substitute theory, suggesting that firms with smaller boards are more efficient in monitoring activities, incurring lower coordination costs, thereby reducing agency costs compared to companies with larger boards facing coordination challenges, resulting in a weaker governance framework that impacts dividend policy negatively. This perspective corresponds with the dividend irrelevant theory. The negative correlation does not align with the pecking order theory, proposing that smaller board sizes and fewer equity holders tend to distribute lower dividends, thus diminishing shareholders' wealth.

Board-gender diversity ( $\beta = 0.335$ ; sig.  $< 10\%$ ) also has a significant positive relationship with DPS and an insignificant negative relationship with DPR ( $\beta = 0.318$ ; sig.  $> 10\%$ ), as reported in panels 14 and 20 of Table 19. This is supported by the PCSEs results, which show a significant positive relationship between BSize ( $\beta = 2.527$ ; sig.  $< 1\%$ ) and DPS and an insignificant negative relationship between BSize ( $\beta = -0.632$ ; sig.  $> 10\%$ ) and DPR as reported in panels 16 and 22. The FE results also record a positive but not significant relationship between BGD ( $\beta = 0.482$ ; sig.  $> 10\%$ ) and DPS and an insignificant negative relationship between BGD ( $\beta = -0.211$ ; sig.  $> 10\%$ ) and DPR. The SEM path analysis results in panels 25 and 26 report a significant positive relationship between BSize ( $\beta = 7.906$ ; sig.  $< 1\%$ ) and DPS and an insignificant negative relationship between BSize ( $\beta = -0.450$ ; sig.  $> 10\%$ ) and DPR, confirming the GMM report. In summary, a significant positive relationship exists between BSize and DPS of DP but an insignificant negative relationship between BSize and DPR.

In summary, the investigation also discloses that there is a notable adverse correlation between BGD and DPS, indicating that a higher percentage of female board members results in decreased dividend payments. The study's null hypothesis is upheld, aligning with the findings of Sanan *et al.* (2019), who identify a negative and substantial impact of board gender diversity on dividend disbursements within Indian non-financial companies. This finding, however, contradicts the conclusions of Dissanayake and Dissabandara (2021) and Gyapong *et al.* (2021), who observe a positive association between these two variables. This outcome provides backing for the substitution theory, proposing that the presence of women on corporate boards could escalate conflicts among board members, heightening agency expenditures and ultimately impacting dividend distribution adversely. Consequently, firms with substantial female board representation might find it necessary to offer increased dividends to rectify weaknesses in their corporate governance frameworks.

Further, CEO duality ( $\beta = 0.116$ ; sig. > 10%;  $\beta = 0.058$ ; sig. > 10%) shows a positive relationship with DP (DPS and DPR) as reported in panels 14 and 20 but is not significant. This is not supported by the PCSEs result, which rather shows a significant negative relationship between CEO (D) ( $\beta = -0.751$ ; sig. < 5%) and DPS and an insignificant relationship between CEO (D) ( $\beta = 0.058$ ; sig. > 10%) and DPR, as shown in panels 16 and 22. The FE output also shows an insignificant negative relationship between CEO (D) ( $\beta = -0.080$ ; sig. > 10%) and DPS and an insignificant positive relationship between CEO (D) ( $\beta = 0.059$ ; sig. > 10%) and DPR. The SEM path analysis records a negative relationship. In summary, no significant relationship exists between CEO and dividend policy (DPS and DPR). In addition, board independence ( $\beta = -0.163$ ; sig. > 10%;  $\beta = -0.683$ ; sig. > 10%) and board meetings ( $\beta = -0.058$ ; sig. > 10%;  $\beta = -0.072$ ; sig. > 10%) have negative relationships with dividend policy (DPS and DPR) but are not significant. These outputs are consistent with those of PCSEs and FE results. In brief, an insignificant negative relationship exists between board independence and dividend policy as well as board meetings and dividend policy.

In summary, it is noted that CEO duality exhibits a favourable correlation with DPS, albeit not statistically significant. This insignificance aligns with the findings of Ahmad *et al.* (2019) and Elmagrhi *et al.* (2017), who similarly find no significant link between these two variables. This result, however, contrasts with the discoveries of Mohd Ghazali (2020) and Sheikh *et al.* (2019), who identify a significant positive correlation, as well as Kao *et al.* (2018), Nguyen *et al.* (2021), Pramodya and Chaturika (2022); and Sumail (2018), and who respectively identify a significant negative correlation. Board independence and board meetings have insignificant negative relationships with dividend policy (DPS and DPR).

The negative relationship between board independence and DP is similar to that of Pramodya and Chathurika (2022), and Mai and Syarief (2021), who discover a negative and no significant relationship between the two variables. This contradicts that of Kanojia and Bhatia (2022) and Yakubu *et al.* (2022), who rather observe a positive relationship between board independence and dividend policy. The insignificant negative relationship between board meetings and DP also confirms the works of Juhmani (2020) and Saliya and Dogukanli (2022), who discover no relationship and negative relationship, respectively. It, however, contradicts that of Boshnak (2023) and Kilincarslan (2021) who report a positive relationship between board meetings and dividend policy.

Managerial ownership ( $\beta = -0.210$ ; sig.  $< 10\%$ ) and state ownership ( $\beta = -0.363$ ; sig.  $< 5\%$ ) have a significant negative relationship with DPS but an insignificant positive relationship with DPR ( $\beta = 0.0149$ ; sig.  $> 10\%$ ;  $\beta = 0.127$ ; sig.  $> 10\%$ ), as reported respectively in panels 14 and 20 of Table 19. These outputs are consistent with those of the PCSEs and FE outcomes. In summary, a substantial adverse association exists between MO and DPS and SO and DPS. An insignificant favourable link however exists between MO and DPR as well as SO and DPR. Managerial ownership exhibits a noteworthy inverse relationship with DP as measured by DPS, suggesting that managerial ownership's presence leads to a reduction in dividend payments. This finding aligns with the null hypothesis proposing a negative correlation between MO and DP, consistent with Boshnak (2023) and Farooq *et al.* (2022) but contradicting Nazar (2021), who identify a positive relationship. Likewise, state ownership demonstrates a significant negative association with DP measured by DPS, indicating that the existence of state ownership results in a decline in DPS. This result supports the null hypothesis of an unfavourable link between SO and DP, in agreement with Aluchna *et al.* (2019); Hasan *et al.* (2023); and RM Musallam and Choo (2019), who note lower dividend payments by firms with state ownership. In contrast, institutional ownership and foreign ownership do not exhibit any significant relationship with dividend policy. These outcomes refute the null hypotheses proposing a negative correlation between institutional ownership and DP, as well as a positive correlation between foreign ownership and DP. The findings go against existing literature that reports either a positive or adverse nexus between IO and DP, while aligning with Hasan *et al.* (2023) regarding the lack of a link between foreign ownership and DP in Bangladeshi firms.

The control variables, with the exception of GDP ( $\beta = -5.134$ ; sig.  $< 5\%$ ;  $\beta = 2.761$ ; sig.  $< 10\%$ ), do not exhibit any significant relationship with dividend policy (DPS and DPR) via the GMM model. GDP has a momentous negative association with DPS and a momentous positive link with DPR at the 5% and 10% significant levels, respectively.

This implies that an increase in GDP will lead to a decrease in DPS but an increase in DPR. This result confirms the positive relationship between GDP and MPS and the negative relationship with EPS reported in panels 2 and 10 of Table 18. An increase in GDP signifies economic growth, which has the tendency of increasing market capitalization of firms and thus MPS. DPS, alternatively derived as a product of MPS and dividend yield, will thus have a positive direction. Alternatively, an increase in economic growth may inspire more investment in business, which will lead to an upsurge in the number of shares. The Gross Domestic Product (GDP) displays a significant negative correlation with DPS and a significant positive correlation with dividend pay-out ratio (DPR). This suggests that an upsurge in GDP leads to a decrease in DPS but an increase in DPR. These results differ from Ofori-Sasu *et al.* (2017), who identify a positive and substantial connection between GDP growth and shareholders' wealth. Additionally, the findings indicate a significant positive relationship between the firm's age and DPR, while no significant correlation exists with DPS, supporting Yakubu *et al.* (2022), who also highlight the positive link between firm age, dividend payments, and shareholders' wealth.

Time and country fixed effects were controlled for in the GMM and the PCSEs models since a pre-test of the data using the “testparm” command in STATA 18 showed the presence of time and country fixed effects. For the FE models, there were no country and time fixed effects present. The Arellano-Bond test for AR(2) in first differences and the Sargan tests for the SGMM models in Table 17 show insignificant co-efficient (AR(2): 0.81, 0.76, 6.37, 6.56; Sargan: 11.92, 11.86, 700.55, 701.79) as reported in panels 14, 15, 20, and 21 respectively. This suggests that there is no second-order serial correlation as well as confirming the validity of the instruments used, respectively.

## **7.5. SUMMARY OF CHAPTER SEVEN**

The chapter provided an analysis of the data, findings, and discussion of the outcomes. Conducting expressive statistics and a connection matrix for the variables under examination was carried out. The examination of the variable inflation factor revealed the absence of substantial multicollinearity among the predictor variables in the model. The results of the unit root analysis demonstrated that all variables were established to be stationary at both level and first difference. SGMM emerged as the favoured estimator for the GMM regression models due to the proximity of the  $\emptyset$  values for the DGMM to those of the FE model. The study finds a positive association between BSize and shareholders' wealth, a statistically insignificant negative association between BIndp and shareholders' wealth, and an insignificant negative relationship between IO and SW as summarised in Tables 20 and 21.

**Table 19: Effect of board-ownership dynamics on dividend policy**

Variables	Dividend Per Share						Dividend Payout Ratio					
	13 GMM	14 GMM	15 PCSEs	16 PCSEs	17 FE	18 FE	19 GMM	20 GMM	21 PCSEs	22 PCSEs	23 RE	24 FE
DPS <sub>t-1</sub>	1.050*** (0.159)	1.061*** (0.153)	0.702*** (0.111)	0.693*** (0.112)	0.009* (0.005)	0.009* (0.005)						
DPR <sub>t-1</sub>							-0.048 (0.160)	-0.047 (0.161)	0.065 (0.203)	0.061 (0.203)	0.065** (0.025)	0.060** (0.025)
BOD <sub>y</sub>	-0.118 (0.120)		0.028 (0.067)		0.008 (0.049)		-0.045 (0.090)		-0.009 (0.035)		-0.009 (0.080)	
BSize		0.025 (0.086)		0.124* (0.068)		0.046 (0.031)		-0.092 (0.067)		-0.114* (0.058)		-0.115** (0.057)
BIndp		-0.163 (1.118)		-0.085 (0.439)		0.846** (0.388)		-0.683 (1.013)		-0.265 (0.501)		-0.315 (0.886)
BMeet		-0.058 (0.084)		-0.070* (0.042)		-0.017 (0.022)		-0.072 (0.076)		-0.041 (0.039)		-0.040 (0.064)
BGD		0.335* (1.407)		2.527*** (0.864)		0.482 (0.432)		-0.632 (1.027)		-0.164 (0.579)		-0.211 (0.910)
CEOD		0.116 (0.745)		-0.751** (0.308)		-0.080 (0.916)		0.058 (0.578)		0.052 (0.250)		0.059 (0.573)
MO		-0.210* (0.894)		-1.302*** (0.437)		-0.178 (0.595)		0.271 (0.712)		0.149 (0.255)		0.167 (0.684)
IO		-0.002 (0.064)		-0.029* (0.015)		-0.001 (0.014)		0.001 (0.058)		-0.004 (0.007)		-0.004 (0.052)
SO		-0.363** (1.413)		-2.548*** (0.841)		-0.703 (1.229)		0.331 (0.921)		0.127 (0.259)		0.178 (0.900)
FO		-0.006 (0.022)				-0.292 (0.496)		0.011 (0.020)				0.008 (0.020)
LnFSize	-0.057 (0.066)	-0.058 (0.068)	-0.002 (0.020)	-0.004 (0.022)	-0.107 (0.074)	-0.099 (0.075)	-0.107* (0.060)	-0.082 (0.061)	-0.096** (0.038)	-0.077** (0.032)	-0.096* (0.057)	-0.075 (0.059)
LnFAge	0.065 (0.449)	-0.026 (0.409)	0.941*** (0.285)	0.835*** (0.259)	-0.112 (0.373)	-0.207 (0.383)	0.843*** (0.220)	0.918*** (0.230)	0.746 (0.668)	0.825 (0.694)	0.746*** (0.185)	0.833*** (0.189)
LIQ	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	-0.000* (0.000)	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)

LEV	-0.000 (0.001)	-0.000 (0.001)	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.001)	0.000 (0.001)	0.000 (0.000)	-0.000 (0.000)	0.000 (0.001)	-0.000 (0.001)
LnGDP	-4.943** (1.993)	-5.134** (2.065)	-3.407*** (1.243)	-3.243** (1.285)	0.195 (0.250)	0.172 (0.255)	3.088* (1.658)	2.761* (1.671)	2.903** (1.416)	2.738* (1.427)	2.903* (1.538)	2.730* (1.548)
LnINFL	-1.398 (1.035)	-1.469 (1.051)	-1.461** (0.644)	-1.426** (0.645)	0.269** (0.124)	0.272** (0.125)	1.855** (0.926)	1.806* (0.928)	1.717*** (0.631)	1.722*** (0.632)	1.717** (0.814)	1.723** (0.815)
LnEXC	0.153 (1.656) (5.829)	0.068 (1.703) (5.926)	0.947 (0.674)	1.184* (0.689)	0.271 (0.169)	0.252 (0.171)	-0.354 (1.520) (5.334)	-0.634 (1.538) (5.387)	0.058 (0.933)	-0.072 (0.994)	0.058 (1.438)	-0.082 (1.450)
Constant	26.317** (11.290)	26.991** (11.479)	13.619* (7.039)	12.994* (7.201)	4.103** (2.042)	3.789* (2.124)	-17.811** (8.341)	-15.580* (8.456)	-17.274** (7.265)	-15.848** (7.339)	-17.274** (7.746)	-15.880** (7.839)
Observations	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570
Number of ID	157	157	157	157	157	157	157	157	157	157	157	157
Time Fixed Effect	YES	YES	YES	YES	NO	NO	YES	YES	YES	YES	YES	YES
Country Fixed Effect	YES	YES	YES	YES	NO	NO	YES	YES	YES	YES	YES	YES
R-squared			0.673	0.677	0.013	0.019			0.033	0.037	0.033	0.037
Wald chi <sup>2</sup>	1498***	1592***	30331***	19346***			72.30***	78.51***	41594***	691730***	52.85***	59.52***
AR(1)	0.50	0.49					2.69***	2.69				
AR(2)	0.21	0.21					0.77	0.79				
Sargan	5.03	4.93					40.33	39.81				

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Note: DPS\_1 = lag of Dividend per Share, DPR\_1= lag of Dividend Pay-out Ratio, BODY = Board-ownership dynamics, BSize = Board size, BIndp = Board independence, BMeet = Board meetings, BGD = Board gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, LnFSize = Natural log of Firm size, LnFAge = Natural log of Firm age, LIQ = Liquidity, LEV = Leverage, LnGDP = Natural log of Gross Domestic Product, LnINFL = Natural log of Inflation, LnEXC = Natural log of Exchange rate

**Source: Author's construct**

**Table 20: Summary of results: effect of BODY on SW**

		Objective Two (a)		Shareholders' wealth		Supported
		Hypothesis		Earnings per share		
		Market price per share				
		GMM	PCSEs	GMM	PCSEs	
<i>Ha1</i>	<i>A link exists between BODY and wealth of shareholders</i>	0.805*	2.392***	0.886	0.671	Yes
<i>Ha2</i>	<i>A significant positive link exists between BSize and SW</i>	2.286***	5.162***	1.432***	1.118*	Yes
<i>Ha3</i>	<i>A significant positive link exists between BIndp and SW</i>	-17.899	-49.943***	-0.843	-0.276	No
<i>Ha4</i>	<i>A positive link exists between frequency of BMeet and SW</i>	0.381	1.555*	0.578	0.356	No
<i>Ha5</i>	<i>A link exists between BGD and SW</i>	50.260***	49.328***	-8.399	-7.006	Yes
<i>Ha6</i>	<i>A negative association exists between CEO and SW</i>	-5.970*	-10.892***	-2.906	-2.163*	Yes
<i>Ha7</i>	<i>A negative link exists between MO and SW</i>	-32.747***	-27.236***	2.609	2.495*	Yes
<i>Ha8</i>	<i>A link exists between IO and SW</i>	-0.476	-0.774***	-0.005	-0.008	No
<i>Ha9</i>	<i>A link exists between SO and SW</i>	-24.796**	-28.146***	-8.317	-2.709	Yes
<i>Ha10</i>	<i>A link exists between FO and SW</i>	-0.180	0	0.035	0	No

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Note: BODY = Board-ownership dynamics; BSize = Board size; SW = Shareholders' wealth; BIndp = Board independence; BMeet = Board meetings; BGD = Board gender diversity; MO = Managerial ownership; IO = Institutional ownership; SO = State ownership; FO = Foreign ownership

**Source: Author's construct**

**Table 21: Summary of results: effect of BODY of dividend policy**

Objective Two (b)		Dividend policy				Supported
		Dividend per share		Dividend pay-out ratio		
	Hypothesis	GMM	PCSEs	GMM	PCSEs	
<i>Hb<sub>1</sub></i>	<i>A link exists between BODY and DP</i>	-0.118	0.028	-0.045	-0.009	No
<i>Hb<sub>2</sub></i>	<i>A negative link exists between BSize and DP</i>	0.025	0.124*	-0.092	-0.114*	Yes & No
<i>Hb<sub>3</sub></i>	<i>A link exists between BIndp and DP</i>	-0.163	-0.085	-0.683	-0.265	No
<i>Hb<sub>4</sub></i>	<i>A link exists between BMeet and DP</i>	-0.058	-0.070*	-0.072	-0.041	No
<i>Hb<sub>5</sub></i>	<i>A link exists between BGD and DP</i>	0.335*	2.527***	-0.632	-0.164	Yes
<i>Hb<sub>6</sub></i>	<i>A negative link exists between CEOD and DP</i>	0.116	-0.751**	0.058	0.052	No
<i>Hb<sub>7</sub></i>	<i>A negative link exists between MO and DP</i>	-0.210*	-1.302***	0.271	0.149	Yes
<i>Hb<sub>8</sub></i>	<i>A negative link exists between IO and DP</i>	-0.002	-0.029*	0.001	-0.004	No
<i>Hb<sub>9</sub></i>	<i>A negative link exists between SO and DP</i>	-0.363**	-2.548***	0.331	0.127	Yes
<i>Hb<sub>10</sub></i>	<i>A positive link exists between FO and DP</i>	-0.006	0	0.011	0	No

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Note: BODY = Board-ownership dynamics; DP= Dividend policy; BSize = Board size; BIndp = Board independence; BMeet = Board meetings; BGD = Board gender diversity; MO = Managerial ownership; IO = Institutional ownership; SO = State ownership; FO = Foreign ownership

**Source: Author's construct**

## CHAPTER EIGHT

### RESULTS AND DISCUSSION FOR OBJECTIVE THREE: MEDIATION ROLE OF DP

*“Giving dividends back to shareholders makes sense if you are unable to utilise them yourself.  
The shareholders will utilise it elsewhere.”*

*- Dimon Jamie*

#### 8.1. INTRODUCTION

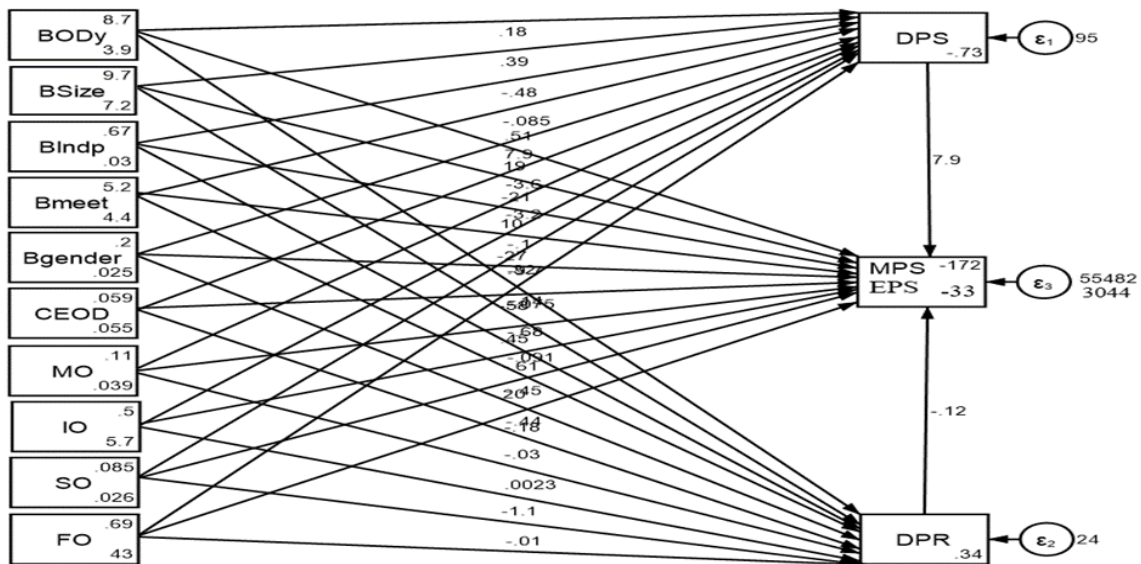
This section addresses objective three, which is to investigate and delineate the mediating role of dividend policy (DP) in the relationship between board-ownership dynamics (BODy) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA), evaluating theoretical and practical implications. This objective is achieved using the Structural Equation Model to test the mediating influence of DP, measured as dividend per share (DPS) and dividend pay-out ratio (DPR), on the network between BODy and SW in SSA.

#### 8.2. MEDIATING EFFECT OF DP ON BODY AND SW

The R squares reported in Table 22 correspond to values of 0.25, 0.10, 0.41, and 0.20. These values indicate the point of correlation among the independent elements, mediator variables, and dependent variables. In other words, these values suggest that 25%, 10%, 41%, and 20% of the overall variation in shareholders' wealth can be attributed to the explanatory and mediating factors. The results of the mediating effect of dividend policy (DPS and DPR) on the relationship between BODy and shareholders' wealth are performed using SEM path analysis as shown in Figure 20. Panels 27 and 28 in Table 22 report direct a significant positive relationship between DPS ( $\beta = 7.897$ ; sig. < 1%;  $\beta = 0.402$ ; sig. < 1%) and shareholders' wealth (MPS and EPS) at 1% significance level, but an insignificant negative relationship between DPR ( $\beta = -0.116$ ; sig. > 10%;  $\beta = -0.066$ ; sig. > 1%) and shareholders' wealth. This implies that dividend policy measured with DPS improves shareholders' wealth significantly while DPR does not. An increase in dividend policy (DPS) may significantly cause an upsurge in the SW (MPS and EPS).

A direct positive relationship is observed between BODy ( $\beta = 0.182$ ; sig. > 10%) and DPS but is not significant, while a direct significant positive relationship exists between BODy ( $\beta = 0.318$ ; sig. < 1%) and DPR as reported in panels 25 and 26 of Table 22. Likewise, a positive relationship exists between BODy and MPS of SW and a negative relationship between BODy and EPS. Both are not significant. The result for the BODy-SW relationship confirms earlier reports of the relationship between BODy and SW after controlling for time and country fixed effects and control variables as reported in Table 18.

However, the relationship between BODY and DP does not confirm the negative relationship between BODY and DP as reported in panels 13 and 19 in Table 19 after dealing with time and country fixed effects and control variables. The outputs ( $\beta = 1.398$ ; sig. > 10%;  $\beta = 0.051$ ; sig. > 10%) in panels 30 and 32 show that DP (DPS and DPR) does not significantly mediate the relationship between BODY and SW (MPS and EPS) of listed non-financial firms in SSA. This is evidenced by the same positive effect of BODY on SW with or without DP as shown in Figure 20.



**Figure 20: Mediating effect of DP (DPS & DPR) on BODY (BA & OS) and SW**  
*Source: STATA 18 output*

According to the study, DPS and shareholders' wealth (MPS and EPS) have a direct, significant positive link. This suggests that DPS greatly increases shareholder wealth. The wealth of shareholders (MPS and EPS) will rise in direct proportion to an increase in dividend policy (DPS). The null hypothesis, according to which dividend policies significantly improve SW, is supported by this result. The significant positive result indicates that dividend policy contributes to firm value, supporting the bird-in-hand theory, which advocates that dividends are the most suitable way to measure what is anticipated from equity and that dividend payment is more important than cost in assessing an organization's worth. This supports the dividend relevance theory, which advocates for companies to distribute higher dividends, believing that such pay-outs significantly enhance shareholders' wealth. The findings further corroborate the research conducted by Abdullah (2023), Kim *et al.* (2021), and Ullah *et al.* (2021), which identify a substantial positive correlation between dividend policy (DP) and shareholders' wealth (SW). Conversely, the results contradict the studies of Khalaf (2023) and Kayode *et al.* (2022), who document an adverse association between dividend policy (DP) and shareholders' wealth (SW).

The outcomes indicate that dividend policy (DP), in the form of DPS and DPR, does not act as a mediator in the nexus between BODY and shareholders' wealth (SW), specifically market performance (MPS) and earnings per share (EPS) of non-financial companies listed in Sub-Saharan Africa (SSA). This is substantiated by the consistent positive impact of BODY on shareholders' wealth (SW) whether or not dividend policy (DP) is considered. As a result, this finding refutes the hypothesis that dividend policy serves as a mediating factor between board size and the prosperity of shareholders. Moreover, it aligns with the study by Giansari and Guritno (2022), which explore dividend policy as a mediating variable in the determinants of firm value, revealing its ineffectiveness in mediating these influences. Additionally, it corresponds with the research by Handayani and Ibrani (2023), who empirically demonstrate that dividend policy does not mediate the relationship between corporate governance and firm value. However, it contrasts with the work of Soewarno *et al.* (2017), who find that dividend policy plays a partial mediating role in the connection between corporate governance and firm value.

On the part of individual board-ownership dynamics variables, the outputs in panels 27 and 28 show a direct, significant favourable link exists between the independent variables: board size ( $\beta = 18.957$ ; sig. < 1%;  $\beta = 3.103$ ; sig. < 1%), board meetings ( $\beta = 10.186$ ; sig. < 1%;  $\beta = 2.144$ ; sig. < 1%), and dependent variable: SW (MPS and EPS). This suggests that an upsurge in board size, and board meetings will lead to a direct increase in SW (MPS and EPS). This result confirms the positive link between board size and SW as well as board meetings and SW after controlling for time and country fixed effects and control variables as shown in panels 2 and 18 of Table 18. Also a positive but not significant association exists between the dependent variable (SW) and independent variables: managerial ownership ( $\beta = 0.455$ ; sig. > 10%;  $\beta = 2.325$ ; sig. > 10%), and state ownership ( $\beta = 20.062$ ; sig. > 10%;  $\beta = 3.156$ ; sig. > 10%). CEO duality ( $\beta = -58.293$ ; sig. < 1%;  $\beta = -9.913$ ; sig. > 10%) has a significant adverse link with MPS and not significant with EPS. This result confirms the negative relationship between the two variables in panels 2 and 8 after controlling for time and country.

Board independence ( $\beta = -20.528$ ; sig. > 10%;  $\beta = 5.311$ ; sig. > 10%), board-gender diversity ( $\beta = -26.953$ ; sig. > 10%;  $\beta = -5.484$ ; sig. > 10%), institutional ownership ( $\beta = -0.614$ ; sig. > 10%;  $\beta = -0.086$ ; sig. > 10%), and foreign ownership ( $\beta = -0.180$ ; sig. > 10%;  $\beta = -0.044$ ; sig. > 10%), all have insignificant negative relationships with SW (MPS and EPS), except board independence ( $\beta = 5.311$ ; sig. > 10%), which has an insignificant positive relationship with EPS as reported in panels 27 and 28 in Table 22.

From Table 22, it could be observed that DP measured by DPS has a significant positive mediating effect on board size ( $\beta = 3.108$ ; sig. < 1%;  $\beta = 0.167$ ; sig. < 10%); board-gender diversity ( $\beta = 62.484$ ; sig. < 1%;  $\beta = 3.209$ ; sig. < 5%), and SW (MPS and EPS). On the contrary, DP (DPS) has a significant negative mediating effect on the relationship between CEO duality ( $\beta = -28.596$ ; sig. < 1%;  $\beta = -1.429$ ; sig. < 5%) and SW; managerial ownership ( $\beta = -25.290$ ; sig. < 5%;  $\beta = -1.285$ ; sig. < 10%) and SW; and state ownership ( $\beta = -76.229$ ; sig. < 1%;  $\beta = -3.816$ ; sig. < 5%) and SW as reported in panels 30 and 32, respectively, in Table 22. Also, DP (DPS) has a significant negative mediating effect on the relationship between foreign ownership ( $\beta = -0.591$ ; sig. < 10%;  $\beta = -0.029$ ; sig. > 10%) and MPS but is not significant with EPS. The results also show that DP measured by DPR does not mediate the relationship between individual board-ownership variables and shareholders' wealth. Again, DP (DPS and DPR) does not mediate the relationship between the following variables: board independence ( $\beta = -3.798$ ; sig. > 10%;  $\beta = -0.146$ ; sig. > 10%), board meetings ( $\beta = -3.798$ ; sig. > 10%;  $\beta = -0.146$ ; sig. > 10%), institutional ownership ( $\beta = -0.803$ ; sig. > 10%;  $\beta = -0.041$ ; sig. > 10%) and shareholders' wealth (MPS and EPS).

It is worth noting that the analysis of the results indicates a noteworthy positive mediating impact of dividend policy (DP), particularly dividend per share (DPS), on the association between board size and shareholders' wealth. This suggests a strong correlation between shareholders' wealth and board size, accentuated by a favourable dividend policy, as exemplified by dividend per share. The acceptance of the null hypothesis that dividend policy mediates the relationship between board size and shareholders' wealth is supported by this outcome. Furthermore, this result is consistent with the findings of Ginting (2018) and Sriwahyuni and Wihandaru (2016), who find that dividend policy significantly mediates the link between board size and shareholders' wealth. Nevertheless, it contradicts the study by Bunnun and Chancharat (2023), which identify a negative indirect effect of governance ownership structure on firm performance through dividend policies, as well as the viewpoint of Yermack (1996), who argues that dividend policy does not substantially mediate the relationship between board size and shareholders' wealth.

Dividend per share (DPS) exerts a significant positive mediating influence on the correlation between BGD and shareholders' wealth. This suggests that the bond between board-gender diversity and shareholders' wealth is reinforced by dividend per share (DPS). The validation of the null hypothesis that dividend policy acts as a mediator between board-gender diversity and shareholders' wealth is in line with this finding. Additionally, this result aligns with the research of Dissanayake and Dissabandara (2021), who note that gender diversity within boards could impact dividend policy, subsequently affecting shareholders' wealth.

It is also akin to the discoveries of Guizani and Abdalkrim (2022), who identify a significant indirect impact of BGD, mediated through dividend pay-outs, on the effective distribution of free cash flow. Conversely, dividend policy (DP) represented by dividend per share (DPS) demonstrates a significant negative mediating effect on the relationship between CEO duality and shareholders' wealth.

These findings suggest that an increase in dividend pay-outs per share exacerbates the adverse impacts of CEO duality on shareholders' wealth. The findings provide backing for the hypothesis that dividend policy acts as a mediator in the connection between CEO duality and shareholders' wealth. This outcome aligns with previous research such as Briano-Turrent (2020), which demonstrates a negative consequences of CEO duality on shareholders' wealth. It reinforces the agency theory's proposition that combining the roles leads to a weaker board control mechanism, ultimately diminishing the ability to curb risks of expropriation in emerging markets, thus detrimentally affecting shareholders' wealth.

Moreover, the study identifies a substantial negative mediating influence of dividend payouts per share (DPS) on the association between managerial ownership and shareholders' wealth. This indicates that the detrimental relationship between managerial ownership and shareholders' wealth, as indicated in Table 16, is exacerbated by the presence of dividend policy. These findings uphold the hypothesis that dividend policy serves as a mediator in the correlation between managerial ownership and shareholders' wealth. The results align with the findings of Guizani (2018), suggesting that dividend policy plays a significant role in mediating the relationship between managerial ownership and free cash flow, supporting the agency theory's assertion that influential managers tend to prioritise retaining excess cash for personal gain. However, these results contradict the claims of Nurdiansari *et al.* (2022), who argue that dividend policy alleviates the negative association between shareholders' wealth and managerial ownership.

Furthermore, dividend pay-outs per share (DPS) exhibit a notable negative mediating impact on the connection between state ownership and shareholders' wealth. This implies that the adverse relationship between state ownership and shareholders' wealth, as displayed in Tables 16, is exacerbated by the presence of dividend policy. These findings lend support to the hypothesis that dividend policy serves as a mediator in the relationship between state ownership and shareholders' wealth. These conclusions are consistent with the investigation of Bunnun and Chancharat (2023), who have identify a negative indirect impact of ownership structure on firm performance through the mediation of dividend policies.

They echo the findings of Al-Najjar and Kilincarslan (2016), Aluchna *et al.* (2019), and Duqi *et al.* (2020), who all identify a significant negative association between state ownership and shareholders' wealth. However, they contrast with the findings of Boubakri *et al.* (2020) and Aguilera *et al.* (2021), who provide evidence of a positive influence of state ownership on firm value.

Lastly, dividend policy (DPS) plays a significant negative mediating role in the relationship between foreign ownership and MPS but exhibits no significant impact on EPS. This upholds the hypothesis that DP mediates the correlation between FO and SW. The mediating effect of dividend policy exacerbates the adverse link between foreign ownership and shareholders' wealth. This reinforces the hypothesis that dividend policy acts as a mediator in the association between foreign ownership and shareholders' wealth. The results substantiate the research conducted by Karim and Ilyas (2021) and Bateineh (2020), which highlight an adverse association between foreign ownership and dividend pay-outs, as well as Kirimi *et al.* (2022) and Moin *et al.* (2020) who similarly identify a negative link between foreign ownership and shareholder wealth, indicating a possible detrimental impact on shareholder wealth. Conversely, it contradicts the conclusions drawn by Fang *et al.* (2019), and Shubita and Shubita (2019), who note a positive relationship between foreign ownership and dividend pay-outs, proposing a potential intervening impact that leads to increased shareholder value.

The study, however, indicates that the dividends paid (DPS and DPR) do not act as a mediator in the correlation between board independence and the wealth of shareholders, board meetings and the wealth of shareholders, and institutional possession and the prosperity of shareholders. The outcomes further demonstrate that the dividends paid, as gauged by DPR, do not serve as a mediator in the association between specific BODY variables and the prosperity of shareholders. These discoveries invalidate the null hypothesis that proposed a mediating impact of dividends paid on the connection between the corresponding independent variables and SW. These discoveries align with the reality that the existing literature lacks substantial proof of the association among the variables.

### **8.3. SUMMARY OF CHAPTER EIGHT**

The chapter presented results on the mediating role of dividend policy on the relationship between BODY and SW. The general results are summarised in Table 23. In summary, the study reveals a significant positive link between dividend policy (DPS) and shareholders' wealth (MPS and EPS), indicating that DPS significantly increases shareholder wealth. This supports the null hypothesis that dividend policy significantly improves shareholder wealth (SW).

The findings support the bird-in-hand theory, which suggests that dividends are the most suitable way to measure an organization's worth, and the dividend relevance theory, which advocates for higher dividends to enhance shareholders' wealth. The findings contradict previous research, which found a positive correlation between DP and SW, contradicting previous studies.

The study reveals that dividend policy (DP) does not mediate the relationship between the board-ownership dynamics (BODy) and shareholders' wealth in non-financial companies in Sub-Saharan Africa. The positive impact of BODy on shareholders' wealth is consistent regardless of DP consideration. This contradicts the hypothesis that dividend policy mediates between board size and shareholder prosperity. The findings align with previous studies on dividend policy's ineffectiveness in determining firm value and corporate governance. However, it contradicts the work of Soewarno *et al.* (2017), who find a partial mediating role. The study reveals a positive mediating impact of dividend policy, particularly dividend per share (DPS), on the association between board size and shareholders' wealth. This suggests a strong correlation between shareholders' wealth and board size, accentuated by a favourable dividend policy. This supports the null hypothesis that dividend policy mediates the relationship between board size and shareholders' wealth. However, it contradicts previous studies that found a negative indirect effect of governance ownership structure on firm performance through dividend policies. Dividend per share (DPS) also exerts a significant positive mediating influence on the correlation between board-gender diversity and shareholders' wealth. This supports the null hypothesis that dividend policy acts as a mediator between board-gender diversity and shareholders' wealth. It also aligns with previous research indicating that gender diversity within boards could impact dividend policy and shareholders' wealth. In contrast, dividend policy, represented by dividend per share, shows a significant negative mediating effect on the relationship between CEO duality and shareholders' wealth.

The study reveals a positive mediating impact of dividend policy, particularly dividend per share (DPS), on the association between board size and shareholders' wealth. This suggests a strong correlation between shareholders' wealth and board size, accentuated by a favourable dividend policy. This supports the null hypothesis that dividend policy mediates the relationship between board size and shareholders' wealth. However, it contradicts previous studies that find a negative indirect effect of governance ownership structure on firm performance through dividend policies. Dividend per share (DPS) also exerts a significant positive mediating influence on the correlation between board-gender diversity and shareholders' wealth. This supports the null hypothesis that dividend policy acts as a mediator between board-gender diversity and shareholders' wealth.

**Table 22: Mediating effect of dividend policy on BODY and shareholders' wealth**

Relationship	Path	25	26	27	28	29	30	31	32
		DPS Direct	DPR Direct	MPS Direct	EPS Direct	Indirect	MPS Total Indirect	Indirect	EPS Total Indirect
Dividend policy's impact on shareholders' wealth	DPS -> MPS			7.897*** (0.613)					
	DPS -> EPS				0.402*** (0.144)				
	DPR -> MPS			-0.116 (1.284)					
	DPR -> EPS				-0.066 (0.288)				
Dynamics of board ownership and dividend policy' nexus	BODY -> DPS	0.182 (0.197)							
	BODY -> DPR		0.318*** (0.098)						
The impact of board-ownership dynamics on the wealth of shareholders	BODY -> MPS			0.505 (4.775)					
	BODY -> EPS				-0.640 (1.118)				
Effect of dividend policy as a mediator between the dynamics of board-ownership and shareholder wealth	BODY -> DPS ->MPS					1.433 (1.558)	1.398 (1.604)		
	BODY -> DPR ->MPS					0.509 (0.438)			
	BODY -> DPS ->EPS							0.072 (0.083)	0.051 (0.122)
	BODY -> DPR ->EPS							0.007 (0.091)	
Effect of board size on dividend policy	BSize -> DPS	0.392*** (0.117)							
	BSize -> DPR		-0.137*** (0.098)						
The impact of board size on the wealth of shareholders	BSize -> MPS			18.957*** (2.846)					
	BSize -> EPS				3.103*** (0.667)				
Effect of dividend policy as a mediator between board size and shareholder wealth	BSize -> DPS ->MPS					3.089*** (0.955)	3.108*** (13.806)		
	BSize -> DPR ->MPS					-0.219			

						(0.199)		
	BSize -> DPS ->EPS						0.156***	0.167*
							(0.073)	(0.086)
	BSize -> DPR ->EPS						-0.003	
							(0.039)	
Nexus of board independence and dividend policy	BIndp -> DPS	-0.481						
		(1.744)						
	BIndp -> DPR		-0.675					
			(0.872)					
Relationship between board independence and shareholders' wealth	BIndp -> MPS			-20.528				
				(42.171)				
	BIndp -> EPS				5.311			
					(9.878)			
Effect of dividend policy as a mediator between shareholder wealth and board independence	BIndp -> DPS ->MPS					-3.798	-3.722	
						(13.772)	(13.806)	
	BIndp -> DPR ->MPS					-1.082		
						(1.644)		
	BIndp -> DPS ->EPS						0.192	-0.146
							(0.699)	(0.731)
	BIndp -> DPR ->EPS						-0.014	
							(0.194)	
Impact of a board meeting on the wealth of shareholders	BMeet -> DPS	-0.085						
		(0.129)						
	BMeet -> DPR		-0.091					
			(0.064)					
Effect of board meeting on shareholders' wealth	BMeet -> MPS			10.186***				
				(3.121)				
	BMeet -> EPS				2.144***			
					(0.731)			
Dividend policy's mediating influence on board meetings and shareholder wealth	BMeet -> DPS ->MPS					-0.674	-0.664	
						(1.020)	(1.026)	
	BMeet -> DPR ->MPS					-0.145		
						(0.156)		
	BMeet -> DPS ->EPS						-0.034	-0.028
							(0.053)	(0.059)
	BMeet -> DPR ->EPS						-0.002	
							(0.026)	
Diversity in gender on the board's impact on dividend policy	BGD -> DPS	7.906***						
		(1.804)						
	BGD -> DPR		-0.450					
			(0.901)					

Impact of gender diversity on the board on wealth for shareholders	BGD -> MPS			-26.953 (43.867)				
	BGD -> EPS				-5.484 (10.274)			
Impact of dividend policy as a mediator on gender diversity on the board and wealth of shareholders	BGD -> DPS ->MPS					62.383*** (15.028)	62.484*** (15.078)	
	BGD -> DPR ->MPS					-0.720 (1.554)		
	BGD -> DPS ->EPS							3.150*** (1.339)
	BGD -> DPR ->EPS							-0.009 (0.130)
CEOD impact on dividend policy	CEOD -> DPS	-3.628*** (1.078)						
	CEOD -> DPR		-0.442 (0.538)					
CEOD impact on shareholders' wealth	CEOD -> MPS			-58.239*** (26.141)				
	CEOD -> EPS				-9.913 (6.123)			
Effect of dividend policy as a mediator between CEOD and shareholder wealth	CEOD -> DPS ->MPS					-28.624*** (8.788)	-28.596*** (8.800)	
	CEOD -> DPR ->MPS					0.708 (1.033)		
	CEOD -> DPS ->EPS							-1.446** (0.673)
	CEOD -> DPR ->EPS							-0.009 (0.127)
Management ownership impact on dividend policy	MO -> DPS	-3.203*** (1.338)						
	MO -> DPR		-0.030 (0.668)					
Impact of management ownership on the wealth of shareholders	MO -> MPS			0.455 (32.398)				
	MO -> EPS				2.325 (7.588)			
Dividend policy's mediating influence on management ownership and shareholder wealth	MO -> DPS ->MPS					-25.273*** (10.740)	-25.290** (10.750)	
	MO -> DPR ->MPS					-0.030 (0.668)		
	MO -> DPS ->EPS							-1.276** -1.285*

	MO -> DPR ->EPS							(0.703)	(0.709)
								-0.000	
								(0.016)	
Institutional ownership impact on dividend policy	IO -> DPS	-0.101 (0.104)							
	IO -> DPR		0.002 (0.052)						
Institutional ownership impact on shareholders' wealth	IO -> MPS			-0.614 (2.511)					
	IO -> EPS				-0.086 (0.588)				
Impact of dividend policy acting as a mediator between institutional ownership and shareholder wealth	IO -> DPS ->MPS					-0.802 (0.822)	-0.803 (0.823)		
	IO -> DPR ->MPS					0.002 (0.052)			
	IO -> DPS ->EPS							0.045 (0.044)	-0.041 (0.014)
	IO -> DPR ->EPS							0.000 (0.001)	
State ownership impact on dividend policy	SO -> DPS	-9.669*** (1.711)							
	SO -> DPR		-1.080 (0.855)						
State ownership impact on shareholders' wealth	SO -> MPS			20.062 (41.761)					
	SO -> EPS				3.156 (9.781)				
Effect of dividend policy as a mediator between state ownership and shareholder wealth	SO -> DPS ->MPS					76.294*** (14.731)	-76.229*** (14.757)		
	SO -> DPR ->MPS					(0.855)			
	SO -> DPS ->EPS							-3.853** (1.540)	-3.816** (1.552)
	SO -> DPR ->EPS							-0.023 (0.310)	
Foreign ownership impact on dividend policy	FO -> DPS	-0.075*** (0.039)							
	FO -> DPR		-0.010 (0.019)						
Foreign ownership impact on shareholders' wealth	FO -> MPS			-0.180 (0.936)					

	FO -> EPS				-0.044 (0.219)			
Effect of dividend policy as a mediator between foreign ownership and shareholder wealth	FO -> DPS ->MPS					-0.592* (0.309)	-0.591* (0.310)	
	FO -> DPR ->MPS					-0.010 (0.019)		
	FO -> DPS ->EPS							-0.029 (0.018)
	FO -> DPR ->EPS							-0.029 (0.019)
								-0.000 (0.003)
MC (R <sup>2</sup> )		0.249	0.095	0.406	0.197		0.406	0.197
MC2 (Adjusted R <sup>2</sup> )		0.062	0.009	0.165	0.039		0.165	0.039
Overall R <sup>2</sup>		0.117	0.084	0.117	0.091		0.125	0.099

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Note: MPS = Market price per share, EPS = Earnings per share, BODY = Board-ownership dynamics, BSize = Board size, BIndp = Board independence, BMeet = Board meeting, BGD = Board gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, DPS = Dividend per share, DPR = Dividend pay-out ratio.

**Source: Author's construct**

**Table 23: Objective three - summary of results and hypothetical decisions**

Objective Three		MPS	MPS	EPS	EPS	Supported
Hypothesis		-> DPS ->	-> DPR ->	-> DPS ->	-> DPR ->	
<i>Hc1</i>	<i>DP has a significant positive effect on SW</i>	7.897***	-0.116	0.402***	-0.116	Yes
<i>Hc2</i>	<i>DP mediates the link between BODY and SW</i>	1.433	0.509	0.072	0.007	No
<i>Hc3</i>	<i>DP mediates the link between BSize and SW</i>	3.103***	-0.219	0.156***	-0.003	Yes
<i>Hc4</i>	<i>DP mediates the link between BIndp and SW</i>	-3.798	-1.082	0.192	-0.014	No
<i>Hc5</i>	<i>DP mediates the link between BMeet and SW</i>	-0.674	-0.145	-0.034	-0.002	No
<i>Hc6</i>	<i>DP mediates the link between BGD and SW</i>	62.838***	-0.720	3.150***	-0.009	Yes
<i>Hc7</i>	<i>DP mediates the link between CEOD and SW</i>	-28.624***	0.708	-1.446**	-0.009	Yes
<i>Hc8</i>	<i>DP mediates the link between MO and SW</i>	-25.273***	-0.030	-1.276**	-0.000	Yes
<i>Hc9</i>	<i>DP mediates the link between IO and SW</i>	-0.802	0.002	0.045	0.000	No
<i>Hc10</i>	<i>DP mediates the link between SO and SW</i>	76.294***	--1.080	-3.853**	-0.023	Yes
<i>Hc11</i>	<i>DP mediates the link between FO and SW</i>	-0.592*	-0.010	-0.029	-0.029	Yes

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Note: DP= Dividend policy; SW = Shareholders' wealth; BODY = Board-ownership dynamics; BSize = Board size; BIndp = Board independence; BMeet = Board meetings; BGD = Board gender diversity; MO = Managerial ownership; IO = Institutional ownership; SO = State ownership; FO = Foreign ownership

**Source: Author's construct**

## CHAPTER NINE

### RESULTS AND DISCUSSION FOR OBJECTIVE FOUR: MODERATING ROLE OF BODY

*“A board that takes ownership of its dividend problems solves them. This is true on the battlefield, true in business, and true in life.”*

*- Jocko Willink*

#### 9.1. INTRODUCTION

This chapter addresses the fourth objective of the study, that is, to evaluate and elucidate the moderating influence of board-ownership dynamics in the interplay between dividend policy and shareholders' wealth, identifying empirical and policy implications. This objective is achieved using System GMM to test the exclusive and distinctive moderating role of BODY variables on the interplay between dividend policy (DP) and shareholders' wealth (SW) in Sub-Saharan Africa (SSA). The chapter analyses and discusses the results on objective four.

#### 9.2. MODERATING EFFECT OF BODY ON DP AND SW

Tables 24 and 25 present the results on the moderating effect of BODY as well as individual BODY variables (BSize, Bind, BMeet, BGD, CEOD, MO, IO, SO, and FO) on the relationship between DP (DPS and DPR) and SW (MPS and EPS) of quoted non-financial undertakings in SSA. The explanatory influence of BODY on the link between DP (DPS and DPR) and SW (MPS and EPS) is represented in the regression coefficient results of the interaction of DPS and BODY (DPS\*BODY) and DPR and BODY (DPR\*BODY). Similarly, the moderating effects of the individual BODY variables are represented in the regression coefficient results of the interactions DPS\*BSize, DPR\*BSize, DPS\*Bind, DPR\*Bind, DPS\*BMeet, DPR\*BMeet, DPS\*BGD, DPR\*BGD, DPS\*CEOD, DPR\*CEOD, DPS\*MO, DPR\*MO, DPS\*IO, DPR\*IO, DPS\*SO, DPR\*SO, DPS\*FO, and DPR\*FO.

On the moderating effect of board-ownership dynamics, the regression coefficient of DPS\*BODY on MPS is negative and significant, as shown in panel 41 of Table 24 ( $\beta = -1.34$ ; sig. < 1%). Conversely, the regression coefficient of DPS\*BODY on EPS shows a significant positive result as shown in model 53 of Table 25 ( $\beta = 0.177$ ; sig < 10%). However, the regression coefficients of DPR\*BODY on MPS is positive and on EPS is negative, but both are not significant ( $\beta = 0.24$ ; sig. > 10%;  $\beta = -0.10$ ; sig. > 10%). From the results, it could be observed that BODY has a moderation effect on the link between DP and SW since the co-efficient of DPS and DPR ( $\beta = 3.28$ ; sig. < 1%;  $\beta = -0.31$ ; sig. > 10%) in panel 40 got improved significantly for DPS ( $\beta = 15.27$ ; sig. < 1%;) and DPR ( $\beta = -2.50$ ; sig. > 10%) in panel 41 of Table 21 with MPA as dependent variable.

This effect however, gets distorted in panel 53 (DPS:  $\beta = -1.47$ ; sig. > 10%, DPR: 0.82; sig. > 10%) as compared to panel 52 (DPS:  $\beta = 0.12$ ; sig. > 10%, DPR: -0.08; sig. > 10%) in Table 25 with EPS as dependent variable when a moderation of BODY was introduced.

Specifically, BODY has an important adverse moderating effect on the link between DPS and MPS at 1% and a significant positive moderating effect between DPS and EPS at a 10% significant level, as reported in panels 41 and 53 of Tables 24 and 25, respectively. This result is confirmed by that of the PCSEs and FE in panels 45, 49, and 57, but that of FE in panel 61 is contradictory. On the other hand, BODY does not moderate the link between DPR and MPS and DPR and EPS as reported in panels 41 and 53. The implications of these moderating results indicate that the impact of the DPS on MPS is less pronounced in specific circumstances involving the moderating variable, BODY. Conversely, the positive coefficient of DPS\*BODY in panel 53 of Table 25 implies that the association between the DPS and EPS grows in strength when the moderating variable, BODY, is present or reaches higher levels.

In summary, the findings of the study indicate that BODY plays a crucial role as a negative moderator in the association between DPS and MPS, while also exerting a positive moderating influence on the connection between DPS and EPS. This implies that in certain BODY conditions, the influence of DPS on MPS is attenuated. In other words, when the moderating variable, BODY, is present or at greater levels, it attenuates the association between the DPS and MPS while enhancing or highlighting the relationship between the DPS and EPS. The findings provide backing for the null hypothesis, indicating that BODY plays a moderating role in the relationship between DP and SW. Furthermore, the outcomes align with existing literature suggesting that dynamics in board ownership influence the connection between dividend policy and shareholders' wealth (Jibril and Nma, 2020; Nurdin and Kasim, 2018).

Regarding the moderation effect of the DP-SW nexus by BSize, the regression coefficient of DPS\*BSize on MPS is positive and significant ( $\beta = 0.40$ ; sig. < 1%) and DPR\*BSize on MPS is also positive but not significant ( $\beta = 0.02$ ; sig. > 10%), as shown in panel 43 of Table 24. Similarly, the coefficient of DPS\*BSize on EPS is positive but not significant ( $\beta = 0.02$ ; sig. > 10%) as per panel 55 of Table 25. However, that of DPR\*BSize is negative and also not significant ( $\beta = -0.05$ ; sig. > 10%). This suggests that, in contrast to DPS and EPS, BSize modifies the link between DPS and MPS in a favourable and significant way. Also, BSize does not moderate the relationship between DPR and SW (MPS and EPS).

In summary, the work reveals that BSize exerts a positive and statistically significant moderating impact on the association between DPS and MPS but not on DPS and EPS. Additionally, BSize does not moderate the relationship between DPR and SW (MPS and EPS). This suggests that BSize can elucidate the connection between DPS and MPS. These findings are consistent with the research of Eklemet *et al.* (2023) and Bhatia and Kumari (2024), which highlight a positive and significant moderating effect of BSize on the relationship between DP and SW. This is however different from the findings of Ngatno *et al.* (2021), who investigate the moderating effects of CG mechanisms on the relationship between capital structure and firm performance and found that board size does not possess the ability to explain the nexus between capital structure and company financial output.

On the moderating effect of board independence on the DP-SW nexus, the coefficients of DPS\*BIndp ( $\beta = 2.08$ ; sig. >10%) and DPR\*BIndp ( $\beta = -0.46$ ; sig. >10%) in panel 43 of Table 24 are not significant, while those in panel 55 in Table 22, DPS\*BIndp ( $\beta = 3.61$ ; sig. <1%) is positively significant, but DPR\*BIndp ( $\beta = -1.52$ ; sig. >10%) is not significant. This implies that BIndp only moderates the relationship between DPS and EPS and not DPS and MPS, DPR, and SW (MPS and EPS). The positive moderation effect indicates that the association between the DPS and EPS is intensified or heightened with the presence or increased levels of the moderating variable, BIndp. Thus, the impact of DPS on EPS is enhanced by BIndp.

In summary, the result of the study shows that BIndp moderates the relationship between DPS and EPS and not DPS and MPS or DPR and MPS or DPR and EPS. This moderation effect is positive and suggests that the relationship between the DPS and EPS becomes stronger or more pronounced when the moderating variable, BIndp, is present or at higher levels. This means that BIndp enhances the effect of DPS on EPS. This supports the position of Yakubu *et al.* (2022) and Kanojia and Bhatia (2022), who suggest that boards having a larger percentage of independent members might prove more effective in ensuring that dividend policies align with shareholder interests, thus moderating the impact on shareholders' wealth.

On the moderating influence of board meetings on the DP-SW nexus, the coefficient of DPS\*BMeet ( $\beta = -0.31$ ; sig. <5%) in panel 43 of Table 24 is negative and statistically significant, but DPR\*BMeet ( $\beta = 0.84$ ; sig. >10%) is positive and not significant. Those in panel 55 of Table 25, DPS\*BMeet ( $\beta = -0.22$ ; sig. <5%) is negative and significant, but DPR\*BMeet ( $\beta = 0.21$ ; sig. >10%) is positive and not significant. This implies that BMeet has a significant negative moderating effect on the relationship between DPS and SW (MPS and EPS) but not DPR and SW (MPS and EPS).

The observed moderation effect indicates that the association between the DPS and SW (MPS and EPS) is less pronounced in specific circumstances involving the moderating factor, board meetings. In simpler terms, board meetings weaken or reduce the link between DPS and SW (MPS and EPS). This result is confirmed by the PCSEs and FE results in panel 47 of Table 24 and panels 59 and 63 of Table 25.

In summary, the research accounts that BMeet has a noteworthy negative moderating influence on the nexus between DPS and SW (MPS and EPS) but not DPR and SW (MPS and EPS). This moderation effect suggests that the relationship between DPS and SW (MPS and EPS) becomes weaker under certain conditions of the moderating variable, board meetings. In other words, board meetings diminish the relationship between DPS and SW (MPS and EPS). This supports the null hypothesis, which states that BMeet moderates the link between DP and SW. The result also supports the position of Mehran and Adams (2017), who suggest that more frequent board meetings may lead to well-informed decisions about dividend policy, potentially enhancing the positive impact on shareholders' wealth. It also supports Chen *et al.* (2020), who opined that board meetings positively moderate the link between DP and SW.

On the moderating influence of BGD on the DP-SW nexus, the co-efficient of DPS\*BGD ( $\beta = -4.80$ ; sig. <1%) in panel 43 in Table 24 is negative and statistically significant, and DPR\*BGD ( $\beta = -3.50$ ; sig. >10%) is also negative but not significant. Those in panel 55 of Table 25, DPS\*BGD ( $\beta = 0.98$ ; sig. >10%) is positive and not significant, and DPR\*BGD ( $\beta = -1.60$ ; sig. >10%) is negative and not significant. This implies that board gender has a grave negative moderating influence on the nexus between DPS and SW (MPS) but not DPS and EPS or DPR and SW (MPS and EPS). The negative moderation effect posits that the connection between the DPS and MPS diminishes in strength in specific circumstances involving the moderating variable, board gender diversity. This outcome is corroborated by the findings of PCSEs, albeit not by the FE results.

In summary, it is witnessed that BGD has a significant negative moderating influence on the link between DPS and SW (MPS) but not DPS and EPS or DPR and SW (MPS and EPS). The negative moderation effect suggests that the relationship between the DPS and MPS becomes weaker under certain conditions of the moderating variable, BGD. This result accepts the null hypothesis, which states that board-gender diversity moderates the link between DP and SW. The result supports the views of Khan (2022), and Guizani and Abdalkim (2022), who contend that the presence of females on a board adversely affects the wealth maximisation of shareholders.

It, however, contradicts that of Ullah *et al.* (2020), Usman *et al.* (2019), and AA Zaid *et al.* (2020), who rather opine that female representation on boards favourably affects the wealth maximisation of shareholders.

On the moderating influence of CEOD on the DP-SW nexus, the coefficients of DPS\*CEOD ( $\beta = 0.91$ ; sig. >10%) and DPR\*BIndp ( $\beta = 3.41$ ; sig. >10%) in panel 43 in Table 24 are positive and not significant, while those in panel 55 in Table 25, DPS\*CEOD ( $\beta = -1.16$ ; sig. >10%) and DPR\*CEOD ( $\beta = -0.70$ ; sig. >10%) are negative and also not significant. This implies that CEOD does not moderate the relationship between DP and SW of non-financial firms listed in SSA. This result is confirmed by the results of PCSEs but not FE results in panels 47 and 51.

The research findings briefly indicate that the CEOD does not act as a moderator in the association between DP and SW for non-financial companies listed in the Sub-Saharan Africa region. This outcome refutes the hypothesis that CEOD plays a moderating role in the relationship between DP and SW. Furthermore, these outcomes oppose the inferences pinched by Salem *et al.* (2019) and Dakhlallah *et al.* (2019), who suggest that CEOD exerts a significant moderating influence on the connection between DP and SW.

With respect to the moderating effect of MO on the DP-SW nexus, the co-efficient of DPS\*MO ( $\beta = 8.87$ ; sig. <1%) in panel 43 of Table 24 is positive and statistically significant, and DPR\*MO ( $\beta = 7.86$ ; sig. >10%) is also positive but not significant. Those in panel 55 of Table 25, DPS\*MO ( $\beta = -0.16$ ; sig. >10%) and DPR\*MO ( $\beta = -1.13$ ; sig. >10%) are negative and not significant. This implies that MO has a strong favourable moderating influence on the connection between DPS and MPS but not DPS and EPS or DPR and SW (MPS and EPS). The positive moderation effect denotes that the link between the DPS and MPS intensifies or becomes more prominent in the presence of the moderating variable, MO, or at higher levels. This result is confirmed by the PCSEs and FE results in panel 47 of Table 21 and panels 59 and 63 of Table 25.

On the moderating influence of IO on the DP-SW nexus, the co-efficient of DPS\*IO ( $\beta = -8.95$ ; sig. <1%) in panel 43 of Table 24 is negative and statistically significant, and DPR\*IO ( $\beta = 3.67$ ; sig. >10%) is positive but not significant. Those in panel 55 of Table 25, DPS\*IO ( $\beta = -0.18$ ; sig. >10%) is negative and DPR\*IO ( $\beta = 0.26$ ; sig. >10%) is positive but not significant. This implies that IO has a significant adverse moderating effect on the link between DPS and MPS but not DPS and EPS or DPR and SW (MPS and EPS).

The negative moderation effect implies that the link between the DPS and MPS gets weaker under certain conditions of institutional ownership. This result is confirmed by the PCSEs in panel 47 of Table 24 and panels 59 of Table 25, but that of FE is conflicting.

On the moderating influence of state ownership on the DP-SW nexus, the co-efficient of DPS\*SO ( $\beta = -14.80$ ; sig. >10%) in panel 43 in Table 24 is negative and not significant, and DPR\*SO ( $\beta = 13.02$ ; sig. >10%) is positive but not substantial. This indicates that SO does not moderating the link between DP and SW. This result is confirmed by the PCSEs in panel 47 of Table 24 and panels 59 of Table 25. On the moderating influence of foreign ownership on the DP-SW nexus, the coefficients of DPS\*FO ( $\beta = 0.78$ ; sig. >10%) and DPR\*FO ( $\beta = 5.53$ ; sig. >10%) in panel 43 in Table 24 are positive and not significant, while those in panel 55 in Table 25, DPS\*FO ( $\beta = -0.95$ ; sig. >10%) is negative and DPR\*FO ( $\beta = 0.79$ ; sig. >10%) is positive, but all are not noteworthy. This infers that FO does not moderate the link between DP and SW of non-financial firms listed in SSA. This result is confirmed by the results of PCSEs but not FE results in panels 47 and 51.

In summary, the ownership structure, MO demonstrates a noteworthy positive moderating impact on the relationship between DPS and MPS, while SO also exhibits a substantial positive moderating effect on the association between DPS and EPS. The positive moderating effects suggest that the relationship between the DP (DPS) and SW (MPS and EPS) becomes stronger or more pronounced when MO or SO is present in a firm. This result confirms the null hypothesis, which states that MO as well as SO moderates the link between DP and SW. The moderating role supports the findings of Ben Amar *et al.* (2018) and Fakhroni and Kurniawan (2018) but opposes those of Alenazi and Barbour (2019). Likewise, the moderating role of SO supports the views of Thu and Minh (2023), Kim and Chung (2020), and Peng and Roels (2019), who opine that SO moderates the DP-SW nexus.

Conversely, it is noted that IO significantly reduces the moderating influence of DP (DPS) on the relationship with SW (MPS). The negative moderation effect suggests that the relationship between the DPS and MPS becomes weaker under certain conditions of institutional ownership. This supports the null hypothesis, which states that IO moderates the relationship between DP and SW. The result supports the works of Ali and Tauni (2021), Kibiya *et al.* (2019), and Zouari and Hamad (2020), who all discover that IO has a significant moderating effect. On the other hand, it is observed that FO does not moderate the relationship between DP and SW of non-financial firms listed in SSA. This rejects the null hypothesis, which suggests that FO moderates the link between DP and SW. The result on the moderating role of FO opposes that of Aggarwal and Klapper (2013), who opine that FO may moderate the link between DP and SW.

The Arellano-Bond test for AR(2) in first differences and the Sargan tests for the GMM models show insignificant co-efficient as reported in panels 33, 34, 35, and 36. This suggests that there is no second-order serial correlation as well as confirming the validity of the instruments used, respectively.

### **9.3. SUMMARY OF CHAPTER NINE**

The chapter analysed, presented, and discussed results on the moderating effect of BODY on the relationship between dividend policy and shareholders' wealth. The results are summarised in Table 26. The study reveals that board-ownership dynamics (BODY) is a significant moderator in the relationship between dividend policy (DP) and shareholder wealth (SW). BODY attenuates the influence of DPS on MPS when present or at higher levels, while enhancing the relationship between DPS and EPS. This supports the null hypothesis that BODY moderates the relationship between DP and SW. The study also found that board size has a positive and statistically significant moderating impact on the association between DPS and MPS but not on DPS and EPS. It does not moderate the relationship between DPR and SW (MPS and EPS). These findings align with previous research but differ from the findings of Ngatno *et al.* (2021) that board size cannot explain the nexus between capital structure and company financial output.

The study reveals that BIndp moderates the relationship between dividend policies (DPs) and earnings per share (EPS), with a positive effect. This supports the idea that boards with a larger percentage of independent members may be more effective in aligning dividend policies with shareholder interests. BMeet has a negative moderating effect on the relationship between DPS and shareholder wealth (MPS and EPS), but not DPR and SW. Board meetings moderate the link between DPS and SW, potentially enhancing shareholders' wealth, while board gender diversity also supports this relationship. The study reveals that female board members may negatively impact shareholder wealth maximisation, and CEOOD does not moderate the relationship between dividend payments (DP) and shareholder wealth (SW) in non-financial companies. The study reveals that ownership structure (MO) and ownership structure (SO) significantly moderate the relationship between dividend per share (DPS) and market price per share (MPS) in a firm. The positive effects suggest that the relationship between DP and SW becomes stronger or more pronounced when MO or SO are present. This supports the null hypothesis that MO and SO moderate the link between DP and SW. Conversely, IO significantly reduces the moderating influence of DP on the relationship with SW, suggesting that the relationship becomes weaker under certain conditions of institutional ownership. This supports the null hypothesis that IO moderates the relationship between DP and SW. However, FO does not moderate the relationship between DP and SW of non-financial firms listed in SSA, rejecting the null hypothesis that FO moderates the link between DP and SW.

**Table 24: Moderating effect of BODY on DP and shareholders' wealth (MPS)**

Variables	Market Price Per Share											
	33 GMM	34 GMM	35 GMM	36 GMM	37 PCSEs	38 PCSEs	39 PCSEs	40 PCSEs	41 FE	42 FE	43 FE	44 FE
MPS_1	1.008*** (0.064)	1.028*** (0.069)	0.998*** (0.064)	0.972*** (0.068)	0.923*** (0.082)	0.938*** (0.087)	0.919*** (0.081)	0.939*** (0.089)	0.016** (0.007)	0.016** (0.007)	0.015** (0.007)	0.014** (0.006)
DPS	3.277*** (0.307)	15.269*** (2.688)	3.220*** (0.312)	3.414* (1.986)	3.635*** (0.453)	14.345*** (2.970)	3.530*** (0.454)	4.653* (2.398)	2.824*** (0.406)	3.212*** (0.811)	2.752*** (0.406)	-0.247 (1.164)
DPR	-0.313 (0.342)	-2.503 (3.713)	-0.284 (0.341)	-7.330 (5.226)	-0.778 (0.818)	-5.237 (8.399)	-0.645 (0.800)	-18.770 (14.867)	0.028 (0.096)	0.241 (1.030)	0.034 (0.096)	0.144 (1.483)
BODy	-0.243 (1.216)	2.465** (1.167)			1.320** (0.624)	3.536*** (0.684)			-0.917 (0.741)	-0.762 (0.789)		
DPS_x_BODY		-1.342*** (0.326)				-1.196*** (0.367)				-0.049 (0.089)		
DPR_x_BODY		0.235 (0.402)				0.488 (0.880)				-0.023 (0.111)		
BSize			1.334 (1.071)	-0.381 (1.046)			3.968*** (0.637)	1.658*** (0.620)			0.294 (0.468)	0.242 (0.523)
BIndp			-19.047 (12.282)	-41.048*** (12.965)			-49.417*** (12.257)	-73.738*** (14.681)			11.375* (5.884)	5.424 (6.023)
BMeet			0.539 (0.979)	1.639 (1.076)			1.917** (0.876)	3.596*** (0.984)			0.499 (0.334)	0.404 (0.381)
BGD			28.965** (13.629)	40.400*** (14.060)			21.962 (17.920)	40.821** (20.070)			13.321** (6.517)	7.824 (7.152)
CEOD			1.567 (7.189)	-1.801 (7.400)			-2.500 (2.639)	-5.898* (3.579)			1.907 (13.894)	2.819 (13.492)
MO			-21.384** (9.552)	-38.148*** (9.186)			-13.972*** (4.285)	-39.270*** (4.949)			-1.603 (9.023)	-10.402 (8.843)
IO			-0.335 (0.699)	-0.198 (0.686)			-0.475* (0.243)	-0.312* (0.163)			-0.009 (0.219)	-0.015 (0.213)
SO			-1.727 (11.368)	21.918 (13.855)			-2.366 (4.940)	9.281 (5.821)			19.848 (18.570)	-34.727 (24.911)
FO			-0.089 (0.256)	0.080 (0.247)			0.073 (0.058)	0.160** (0.065)			1.140 (7.493)	8.429 (8.568)
DPS_x_BSize				0.402*** (0.106)				0.498*** (0.120)				0.017 (0.065)
DPR_x_BSize				0.020 (0.466)				-0.383 (0.714)				0.098 (0.134)
DPS_x_BIndp				2.078				0.542				1.475

				(2.375)				(2.398)				(1.433)
DPR_x_BIndp				-0.461				16.387				-0.255
				(9.564)				(21.539)				(2.803)
DPS_x_Bmeet				-0.313**				-0.521**				0.006
				(0.128)				(0.220)				(0.044)
DPR_x_BMeet				0.840				1.044*				-0.055
				(0.654)				(0.540)				(0.182)
DPS_x_BGD				-4.798***				-5.892**				1.570*
				(1.759)				(2.510)				(0.805)
DPR_x_BGD				-3.499				-11.281				-1.307
				(7.678)				(12.817)				(2.151)
DPS_x_CEOD				0.909				-0.513				-0.671
				(2.176)				(1.693)				(1.287)
DPR_x_CEOD				3.410				10.385				-0.378
				(4.546)				(10.552)				(1.303)
DPS_x_MO				8.869***				10.428***				16.759***
				(2.526)				(2.780)				(2.105)
DPR_x_MO				7.857				17.082				-0.466
				(4.840)				(13.820)				(1.391)
DPS_x_IO				-8.950***				-8.696***				0.602
				(0.922)				(0.811)				(1.002)
DPR_x_IO				3.672				9.233				-0.304
				(2.842)				(6.469)				(0.824)
DPS_x_SO				-14.797				-8.484				21.608***
				(10.197)				(7.941)				(6.013)
DPR_x_SO				13.017				26.861				-2.332
				(9.541)				(27.073)				(2.683)
DPS_x_FO				0.781				0.875				-0.601
				(1.225)				(1.595)				(0.523)
DPR_x_FO				5.527				7.876				0.864
				(6.557)				(10.174)				(1.864)
LnFSize	-2.496*	-2.115*	-2.700**	-2.645**	-0.736	-0.330	-1.158*	-1.683***	4.521***	4.521***	4.617***	4.750***
	(1.339)	(1.280)	(1.316)	(1.198)	(0.648)	(0.601)	(0.622)	(0.468)	(1.142)	(1.143)	(1.120)	(1.124)
LnFAge	-7.967*	-10.559**	-8.614**	5.235	-3.444	-5.554*	-4.482*	6.528*	1.781	1.980	-1.406	0.973
	(4.124)	(4.630)	(4.133)	(4.817)	(2.579)	(3.129)	(2.519)	(3.713)	(5.666)	(5.680)	(4.676)	(5.709)
LIQ	0.000	0.000	0.000	-0.000	0.000	0.000	-0.000	-0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
LEV	-0.001	-0.001	-0.001	-0.000	-0.003	-0.003	-0.002	-0.001	0.000	0.000	-0.000	-0.000
	(0.007)	(0.007)	(0.007)	(0.007)	(0.002)	(0.002)	(0.002)	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)
LnGDP	26.292	26.920	29.973	24.782	19.892	20.155	24.455*	19.549*	-0.349	-0.259	-1.728	-5.052
	(20.201)	(20.685)	(20.144)	(20.001)	(14.968)	(15.972)	(12.943)	(11.573)	(3.800)	(3.805)	(3.786)	(3.832)

LnINFL	5.898 (11.330)	6.153 (11.601)	6.648 (11.271)	6.884 (11.079)	13.977 (8.510)	14.035 (8.830)	15.628* (8.645)	14.991* (7.923)	-0.156 (1.888)	-0.144 (1.889)	0.262 (1.758)	-0.475 (1.854)
LnEXC	15.267 (18.549)	9.411 (18.917)	19.138 (18.640)	14.703 (18.377)	5.888 (13.820)	-0.144 (15.234)	10.178 (12.047)	8.192 (10.905)	1.152 (2.572)	1.031 (2.582)		-1.813 (2.554)
Constant	-51.555 (103.482)	-69.079 (105.034)	-69.548 (105.216)	-78.113 (103.378)	-96.831 (87.934)	-110.146 (92.258)	-107.218 (77.105)	-90.046 (63.485)	-35.767 (31.096)	-37.672 (31.280)	-40.562 (31.748)	-22.438 (31.900)
Observations	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570
Number of ID	157	157	157	157	157	157	157	157	157	157	157	157
Time Fixed Effect	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO
Country Fixed Effect	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO
R-squared					0.844	0.847	0.846	0.871	0.056	0.056	0.064	0.131
Wald chi <sup>2</sup>	8296***	8333***	8772***	11771***	56813***	20791***	57572***	480147***				
AR(1)	3.18***	3.26***	3.27***	3.60***								
AR(2)	0.80	0.78	0.76	0.58								
Sargan	11.91	10.37	11.84	13.13								

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Note: MPS\_1 = lag of Market Price per Share, DPS = Dividend per Share, DPR = Dividend Pay-out Ratio, BODy = Board-ownership dynamics, BSize = Board size, BIndp = Board independence, BMeet = Board meetings, BGD = Board gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, LnFSize = Natural log of Firm size, LnFAge = Natural log of Firm age, LIQ = Liquidity, LEV = Leverage, LnGDP = Natural log of Gross Domestic Product, LnINFL = Natural log of Inflation, LnEXC = Natural log of Exchange rate.

**Source: Author's construct**

**Table 25: Moderating effect of BODY on DP and shareholders' wealth (EPS)**

Variables	Earnings per Share											
	45 37-GMM	46 38-GMM	47 39-GMM	48 40-GMM	49 29-PCSEs	50 42-PCSEs	51 43-PCSEs	52 44-PCSEs	53 45-FE	54 46-FE	55 47-FE	56 48-FE
EPS_1	0.746*** (0.028)	0.738*** (0.028)	0.737*** (0.028)	0.712*** (0.029)	0.796*** (0.193)	0.789*** (0.193)	0.790*** (0.192)	0.773*** (0.193)	0.537*** (0.025)	0.537*** (0.025)	0.529*** (0.025)	0.502*** (0.025)
DPS	0.123 (0.109)	-1.474 (0.926)	0.110 (0.111)	-1.394 (0.997)	0.116 (0.087)	-1.854* (1.108)	0.113 (0.086)	-1.051 (0.826)	0.072 (0.871)	0.886 (1.745)	-0.030 (0.873)	-2.981 (2.568)
DPR	-0.076 (0.238)	0.816 (2.513)	-0.053 (0.238)	0.997 (3.583)	-0.046 (0.098)	0.669 (0.771)	-0.015 (0.091)	1.198 (2.242)	0.019 (0.206)	0.486 (2.216)	0.029 (0.206)	0.943 (3.277)
BODy	0.810 (0.765)	0.470 (0.791)			0.630 (0.530)	0.205 (0.465)			1.659 (1.594)	1.986 (1.698)		
DPS_x_BODy		0.177* (0.102)				0.219* (0.130)				-0.102 (0.191)		
DPR_x_BODy		-0.098 (0.272)				-0.078 (0.088)				-0.051 (0.240)		
BSize			1.399** (0.553)	1.379** (0.627)			1.068* (0.577)	0.972** (0.488)			1.785* (1.009)	2.826** (1.158)
BIndp			-1.008 (8.577)	-4.912 (9.087)			-0.542 (3.028)	-2.357 (2.986)			13.011 (12.684)	7.620 (13.314)
BMeet			0.572 (0.647)	1.279* (0.724)			0.366 (0.467)	0.780** (0.391)			0.452 (0.721)	1.494* (0.842)
BGD			-9.592 (8.652)	-10.898 (9.260)			-8.104* (4.724)	-9.128** (3.945)			19.148 (14.064)	-5.269 (15.807)
CEOD			-2.605 (4.917)	-3.072 (5.089)			-1.832* (1.087)	-1.761** (0.819)			7.347 (29.935)	4.834 (29.810)
MO			3.047 (6.053)	0.999 (6.393)			2.983* (1.591)	0.639 (2.041)			-0.095 (19.441)	1.064 (19.537)
IO			0.004 (0.489)	-0.032 (0.483)			0.004 (0.053)	-0.033 (0.046)			-0.003 (0.471)	-0.007 (0.470)
SO			-7.361 (7.860)	-12.523 (8.436)			-1.584 (3.030)	-7.652*** (2.878)			-17.596 (40.108)	-23.019 (55.038)
FO			0.041 (0.170)	0.043 (0.169)			0.048* (0.027)	0.041* (0.024)			27.390* (16.180)	45.759** (19.036)
DPS_x_BSize				0.020 (0.059)				0.048 (0.055)				-0.233 (0.144)
DPR_x_BSize				-0.045 (0.326)				-0.079 (0.143)				-0.045 (0.295)
DPS_x_BIndp								2.285**				6.220**

				(1.333)				(1.091)				(3.169)
DPR_x_BIndp				-1.519				-1.264				-2.676
				(6.733)				(2.621)				(6.193)
DPS_x_Bmeet				-0.222**				-0.152**				-0.276***
				(0.090)				(0.076)				(0.097)
DPR_x_Bmeet				0.208				0.176				0.247
				(0.454)				(0.199)				(0.401)
DPS_x_BGD				0.982				0.413				6.281***
				(1.035)				(1.081)				(1.804)
DPR_x_BGD				-1.596				-0.752				0.223
				(5.405)				(2.944)				(4.752)
DPS_x_CEOD				-1.163				-1.075*				-3.014
				(1.504)				(0.554)				(2.843)
DPR_x_CEOD				-0.695				-0.709				-0.596
				(3.199)				(0.542)				(2.880)
DPS_x_MO				-0.155				0.594				-2.167
				(1.342)				(1.266)				(4.650)
DPR_x_MO				-1.128				-1.193				-0.180
				(3.334)				(0.941)				(3.073)
DPS_x_IO				-0.175				-0.202				4.037*
				(0.596)				(0.439)				(2.216)
DPR_x_IO				0.260				0.058				-0.265
				(1.998)				(1.097)				(1.821)
DPS_x_SO				6.091**				7.076**				1.716
				(2.538)				(3.170)				(13.323)
DPR_x_SO				-4.683				-4.697*				-0.496
				(6.548)				(2.619)				(5.928)
DPS_x_FO				-0.952				-0.878				-0.699
				(0.794)				(0.556)				(1.156)
DPR_x_FO				-1.374				-1.234				0.491
				(4.565)				(1.537)				(4.117)
LnFSize	1.070**	0.989**	1.035**	0.912*	0.930**	0.821**	0.885**	0.754**	7.089***	7.091***	7.497***	7.034***
	(0.498)	(0.499)	(0.509)	(0.513)	(0.444)	(0.397)	(0.414)	(0.331)	(2.453)	(2.454)	(2.405)	(2.477)
LnFAge	1.917	2.142	1.593	1.972	1.692	1.958	1.466	1.918	-6.244	-5.824	-11.027	-18.063
	(1.595)	(1.596)	(1.621)	(1.725)	(1.237)	(1.325)	(1.182)	(1.753)	(12.187)	(12.217)	(10.087)	(12.613)
LIQ	-0.000	-0.000	-0.000	-0.000	-0.000	-0.000	-0.000	-0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
LEV	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.000	0.000	-0.000	-0.000
	(0.005)	(0.005)	(0.005)	(0.005)	(0.001)	(0.001)	(0.001)	(0.001)	(0.004)	(0.004)	(0.004)	(0.004)
LnGDP	-4.343	-4.211	-3.411	0.996	-3.974	-4.024	-3.715	-1.329	-7.122	-6.933	-7.586	-4.939
	(13.975)	(13.929)	(14.015)	(13.986)	(13.485)	(13.403)	(13.105)	(12.628)	(8.173)	(8.185)	(8.157)	(8.467)

LnINFL	-9.955 (7.899)	-9.925 (7.874)	-9.694 (7.881)	-8.413 (7.798)	-8.324 (6.495)	-8.273 (6.460)	-8.377 (6.346)	-7.415 (6.233)	-5.097 (4.065)	-5.070 (4.068)	-4.501 (3.790)	-3.658 (4.102)
LnEXC	3.488 (12.895)	4.290 (12.865)	2.570 (12.967)	4.604 (12.833)	4.785 (11.208)	5.798 (11.308)	4.103 (10.797)	5.146 (10.169)	0.872 (5.535)	0.614 (5.556)		1.842 (5.646)
Constant	5.506 (70.162)	7.571 (69.962)	0.049 (70.814)	-21.783 (70.796)	3.526 (79.892)	7.160 (78.979)	1.393 (77.147)	-9.644 (73.863)	-101.725 (67.102)	-105.821 (67.511)	-123.715* (68.638)	-130.313* (70.809)
Observations	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570
Number of ID	157	157	157	157	157	157	157	157	157	157	157	157
Time Fixed Effect	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO
Country Fixed Effect	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO
R-squared					0.515	0.516	0.517	0.523	0.266	0.266	0.270	0.287
Wald chi <sup>2</sup>	864.75***	864.75***	885.54***	953.67***	121488***	197016***	140571***	272824***				
AR(1)	49.56	49.12	50.23	50.23								
AR(2)	6.38	6.33	6.58	6.81								
Sargan	707.00	708.82	708.05	717.68								

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Note: EPS\_1 = lag of Market Price per Share, DPS = Dividend per Share, DPR = Dividend Pay-out Ratio, BODY = Board-ownership dynamics, BSize = Board size, BIndp = Board independence, BMeet = Board meetings, BGD = Board gender diversity, CEOD = CEO duality, MO = Managerial ownership, IO = Institutional ownership, SO = State ownership, FO = Foreign ownership, LnFSize = Natural log of Firm size, LnFAge = Natural log of Firm age, LIQ = Liquidity, LEV = Leverage, LnGDP = Natural log of Gross Domestic Product, LnINFL = Natural log of Inflation, LnEXC = Natural log of Exchange rate.

**Source: Author's construct**

**Table 26: Objective 4 - summary of results and hypothetical decision**

Objective Four		Shareholders' wealth				Supported
Hypothesis		Market price per share		Earnings per share		
		DPS*Md	DPR*Md	DPS*Md	DPR*Md	
<i>Hd<sub>1</sub></i>	<i>BODy moderates DP and shareholders' wealth link</i>	-1.342***	0.235	0.177*	-0.098	Yes
<i>Hd<sub>2</sub></i>	<i>BSize moderates DP and shareholders' wealth link</i>	0.402***	0.020	0.020	-0.045	Yes
<i>Hd<sub>3</sub></i>	<i>Board independence moderates DP and shareholders' wealth link</i>	2.078	-0.461	3.612***	-1.519	Yes
<i>Hd<sub>4</sub></i>	<i>Board meetings moderate DP and shareholders' wealth link</i>	-0.313*	0.840	-0.222**	0.208	Yes
<i>Hd<sub>5</sub></i>	<i>BGD moderates the DP and shareholders' wealth link</i>	-4.798***	-3.499	0.982	-1.596	Yes
<i>Hd<sub>6</sub></i>	<i>CEOD moderates dividend policy and shareholders' wealth link</i>	0.909	3.410	-1.163	-0.695	No
<i>Hd<sub>7</sub></i>	<i>MO moderates DP and shareholders' wealth link</i>	8.869***	7.587	-0.155	-1.128	Yes
<i>Hd<sub>8</sub></i>	<i>IO moderates DP and shareholders' wealth link</i>	-8.950***	3.672	-0.175	0.260	Yes
<i>Hd<sub>9</sub></i>	<i>SO moderates dividend policy and shareholders' wealth link</i>	-14.797	13.017	6.091**	-4.683	Yes
<i>Hd<sub>10</sub></i>	<i>FO moderates DP and shareholders' wealth link</i>	0.781	5.527	-0.952	-1.374	No

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1. BODy = Board-ownership dynamics; DP= Dividend policy; BSize = Board size; BIndp = Board independence; BMeet = Board meetings; BGD = Board gender diversity; MO = Managerial ownership; IO = Institutional ownership; SO = State ownership; FO = Foreign ownership

**Source: Author's construct**

## CHAPTER TEN

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

*“<sup>a</sup>The story is not true if it does not hit the climax and conclusion with  
<sup>b</sup>enough research that tends to support the conclusion”  
- <sup>a</sup>Ted Naifeh, <sup>b</sup>Arthur Bloch*

#### 10.1. INTRODUCTION

This chapter serves as the ultimate for the study. Along with highlighting a summary of the bibliometric review covered in the study, it also emphasizes the summary of findings that align with the objectives 2, 3, and 4 of the research. The summary of findings serves as the foundation for conclusions. Recommendations, policy, and practical and theoretical consequences follow. In the chapter, the study's limitations are highlighted as well. The chapter also includes a summary of the chapter and a list of potential research areas.

#### 10.2. SUMMARY OF PRINCIPAL FINDINGS AND CONCLUSION

Grounded on the data analysis in the preceding chapter, this part presents a summary of the study's findings. These outcomes are provided in accordance with the objectives and theories of the study, from which inferences are made. The section then provides a concise synopsis of the board-ownership dynamics bibliometric evaluation.

##### 10.2.2. Objective one: bibliometric review of board-ownership dynamics

This research utilised a mixture of quantitative and qualitative methodologies to perform a comprehensive assessment of the literature concerning board-ownership dynamics. An analysis is conducted on a dataset of 9,549 research papers salvaged from the Scopus databank spanning from 2008 to 2023. Through a bibliometric cluster analysis, the investigation delineates six distinct research streams: (1) corporate governance, BoD, firm performance, agency theory, and executive compensation; (2) ownership structure, earnings management, audit committee, audit quality, and board characteristics; (3) CSR, sustainability, ESG, and stakeholder theory; (4) performance, family firms, innovation, COVID-19, and risk management; (5) gender diversity, financial performance, board independence, and board size; and (6) firm value, concentration of ownership, IO, FO, and capital structure. The review also highlights significant publications, authors, studies, and institutions. This bibliometric scrutiny contributes to the existing knowledge base and offers fresh insights into research on board characteristics and ownership arrangements by delivering a thorough summary and recognition of the most notable and recent studies within this domain. The review maps the intellectual framework of the subject to determine the emerging themes that offer directions to the academicians and potential researchers.

### **10.2.3. Objective two: Effect of board-ownership dynamics on SW and DP**

The study uncovers a notable positive correlation between board-ownership dynamics and shareholders' wealth, as measured by MPS. The research lends support to the null hypothesis positing a link between board-ownership dynamics and shareholders' wealth. The results indicate that enhancing BODy could benefit shareholders, aligning with the theoretical projections of agency theory. Regarding board characteristics, it reveals that BSize, BGD, and BMeet exhibit a positive association with shareholders' wealth. These connections are statistically significant, except for board meetings. This suggests that a larger board size and increased representation of women on boards could enhance shareholders' wealth. The favourable outcomes of board size and shareholders' wealth reinforce the hypothesis and endorse the outcome theory, which proposes that a larger board size serves as a mechanism to protect shareholders' interests, thereby anticipating a direct correlation between BSize, dividend disbursements, and the enhancement of shareholders' wealth. The substantial favourable link between board-gender diversity and shareholders' wealth (MPS) corroborates the resource dependence theory, which argues that gender-diverse boards are beneficial for modern companies, not only from an ethical standpoint but also for nurturing crucial relationships with the external environment to secure essential resources. The study identifies a significant negative correlation between CEO duality, managerial ownership, state ownership, and shareholders' wealth, as determined by MPS. Additionally, it is found that board independence and institutional ownership hold a negative relationship with MPS and EPS, albeit not statistically significant, while foreign ownership exhibits no association with shareholders' wealth (MPS and EPS).

In conclusion, the findings validate a range of theoretical frameworks, including agency theory, outcome theory, and resource dependence theory, underscoring the pivotal role of robust governance practices in augmenting shareholders' value. The study accentuates the benefits of enhancing the relationship between the board and ownership, pointing out a substantial positive connection between these dynamics and shareholders' wealth, as gauged by MPS. This underscores the significance of transparency, accountability, and alignment of interests between management and shareholders in fostering favourable outcomes. The positive links between board size, board gender diversity, and shareholders' wealth align with the outcome theory, indicating that larger boards and diverse gender representation contribute positively to shareholder value. However, negative associations between CEO duality, managerial ownership, state ownership, and shareholders' wealth highlight potential governance hurdles that could impede firm performance. This underscores the importance of efficient governance structures to alleviate conflicts of interest and agency issues.

Furthermore, the positive relationship between GDP and MPS and the firm's size and EPS emphasises the significance of both firm-specific characteristics and general economic factors in optimizing shareholders' wealth. Together, these results offer investors, business executives, and legislators' insightful information about how to improve governance procedures and boost the assets of shareholders.

The research also discovers that BODY and BSize exhibit an insignificant negative correlation with dividend policy (DPS and DPR). Despite supporting the substitute theory, these negative relationships lack statistical significance. The research exposed that the gender composition of the board has a substantial negative impact on DPS. This suggests that a higher presence of females on the board leads to reduced dividend payments. This outcome aligns with the substitution theory, indicating that including women on boards might escalate conflicts among members, heightening agency costs and subsequently influencing dividend payments adversely. Conversely, CEO duality displays a positive correlation with DPS, albeit not statistically significant. Additionally, board independence and meetings exhibit negligible negative associations with dividend policy (DPS and DPR).

The study finds that managerial ownership demonstrates significant negative relationships with dividend policy concerning dividend per share. This suggests that managerial ownership results in diminished dividend payments. This outcome supports the null hypothesis, proposing an adverse connection between MO and DP. Similarly, state ownership is shown to have significant negative associations with DPS, indicating that state ownership leads to a decline in DPS. Conversely, institutional and foreign ownership do not show significant relationships with dividend policy. GDP is indicated to have a substantial negative correlation with DPS and a notable positive correlation with DPR. The findings also reveal that firm age displays a significant positive relationship with DPR but lacks significance with DPS.

In summary, this study dives into the intricate interplay among board dynamics, OS, and DP in firms, offering valuable insights despite some relationships lacking statistical significance. While the relationship between board-ownership dynamics and DP proves to be insignificant and negative, echoing the principles of the substitute theory, the non-significant negative correlation of board size with dividend per share (DPS) is in line with the expectation that smaller boards are more effective in reducing agency costs. However, the marked adverse effect between BGD and DPS challenges initial assumptions, hinting at potential conflicts stemming from gender diversity affecting dividend policy. On the other hand, CEO duality, board independence, and board meetings do not notably impact dividend policy, indicating the necessity for further exploration.

Regarding ownership structure, both managerial and state ownership exhibit significant negative connections with dividend policy, whereas institutional and foreign ownership do not reveal significant associations. Furthermore, macroeconomic factors like GDP and firm age are shown to influence dividend policy decisions. These discoveries enrich our comprehension of the determinants of dividend policy, emphasizing the intricate nature of governance dynamics and ownership structures, along with their repercussions on corporate practices, investor strategies, and future research prospects.

Concerning the control variables, the study demonstrates that company size presents a significant negative link with MPS and a significant positive correlation with EPS, supporting the signalling theory. Gross Domestic Product (GDP) shows a substantial favourable association with MPS and a negligible negative relationship with EPS. This implies that board and ownership dynamics optimise shareholders' wealth during periods of economic expansion. Other control variables such as company age, liquidity, leverage, interest rates, and exchange rate do not display any significant correlation with shareholders' wealth.

#### **10.2.4. Objective three: Mediating effect of DP on BODY and SW**

The study unveils a direct and noteworthy positive link amid DPS and SW, encompassing market price per share (MPS) and earnings per share (EPS). This suggests a substantial enhancement in shareholders' wealth due to DPS, thereby lending strong support to the hypothesis that dividend policy plays a crucial role in augmenting shareholders' wealth. Furthermore, it aligns with the bird-in-hand theory, advocating dividends as the optimal yardstick for gauging equity expectations. It posits that dividend allocation holds greater significance than expenses when evaluating an entity's value, thus strengthening the dividend relevance theory.

The research indicates that dividend policy (DP) represented by DPS and dividend pay-out ratio (DPR) does not act as a mediator in the link between BoD size and shareholders' wealth (MPS and EPS) within non-financial enterprises listed in Sub-Saharan Africa (SSA). This outcome contradicts the hypothesis that dividend policy mediates the correlation between board magnitude and SW. Conversely, the study identifies that DP, as measured through DPS, exerts a substantial positive mediating influence on the relationship between board size and shareholders' wealth. This underscores the presence of a significant correlation between board size and shareholders' wealth, which is further reinforced by a favourable dividend policy, indexed by dividend per share.

Moreover, DPS is observed to exert a noteworthy positive mediating impact on the connection between board gender diversity and shareholders' wealth. The hypothesis that dividend policy mediates the link between BGD and SW is affirmed. Conversely, DP (DPS) demonstrates a significant adverse mediating effect on the correlation between Chief Executive Officer (CEO) duality and shareholders' wealth. This outcome suggests that while CEO duality inherently diminishes shareholders' wealth, the existence of a favourable dividend policy, reflected through dividend per share, exacerbates this detrimental relationship. Essentially, heightened dividends per share appear to amplify the deleterious effects of CEO duality on shareholders' wealth, thereby supporting the hypothesis that DP mediates the link between CEO duality and shareholders' wealth.

Once again, the research identifies a substantial adverse mediating impact of DP (DPS) on the connection between managerial ownership (MO) and shareholders' wealth. This implies that the adverse relationship between MO and shareholders' wealth is exacerbated by the presence of dividend policy. These findings corroborate the hypothesis asserting that DP mediates the association between MO and shareholders' wealth. Additionally, DPS is observed to exercise a significant negative mediating effect on the connection between state ownership (SO) and shareholders' wealth. This implies that the detrimental association between SO and shareholders' wealth is further worsened by the presence of dividend policy. These findings uphold the hypothesis postulating that DP mediates the correlation between SO and shareholders' wealth.

Furthermore, DP (DPS) is discovered to exert a notable negative mediating effect on the relationship between foreign ownership (FO) and MPS, albeit insignificantly with EPS. This validates the hypothesis positing that DP mediates the link between FO and shareholders' wealth. The mediating influence of DP exacerbates the adverse correlation between FO and shareholders' wealth. The research, however, discovers that DP (DPS and DPR) does not serve as a mediator in the correlation between board independence, board meetings, institutional ownership, and shareholders' wealth. Similarly, the outcomes indicate that DP, as measured by DPR, does not act as a mediator in the association between specific board-ownership variables and shareholders' wealth. These results invalidate the initial hypotheses proposing a mediating role of DP in the connection between the individual independent variables and SW. In summary, the examination confirms the substantial positive link between dividend per share (DPS) and shareholders' wealth, thereby endorsing the pivotal function of dividends in appraising firm worth. Nonetheless, in contrast to the original anticipations, the research discloses that dividend policy does not function as a mediator in the relationship between board-ownership dynamics and shareholders' wealth, suggesting that governance frameworks exert an independent influence on shareholder results.

Remarkably, the study determines that DPS does indeed mediate the connections between board size and board-gender diversity with shareholders' wealth, implying that advantageous dividend strategies bolster these governance aspects. Moreover, the study underscores that dividend policy exerts noteworthy mediating impacts on the associations between CEOD, MO, state ownership, and foreign ownership with shareholders' wealth, accentuating the complex interplay between governance mechanisms and dividend determinations. Nevertheless, dividend policy does not mediate the relationships between board independence, board meetings, institutional ownership, and shareholders' wealth, indicating that these factors influence shareholder outcomes through separate pathways. These findings underscore the importance of considering multifaceted governance dynamics and the implications of dividend policy for enhancing shareholders' wealth in SSA firms.

#### **10.2.5. Objective four: Moderating effect of BODY on DP and SW**

The investigation reveals that the BODY exerts a notable detrimental moderating impact on the association between DPS and MPS, as well as a noteworthy beneficial moderating impact on the connection between DPS and EPS. Consequently, it can be inferred that the influence of DPS on MPS is diminished under specific BODY conditions. These results provide empirical backing to the null hypothesis, which posits that BODY serves as a moderator in the relationship between dividend payout (DP) and shareholders' wealth (SW).

Regarding board characteristics, the study identifies that BSize has a constructive and substantial moderating influence on the correlation between DPS and MPS but not with EPS. Additionally, BSize does not moderate the relationship between DPR and SW (MPS and EPS). Furthermore, board independence (BIndp) is found to moderate the association between DPS and EPS, displaying a positive moderation effect that indicates a strengthened or more pronounced link between DPS and EPS when BIndp levels are elevated. Moreover, the investigation unveils that BMeet possesses an important adverse moderating influence on the connection between DPS and SW (MPS and EPS), excluding DPR and SW (MPS and EPS).

Expanding on board attributes, the research reveals that board gender exhibits a considerable detrimental moderating effect on the connection between DPS and SW (MPS), while no such impact was observed on DPS and EPS or DPR and SW (MPS and EPS). The adverse moderating effect implies that the relationship between DPS and MPS weakens under specific circumstances of board gender diversity.

These findings corroborate the null hypothesis, indicating that board-gender diversity acts as a moderator in the relationship between dividend policy (DP) and shareholders' wealth (SW). Conversely, the study ascertained that Chief Executive Officer Duality (CEOD) does not moderate the relationship between DP and SW in non-financial firms listed in a Sub-Saharan African context.

In terms of ownership structure, the study finds managerial ownership (MO) to actively and favourably moderate the relationship between DPS and SW. Similarly, state ownership (SO) is identified to have a significant advantageous moderating effect on the association between DPS (DPS) and SW (EPS). The positive moderating effects indicate that the link between DP (DPS) and SW (MPS and EPS) strengthens or becomes more prominent in the presence of MO or SO within a firm. These results validate the null hypothesis, asserting that both MO and SO act as moderators in the relationship between DP and SW.

Conversely, the investigation demonstrates that institutional ownership (IO) exerts a substantial detrimental moderating effect on the association between DP (DPS) and SW (MPS). This adverse moderation effect suggests that the relationship between DPS and MPS weakens under specific institutional ownership conditions. These findings align with the null hypothesis, supporting the notion that IO serves as a moderator in the relationship between DP and SW.

In conclusion, the research findings unveil that board-ownership dynamics (BODy) assume a notable moderating function in influencing the nexus between dividend policy (DP) and shareholders' wealth (SW). Specifically, BODy is observed to have a negative moderating impact on the association between dividend per share (DPS) and market price per share (MPS) while positively moderating the relationship between DPS and earnings per share (EPS). This indicates that the influence of DPS on MPS is diminished under specific BODy circumstances, underscoring the necessity of taking board dynamics into account in making dividend policy determinations.

Moreover, board characteristics such as BSize, BIndp, and BMeet display diverse moderating impacts on the association between DP and SW, emphasizing the heterogeneous nature of board governance mechanisms. Similarly, ownership structure variables like managerial ownership, state ownership, and institutional ownership showcase substantial moderating effects on the link between DP and SW, further highlighting the intricate interplay among corporate governance, ownership structure, and dividend policy consequences.

### **10.3. IMPLICATIONS AND RECOMMENDATIONS**

#### **10.3.1. Policy implications**

Policymakers and corporate governance bodies should prioritise initiatives aimed at improving the dynamics between boards and owners of listed non-financial firms in SSA, based on the findings of objective two. This could involve the implementation of regulations or guidelines that promote greater transparency, accountability, and alignment of interests. By fostering stronger governance structures, firms can enhance shareholder wealth and contribute to market stability and confidence. Policies that support board characteristics that have been demonstrated to have good benefits, such as gender diversity and board size, should be implemented in order to increase shareholder wealth. Better results for shareholders can result from encouraging companies to diversify their boards and guarantee sufficient participation of women.

Furthermore, policymakers should consider measures to mitigate the negative impact of CEO duality, managerial ownership, and state ownership on shareholder wealth, based on the findings of objective one. This could involve the implementation of regulations to limit CEO duality, promote greater dispersion of ownership among managers, and reduce state ownership in listed firms. These actions would create a more conducive environment for shareholder value creation.

Based on the findings of objective two, policymakers should encourage firms to assess and optimize their board composition to enhance governance effectiveness and dividend policy decisions. Regulatory bodies could provide guidelines for firms to ensure a balanced representation of gender and expertise on boards. Policy interventions may be necessary to address the negative impact of managerial and state ownership on dividend policy. This could include implementing regulations to mitigate conflicts of interest and promote alignment with shareholder interests. Additionally, policymakers should monitor the effects of institutional and foreign ownership on dividend policy to ensure fair and transparent practices.

The findings of objective three emphasize the importance of dividend policy in enhancing shareholders' wealth, and policymakers should take this into consideration. Encouraging firms to adopt dividend policies that prioritise shareholder returns could contribute to market stability and investor confidence. Regulations may be necessary to ensure that ownership structures align with shareholder interests, given the significant negative impact of managerial and state ownership on shareholders' wealth through dividend policy.

Based on the findings of objective four, there may be a need to update regulations and guidelines to promote governance structures that enhance shareholder value and promote transparency and accountability. Policy frameworks could include guidelines for board composition, with an emphasis on factors such as board size and gender diversity. Encouraging firms to adopt diverse and effective boards could lead to better outcomes for shareholders.

### **10.3.2. Practical implications**

Based on the findings of objective one, it is suggested that practitioners give the board's makeup and the decision-making procedures top priority in order to advance diversity and inclusion. Boards may enhance shareholder value and support the long-term generation of value by cultivating an environment that values open communication and the inclusion of many viewpoints. Maintaining a balance between managerial ownership and external ownership can help to address conflicts of interest and promote alignment with the interests of shareholders.

Based on the findings of objective two, practitioners should carefully assess the size of their boards and consider the potential impact on the policy regarding dividends. While smaller boards may offer advantages in terms of monitoring and coordination costs, firms should evaluate whether these benefits outweigh any potential drawbacks in terms of the effectiveness of governance and decisions regarding dividends. Since board-ownership-dynamics actively favour the maximisation of shareholders' wealth but not via dividend policy in SSA, it implies that other strategies are adopted to increase owners' wealth. These strategies may include capital gains, mergers and acquisitions, CSR initiatives, risk and debt management, and market positioning, which may require further empirical evidence to substantiate their significance for listed non-financial firms in SSA.

In light of the findings from objective three, having an understanding of how factors such as board size and gender diversity interact with the policy regarding dividends can assist firms in making well-informed decisions to optimize the value for shareholders. Executives and boards should be aware of the potential negative impact of CEO duality on the wealth of shareholders, particularly when exacerbated by a favourable policy regarding dividends. This awareness can prompt proactive measures to mitigate risks and enhance the effectiveness of governance.

Based on the results of objective four, it is recommended that companies align their ownership structures with their strategic objectives and the interests of shareholders. Understanding the moderating effects of variables related to ownership on the policy regarding dividends and the performance of the firm can assist firms in optimizing their ownership structures to maximise the value for shareholders.

### **10.3.3. Theoretical implications**

This work's bibliometric cluster analysis is a noteworthy contribution to the development of corporate governance theories since it has determined six different research areas that shed light on the complex nature of corporate governance. It includes clusters like the effects of corporate governance on firm performance, the effect of ownership structure on audit quality and earnings management, the relationship between CSR/sustainability and stakeholder theory, and the effect of gender diversity and board independence on financial performance.

Also, they discuss the specific governance issues in family businesses, particularly in the age of the COVID-19 crisis, and look into the relationship between the highly concentrated ownership and the organization's capital structure. Thus, by connecting these linked research streams, the study offers a systematic perspective that reveals the multifaceted nature of corporate governance and promotes a systemic approach to studying how and through which factors corporate governance affects organizational behaviour and performance. This systematic categorisation helps in carrying out systematic theoretical analysis and specific application, and thus enables the paradigm enhancement of the area of corporate governance.

The study's findings from objective two provide empirical support for the substitute theory, which suggests that smaller boards and higher levels of managerial ownership are associated with lower dividend payments. By validating this theoretical framework, the study contributes to a deeper understanding of corporate governance theories and their implications for dividend policy. This particular validation contributes to the development of the theoretical foundation for the company because it proves that board size and managerial ownership truly mitigate the agency costs by acting as a substitute for the dividends paid. Therefore, the study expands existing knowledge on how corporate governance mechanisms and dividend policy are related and how specifics of board structure and ownership can influence companies' financial decisions. This deeper insight helps to fine-tune the theoretical models of corporate governance and has practical recommendations for policymakers and corporate agents intending to enhance the structure of corporate governance.

The research work sheds light on the intricate nexus between ownership structure and dividend policy, offering insights into how different ownership arrangements can impact dividend decisions. Further theoretical exploration could help elucidate the mechanisms driving these relationships and refine existing theories. This research presents empirical evidence on how the composition of ownership determines dividend policies since different ownership structures affect managers' decisions on dividends. This insight creates a foundation for following theoretical research to reveal the nature of these relationships, which might result in the improvement of the existing theories. Therefore, the inclusion of these new insights explores further how the dimensions of ownership can influence the practices of corporate governance and contribute towards the creation of better modes of governance.

Based on the results of objective three, the research affirms the significant positive mediating impact of dividend policy, specifically dividend per share (DPS), on the correlation between board size, board gender diversity, and shareholders' wealth. This discovery adds to the current knowledge base on dividend policy theories by underscoring the role of dividend policy in bolstering the influence of governance variables on shareholder returns. Further theoretical examination could investigate the mechanisms by which ownership structures affect dividend policy choices and ultimately impact shareholder value. In as much as the objective three results contribute to developing corporate governance theories through confirming the mediating effect of an influential dimension of DPR, that is DPS, in the relationship between board size, board-gender diversity, and shareholders' wealth. This discovery sophisticates the available knowledge on dividend policy theories by pointing out how DPS strengthens shareholders' returns by governance variables. It brings out the fact that dividend policy is one means through which governance structures affect financial performance. These legislations suggest further theoretical theorization on the ways in which ownership structure influences dividend policies, and their impact on shareholder value in line with contemporary models of corporate governance.

Based on the outcomes of objective four, the study underscores the moderating influences of governance variables, such as board-ownership dynamics and board attributes, on the association between dividend policy and firm performance. These results enhance the field of governance theories by stressing the significance of considering contextual elements in comprehending governance-performance interactions. From the following, the authors are able to illustrate the extent to which the practical occurrences of these governance factors can moderate the effects of dividend policy on firm results, therefore supporting contextually in governance-performance literature. These observations elaborate the prior knowledge of the theories of governance by depicting that the dividend policy depends on some aspects of governance.

Thus, it leads to a wider assessment of factors within corporate governance, providing an understanding of the relationships between the attributes of financial policies and governance.

The significant moderating impacts of MO, SO, and IO on the link between dividend policy and firm performance propose that ownership structure plays a crucial role in moulding shareholder outcomes. These results imply that various forms of ownership may help to determine how the policies of dividends may impact firm performance and prove that the dynamics of ownership are central to the frameworks of governance. This knowledge calls for the continued theoretical analysis of the manner in which different ownership forms engage and influence dividend policies to affect the performance of the firm. They could enhance and develop comprehensive theories of corporate governance, focusing on how the configurations of ownership generate financial and governance performances. Further theoretical exploration could delve into the mechanisms through which ownership dynamics shape dividend policy and firm performance.

#### **10.4. RECOMMENDATIONS**

The study offers the following recommendations based on the previous discussions:

First and foremost, it is advisable for companies to consider implementing reforms in corporate governance and adopting best practices in governance that prioritise transparency, accountability, and engagement with stakeholders. This may involve evaluating the structure of the board, enhancing initiatives for diversity, and improving decision-making processes to better serve the interests of shareholders. Regular assessments of the board, initiatives for stakeholder engagement, and clear communication of decisions regarding dividend policies to shareholders should also be implemented.

Consequently, for the purpose of formulating and implementing corporate governance improvements and better practices that coincide with the priorities of enhancing transparency, accountability, and stakeholder overall, policymakers and managers should pay more attention to the board reconstruction with an inclusion of diverse members. This can include, for example, providing measurable goals for issuing gender and skill diversity on the boards, using the regular board performance assessment, and defining the criteria for interacting with stakeholders. Weaknesses that can be identified include the resistance to change from existing board members, the gradual process of achieving a proper combination of numerous stakeholders' goals and objectives, and possible short-term costs of these reforms. The mentioned challenges should be addressed by the introduction of leadership, a focus on long term gains, as well as sharpening the knowledge of the board of directors and management.

The shown measures indicate that corporate governance reforms can be feasible and context-sensitive within SSA by utilising general approaches to analyse and address current regulatory models that emphasize transparency, accountability, and relations with stakeholders. Organizations can apply best practices at the national level because they modify the board structures, as well as diversity programs according to the specific regional characteristics. Regular board assessments and stakeholder engagement can be customized to align with local expectations and regulatory frameworks, while clear communication on dividend policies ensures alignment with shareholder interests across diverse markets. This flexibility allows companies to enhance governance standards while respecting regional differences.

Secondly, it is important for executives and shareholders to periodically review the ownership structures to ensure that they are aligned with long-term objectives for value creation. This may involve diversifying ownership among managers, reducing state ownership, and promoting a more balanced distribution of ownership to mitigate conflicts of interest. Executives should develop strategies for risk management to mitigate the negative impacts of dynamics in ownership structure on dividend policies. This could include diversifying ownership, implementing robust governance mechanisms, and actively monitoring and addressing potential conflicts of interest. The requirements for board assessments, stakeholder communication might also vary depending on the location and thus can be adjusted accordingly; the policies concerning dividends are also transparent, so the company complies with the shareholders' expectations in different markets. This flexibility enables companies to strengthen the governance standards without compromising the geographical diversities.

Also, any organisation executives and shareholders should periodically reflect on the ownership structures regarding longer-term value-creating prospects. Restructuring could involve a separation of ownership through increased private ownership, decreasing state ownership, and equal distribution of shareholding to avoid concentrations of power. The risk management strategies need to be further well-designed; the ownership dynamics and possible conflicts have to be continuously observed and intervened. Some of the limitations may consist of reconciling various ownership objectives and dealing with administrative frameworks, which may call for specific emphasis on planning and coordinating the execution of the strategies.

In the context of SSA's different regulatory frameworks, it is possible to conduct a review and adjustment of the ownership structures for the organisations by deriving some common effective ownership strategies, such as diversification and the balance of ownership.

These strategies can be adapted to regional environments because they are congruent with those locations' legal frameworks and conditions. The stakeholder mapping, on the one hand, and the timely check and balance on ownership structures, on the other hand, can substantially lessen the conflict of interest risks and simultaneously foster sustainable value addition. Therefore, through the implementation of these flexible structures, it is possible to respond to local factors while at the same time being able to exercise proper and coherent governance as well as fulfill long-term goals.

Thirdly, companies should adopt transparent dividend policies that are in keeping with the objectives of shareholders and contribute to long-term wealth creation. Clear communication of decisions regarding dividend policies and the reasoning behind them can enhance the confidence and trust of investors. Outside directors should establish strong mechanisms within the board and a framework for dividend policies that increase shareholders' wealth. The following measures give the policymakers and managers multiple strategies when it comes to executing the transparent dividend policies. First, they should be assured that dividend policies are consistent with long-term shareholders' goals through detailed investigations of firm operation and market characteristics. There should be effective and efficient communication of the decisions made as regards dividends; companies should communicate their decisions frequently to shareholders, with proper explanations as to why they have made their decisions. Other essential features within the board include proper formations like the dividend committees and proper scrutiny of the policy impacts very often. Furthermore, since outside directors participate in such processes, they are capable of ensuring objectiveness while at the same time, fostering shareholders' trust among shareholders, thereby enhancing shareholders' value and confidence.

It is easily doable to apply practicable and clear dividend policies in a wide and diverse landscape of regulation in SSA, since these principles are the world's best practice and should be in line with shareholders' goals and objectives. Finally, it is possible for companies to adopt these practices through the integration of local regulations and the condition of the market in the formulation of policies on dividends. Given the proper governance via outside directors and proper and clear communicational channels, companies can maintain and increase shareholders' confidence and support value creation for the longer term, no matter the particularities of regulation.

Fourthly, a CEO who also serves as the company's managing director and chairman of the board should concentrate on firm-wide and market-wide strategies that increase shareholder value. As long as they are in office, the CEO should have an incentive to keep shareholders' wealth growing.

It might be thought that to implement the recommendation concerning the combination of the CEO's post with the management, directing, and chairmanship positions, it is necessary to pay the most attention to the alignment of the CEO's incentives with the improvement of the company's shareholder value.

The CEO should focus on designing and executing activities that offer firm-specific and market-specific competitive advantages that facilitate long-term profitable growth. This entails communication of clear and quantifiable targets, especially on financial performance and other strategic objectives. To further cement this commitment, corporations should implement performance-related pay systems that tie a large part of the managers' compensation to increases in shareholder value as reflected in stock prices or dividend growth. Thus, daily/weekly/monthly performance check and balance, as well as clear reporting on the impact of carried-out strategies, will also create accountability and build investor confidence.

The suggestion of targeted CEOs to attend to firm-level and market-level strategies is easily transferable to SSA's regulative contexts by concentrating on performance-related incentives and being consistent with shareholders' value. These strategies can be adapted to the local conditions by including information about the markets in those areas and the legal environment. Selective incentives, especially fixing on chief executive officers' performance, and the establishment of strategies that would fit regional and local conditions make it possible to retain the cardinal aim of maximising shareholder wealth while simultaneously making the concept feasible under various legal systems.

Lastly, management should increase the number of non-managerial executives to ensure better oversight of the managerial executives, thereby improving the wealth of shareholders. Awareness should be raised by policymakers about how governance protects the interests of investors in order to encourage investors to purchase shares of companies with a high percentage of institutional ownership. To implement the recommendation of increasing the number of non-managerial executives for enhanced oversight, management should focus on attracting professionals with rich experience in the company's operations and minimal affiliations with the managerial team. Focusing on the need to eliminate any overlap between managerial and non-managerial positions will greatly improve supervision and responsibility. Also, it should be recommended that policymakers support the advantages of better corporate governance measures, which can serve the interests of investors, including more non-managerial executives.

Thus, by sharing such good moments with the key shareholders' wealth and advertising these governance standards, the policymakers can contribute to increasing the attention of investors to the corporations with a high level of institutional control and a solid system of monitoring. This will not only strengthen the confidence of the investors but also increase investment in companies that are well governed.

With reference to the preceding analysis, it is possible to recommend an increase in non-managerial executives for better oversight in SSA while accounting for local legislation and norms regulating the management of international organizations, local best practices, and constraints based on the findings of the research. It is possible for an organization to alter the numbers and positions of other non-managerial executives depending on the trend in a region or the global acceptable practices of corporate governance. The government can supplement this by advocating for good governance practices and raising awareness of the gains that result from the implementation of good corporate governance structures. This would help in motivating investors to put their resources into organizations with good practices in place and high institutional shareholders, which can be aligned with the local peculiarities of the given frameworks.

#### **10.5. LIMITATIONS OF THE STUDY**

The study is confronted with a number of limitations based on its study scope, methodology, and findings.

First, the bibliometric review addresses a broad array of topics related to corporate governance, which might dilute the impact of the findings. Focusing on narrower aspects, such as gender dynamics on boards or the role of audit committees, may provide deeper insights into specific areas of board-ownership dynamics. The broad focus may lessen the utility of the study for developing a nuanced understanding of specific governance issues.

Second, the study's findings may be influenced by contextual factors that are specific to the sample and the SSA region under investigation. Consequently, the study's findings may have limited generalizability due to the specific context of non-financial firms listed in Sub-Saharan Africa (SSA). It is crucial to exercise prudence when extrapolating these results to different regions or industries with varying governance dynamics, given that the research focused solely on publicly traded companies, which might not fully represent all non-financial firms in SS.

Third, the utilisation of a cross-sectional design in the research presents difficulties in establishing causal relationships between variables. The study is dependent on secondary data sources and overlooks several vital attributes, such as the quality of management and corporate governance.

Lastly, the research fails to consider alternative forms of CG mechanisms like board compensation, directors' age and expertise, audit quality, as well as audit and non-audit fees, which could also influence dividend policy and shareholder wealth.

## **10.6. RECOMMENDATION FOR FUTURE RESEARCH**

Future research could employ longitudinal data to track changes in board-ownership dynamics, ownership structures, and shareholder wealth over time. Longitudinal analyses would allow researchers to identify causal relationships and better understand the dynamics of corporate governance and shareholder value creation.

Future studies should examine the rationale behind the substitute theory and analyze more detailed effects of the various types of ownership on dividend policies, which can enhance our understanding of such relations. The combined framework of CSR, sustainability, and stakeholder management and its connection with corporate governance practices also provides a broad avenue for future research, especially considering the roles and effects of ESG criteria on the boards and on firms.

Comparative analyses conducted across various industries or areas should be taken into account in future studies. This might offer insightful information on how market, cultural, and regulatory issues affect company governance procedures and how they affect dividend policy and shareholder wealth. By comparing governance practices across diverse contexts, researchers can identify best practices and opportunities for improvement.

Once more, upcoming studies could explore the possibility of gathering information from unlisted companies to achieve a more comprehensive analysis. Moreover, it is essential to account for macroeconomic, institutional, cultural, and religious aspects in the assessment of the relationship between board independence and dividend distribution.

Subsequent research endeavours might also incorporate various factors like IFRS, audit quality, earnings management, corporate social responsibility, risk propensity, and innovation inclination in family-owned enterprises and evaluate their potential influence on dividend policies.

## **10.7. SUMMARY OF CHAPTER TEN**

Chapter 8 provided a thorough overview of the main findings and conclusions derived from the study, with a focus on the objectives related to board-ownership dynamics, dividend policy, and their impact on shareholders' wealth in listed non-financial firms in SSA. The chapter examined the influence of board-ownership dynamics on shareholders' wealth, revealing a significant positive correlation between these dynamics and shareholder wealth, particularly in terms of market price per share (MPS).

Crucially, the board's gender diversity, size, and meeting frequency all showed positive correlations with shareholder wealth, underscoring the importance of strong governance procedures in raising shareholder value. The study also looked at how board-ownership dynamics affected dividend policy, and it found that CEO duality and board gender diversity had a significant impact on dividend policy. The chapter also highlighted the fact that, although dividend policy directly contributes to shareholder wealth, it does not moderate the relationship between board-ownership dynamics and shareholder wealth, suggesting that governance structures have a separate impact on shareholder outcomes.

Moreover, the chapter revealed that board-ownership dynamics, specifically board size and certain ownership structures, play a significant role in shaping the relationship between dividend policy and shareholder wealth, underscoring the importance of considering governance mechanisms in dividend policy decisions. The chapter also provided a concise summary of the bibliometric review on board-ownership dynamics, identifying key areas of study and prominent research themes. This review offers valuable insights into the intellectual framework of the subject and provides directions for future research.

Implications and recommendations are outlined for policymakers, practitioners, and researchers, emphasizing the necessity of governance reforms, transparent dividend policies, and alignment of ownership structures with shareholder interests. Theoretical implications highlight the contributions to existing governance theories, while limitations and potential areas for future research offer opportunities to further enhance the understanding of corporate governance dynamics and their impact on shareholder value creation.

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## APPENDIX 1 – ENGLISH LANGUAGE CERTIFICATE

# F. Poku

**Proofreading / Editing / Formatting / Review**  
[nanapok1234@gmail.com](mailto:nanapok1234@gmail.com) / +233247884580 / +233257492201

13 May 2024

TO WHOM IT MAY CONCERN


This letter serves to confirm that the PhD Thesis: “**Board-ownership dynamics, dividend policy and shareholders’ wealth of listed firms in Sub-Saharan Africa**” by Kwabena Agyarko Gyekye was submitted to me and has been proofread and edited.

My work was limited to language usage, spelling, completeness, constituency, and formatting of the Thesis. I am not liable for the following as they remain the sole responsibility of the author:

- i. In-text referencing and reference list
- ii. Correct spelling of references’ first names and surnames
- iii. Technical body of knowledge
- iv. Plagiarism and similarity index

If you wish to discuss the editing of the Thesis work or have any queries, kindly direct them to me via the contact details provided above. Thank you

Yours faithfully,

  
Francis Poku

## APPENDIX 2 – ETHICAL CLEARANCE CERTIFICATE



17 Nov 2023

Mr Kwabena Agyarko Gyekye (222061791)  
School Of Acc Economics&Fin  
Westville

Dear Mr Kwabena Agyarko Gyekye,

Original application number: 00020738

Project title: Board-ownership dynamics, dividend policy and shareholders wealth of listed firms in Sub-Saharan Africa

### Exemption from Ethics Review

In response to your application received on 10 Nov 2023, your school has indicated that the protocol has been granted EXEMPTION FROM ETHICS REVIEW.

Any alteration/s to the exempted research protocol, e.g., Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through an amendment/modification prior to its implementation. The original exemption number must be cited.

For any changes that could result in potential risk, an ethics application including the proposed amendments must be submitted to the relevant UKZN Research Ethics Committee. The original exemption number must be cited.

In case you have further queries, please quote the above reference number.

#### PLEASE NOTE:

Research data should be securely stored in the discipline/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours sincerely,



Prof Josue Mbonigaba  
Academic Leader Research  
School Of Acc Economics&Fin

UKZN Research Ethics Office  
Westville Campus, Govan Mbeki Building  
Postal Address: Private Bag X54001, Durban 4000  
Website: <http://research.ukzn.ac.za/Research-Ethics/>

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