

Dividend Policy and the Performance of Firms Listed on the Nigerian Stock Exchange

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Abstract

This study sought to assess the significance of dividend policy and suggest measures that could enhance its effectiveness on firms' performance in Nigeria. To achieve the objective, some financial and performance indicators were evaluated. The ex-post facto research design was adopted and the data were collated, analyzed and tested using the descriptive statistics and the panel data analysis techniques. Analysis revealed that without the moderating variable (corporate governance index), dividend payout ratio was statistically insignificant both in the short run and long run periods. This implies that without the moderating variable, the relationship between dividend payout ratio and firm performance is a matter of chance. While, with the moderating effect, dividend payout ratio became statistically significant in the short run as well as in the long run indicating that existence of a relationship between dividend payout and firm performance is not caused by chance. Also, without the moderating variable, dividend per share was statistically insignificant in both the short and long run periods. The investigation concluded that amongst the various dividend policy options considered, dividend payout ratio is the most critical dividend policy measure that determines the performance of a firm both in the short and long run periods. The study recommended among others that listed firms that are willing to maximize shareholders wealth and firms value should consistently increase their dividend payout ratio as this signals that the firm is financially healthy.

Keywords: stock repurchase, residual dividend approach, stock split, corporate governance index

1. Introduction

Literally, dividend connotes that part of a firm's revenue, allotted and apportioned to the owners of the firm (E. N. Obim, J. I. John & A. B. Orok, 2018). However, when it has to do with net earnings, management always has three important choices to make. First, revenue generated from the firm's operations may be partly or wholly paid to the owners of the business. Secondly, earnings may be retained in the business for any use, which the management may decide on in the future. Thirdly, earnings may be set aside or kept for any particular intent, thus chosen as financial reserves for these ends (V. K. Bhalla, 2011).

However, the utilization of these earnings will be influenced by a number of factors. The first consideration is necessarily the legal rights of the corporation to distribute net income, as statutory enactments sometimes limit dividend declarations and payments. In the second place, the payment of dividend to equity shareholders is outrightly influenced by the consequences of taxation it poses to the firm, as well as the owners of the business. A third factor affecting dividend distributions is the working capital position of a corporation, for it would obviously be short-sighted to pay dividends where the effect is to undermine the financial strength of the enterprise, and even to threaten its future solvency. A fourth basic consideration is the long-term financial and capital requirements of the firm, as well as the availability of other means of funding for expansion (V. K. Bhalla,

2011).

In the corporate firms' perspective, choosing an appropriate dividend setup happens to be an essential decision for the firm, because the plianthood to invest in futurity purposes is a function of the firm's income is recompensed as dividend to shareholders. As such, while designing a firm's dividend policy, considerations should be given to variables like the firm's profitability level, managerial competence and attitude, as well as the firm's willingness and attitude towards dividend payments (K. I. Khan, 2012). However, dividend policy is a financial policy that a corporate entity pursues so as to decide the amount and model of cash apportionment to equity shareholders (H. K. Baker, J. C. Singleton & E. T. Veit, 2011). It is originally concerned with verdicts with respect to the payment of dividend and the retention of cash for operations and expansion. Thus, whatever policy embraced by a corporate firm is supposed to give out vital information to the entity's stakeholders about its capability to embark and utilize subsequent economic and productive investments (S. M. Takon, J. I. John, E. Ononiwu & M. Mgbado, 2020).

Empirically, different views and thoughts have emerged in demystifying whether the choice of recompensing decision actually influences a firm's performance. According to Miller & Modigliani (M.H. Miller & F. Modigliani, 1961), given a perfect market, recompensing dividend has nothing to do with the value and performance of a corporate entity. Instead, in their opinion, a firm's value and performance is judged by its investment options, policies and earnings abilities (A. Abdul, L. Muhibudeen, 2015). Thus, in their propositions, if a corporate firm embarks on high dividend payments, existing shareholders are at liberty to reinvest their portions of the firm's earnings dividend, in a manner that their value would be maximized. Moreover, the shift of wealth from dividend received to capital gained on shares bought has the tendency to make shareholders retain the same worth; given it is a perfect market (I. M. Pandey, 2010).

From the foregoing, the proposition further enunciates that recompensing of exotic dividends downgrade corporate growth. However, corporate firms can mathematically and financially change dividends into share capital gains by acclimating or altering their policies. Although, in instances where existing ordinary shareholders suffer more tax consequences whenever dividend is paid than on share capital gains, such shareholders will rather gain on the sales of shares. Thus, the resulting effect is that the worth and performance of such entity will be enriched, as the value of retained earnings will upsurge (E. N. Obim, J. I. John & A. B. Orok, 2018).

The amount of earnings retained by the firm is determined by its dividend payment decision. However, the decision to pay dividend or retain earnings for expansion or modernization of assets actually affect firm's performance, as it has to do with the inflow and outflow of cash (W. A. Adesola & A. E. Okwong., 2009). Thus, a high dividend payout reduces the tendency of the firm in acquiring more assets, hence limiting investment and profitability. On the other hand, retained earnings indicate the portion of an entity's income that are yet to be distributed to equity holders, but kept back for the purpose of investment. Practically, these reserves are used to carry out the daily operational activities and procuring money-generating assets or other activities that could potentially generate growth for the firm (M. Amidu, 2007). This re-investment in fixed asset purchases aims to achieve profits with respect to the corporation's operations. Hence, the more profitable the corporation is, the more earnings it has to distribute to shareholders, as well as the tendency to retain a large portion of its profit for further investment in assets, thus, impacting positively on the firm's performance (R. Barron, 2002).

Payment of dividend among quoted entities is governed by a policy, which helps in the determination of the size of dividend, as well as the timing for the payments (H. W. Akani & Y. Sweneme, 2016). When deciding which of the dividend payment guide to implement, a corporate entity may apply the steady dividend guide, which pays out a stable amount yearly, not minding the changes in earnings and economy (K. Muchira, 2016). Also, to be adopted is the constant dividend policy, where a precise decided mathematically portion of the firm's earning is apportioned to stockholders yearly. Here, payments are greatly influenced by the changes in earnings and economy. Moreover, the next dividend policy decision is the residual payment of dividend, which entails that a firm pays dividend from the leftover funds after taking care of capital expenditures for the current financial year (F. Allen & R. Michaely, 2003). While the no payment of dividend guide is used when a firm wants to keep back all its earnings for investment purpose, or when it lacks the ability to pay dividend due to other working capital requirements. The determination of the proportion of distributable profits that should be paid to ordinary shareholders is fashionable through the dividend payment guide (F. A. Atseye, E. N. Obim & F. A. Eke., 2014). Corporate firm owners' value dividends and prospective investors use it to judge the earnings ability of the firm.

The dividend payment policy of any corporate entity is always based on whether to pay high dividend, while adopting low retention value, and vice versa (P. K. Kimutai, 2012). However, given the availability of economic and productive investment opportunities, management will have to choose whether to pay high dividend while borrowing the needed funds from the capital market for expansion, or adopt a low dividend payment, and utilize the retained funds in financing the firm's needs (R. Brealey & S. Myers, 2005). It could be argued that, if a

corporation embraces a high dividend payment, the firm's owners would be economically advantaged if the earnings on such alternate investment shouldered by the shareholders are greater than the earnings generated on investments undertaken by the firm (V. Zarnowitz, 1985). On the opposite, where a low dividend payment is adopted by the firm, the stockholders would be advantaged if the return on the earnings on such alternate investment shouldered by the shareholder is lower than the earnings generated on investments undertaken by the firm. Thus, it could be envisaged that a high payout ratio is a cost to the firm, as it limits available cash, thus, impacting negatively on the firm's performance, while a low payout ratio is a cost to the shareholders, as it reduces distributable funds to shareholders (S. Anandasayanan & T. Velnampy., 2016).

However, most corporate firms view dividend retention as a central source of financing, as they assert that the portion of profits apportioned to stockholders reduce the size of earnings that the firm would have retained for future investment (L. Gitman, R. Juchau, J. Flanagan, 2011). Some investors opine that a low dividend payment guide would result in less current dividend, and perhaps boost the firm's earning ability, thus catalyze higher share capital gains, while others dispute that a higher payout policy would likely increase shareholders wealth. Hence, most shareholders support the high payment guide that would improve their earnings potential at the moment. However, a corporation's choices with respect to dividend are frequently entangled up with other key corporate finance decisions (investment and financing decisions), as they exert great effect on the firm's performance (B. Mascarenhas & D. Aaker, 1989). Some corporate entities adopt high earnings retention, while paying low dividends because management perceives that the firm has a bright future, and thus, thinks it is necessary to keep back earnings for operations, modernization of assets and expansion.

Practically, every management would like to make its shareholders happy for parting with their funds. However, in the case of corporate firms, payment of dividend to shareholders is a function of how profitable the firm is. Profitability implies that the firm is efficient in managing its available resources, as well as ensuring that economic and productive investment options are not left out, due to lack of funds (S. A. Ross, R. W. Westerfield & B. D. Jordan, 2010). To ensure that available investment opportunities are not missed out, most firms tend to address their liquidity challenge through earnings retention, while paying out little or no dividend at all. However, dividend payment is often conflicted with the firm's desire for profitability as well as long-term growth and performance, thus, raising the curiosity to investigate the extent to which the recompensing dividend to corporate entities owners has on firms' performance.

Normally, dividend is recompensed out of the present financial year's net earnings, while the leftover of the undistributed dividend is reserved in the surplus account, as retained earnings (T. Jenkinson & C. Mayer, 2012). Notably, most quoted consumer goods companies in Nigeria that recompense cash dividend adopt the low dividend payout strategy, while some pay dividend with the use of shares, others do not pay dividend at all. All of these strategies are geared towards conserving and retaining cash for operations, expansion, as well as boosting the performance of the firm. However, rather than seeking additional external financing, these firms choose to retain funds that would have been distributed to shareholders, in order to expand or modernize its assets, as well as providing the firm with adequate working capital (Wikipedia, 2019). In spite of the fact that most consumer goods firms in Nigeria adopt a low payout strategy; observations are that majority of them are still finding it difficult to record profit at an increasing and steady rate, while others are still battling on how to sustain their shareholders interest in the firm, via the payment of dividend. Therefore, it is in the light of this and other constraints that this study sought to empirically investigate the extent to which dividend policy influences the performance of listed companies in Nigeria.

Coincidentally, the specific objectives of this study are to:

- i. Investigate the influence of dividend payout ratio on the performance of listed companies in Nigeria;
- ii. Investigate dividend per share on the performance of listed companies in Nigeria;
- iii. Determine the influence of dividend yield on the performance of listed companies in Nigeria.
- iv. Examine whether corporate governance index moderates the relationship that exist between dividend policy and the performance of listed companies in Nigeria.

For ease of comprehension, the study is structured into five sections. Section one is the introductory section, and delves into the general principles behind dividend policy and quoted firms' performance. Section two captures the theoretical considerations and literature review, while section three is the research methodology. In section four, data collected are presented, analyzed and interpreted for informed judgement. The remaining section of the study shows the summary of findings, conclusion and some managerial recommendations, derived from the discussions.

1.1 Theoretical Underpinnings

Diverse theories have been propagated regarding dividend payout to shareholders, as well as its effect on firms'

performance. These theories are the dividend relevancy theory, dividend irrelevance theory, as well as the bird-at-hand theory.

1.2 The Dividend Relevancy Theory

A great number of propositions have been made, entailing the relevancy of dividend giving conditions of uncertainty. Theories on dividend relevance are consociated with James Walter, Myron Gordon and in their view, to them, “policies guiding dividend automatically influence the worth of the firm” (M. Nnadi, N. Wogboroma & B. Kabel, 2013). This theory indicates that the payment of dividend is of great importance to stockholders, as well as prospective investors, as it is necessary in deciding stock value, while meeting the preference of ordinary shareholders for payment of current dividend than to be deferred, as the future is full of uncertainties, especially in developing economies like Nigeria (C. O. Udoka & B. I. Ibor, 2014). However, observations show that most firm’s management in Nigeria decide on the value of dividend to be recompense to ordinary shareholders first, before considering any investment opportunity. Theoretically, the share valuation model considers dividend payment as being vital in determining a firm’s share capital value (J. O. Odesa & A. Ekezie, 2015).

1.3 The Dividend Irrelevance Theory

This theory is widely consociated with Miller and Modigliani in 1961, who opine that, given the corporate entity’s investment policy and decision, dividend payout does not in any way influence the firm’s worth (S. M. Trivedi, 2010). They assert that a firm’s value greatly depends on its assets’ earning ability or its investment policy, and not the way its earnings stream is been split between dividend payment and earnings retention. The basic premises of Miller & Modigliani include the existence of a perfect capital market where no irrational investor exists, prompt transactions and information at no financial cost. Other assumptions include the non-existence of floatation costs, a world devoid of tax payment, etc (K. Timothy & A. Peter, 2012).

With perfect markets and no personal taxes, dividend policy changes the form in which investor receive their return, but not the amount (F. Easterbrook, 1984). Thus, the total internal rate of return to an investor for holding a share is the current value of the dividends received together with the end of period selling price of the share.

Although the dividend irrelevance theory only prevails in an economy where the above premises hold, nevertheless no perfect market exists, where taxation and transactional costs are absent (J. Lintner, 1956). However, it is not to be said that the theory is not relevant, as it also provides a framework for further test of the assumptions.

1.4 Bird-at-Hand Theory

This hypothetical set of facts was originated by Lintner in 1956, as well as Gordon in 1962, and states that payment of dividend influences a firm’s performance and value positively. The term “bird-at-hand” is a compound word for every empirical works that support that the proposition payment of dividend influences firm worth greatly. It holds that one bird in one’s possession is valuable than many birds that are in the forest (J. M. Parkinson & N. M. Waweru, 2010).

It posits that equity shareholders believe that a naira of future capital gains in the bush is riskier than a naira of current dividends in the hand (C. O. Udoka & B. I. Ibor, 2014). For instance, given the same earning power and economic conditions, the share price of firms that pay larger dividend will always be higher (K. Timothy & A. Peter, 2012). On the basis of this, intending and existing investors always perceive that firms that pay regular and high dividend tends to be financially healthy and solvent than firms that adopt the low dividend payout scheme. This notwithstanding, statutory enactments sometimes limit dividend declarations and payments.

However, the theorists assert that given the level of uncertainty in the economic system, potential stockholders prefer firms and shares that recompense regular dividend more than those ones that use stocks as dividend and recompense dividends later (F. A. Atseye, E. N. Obim & F. A. Eke., 2014). However, it should be noted that investors are quite rational, but would cherish dividend, especially when the payout is high, thus, anchoring this study on the dividend relevancy, as well as the bird-at-hand theories.

1.5 Empirical Review

Anandasayanan and Velnampy (S. Anandasayanan & T. Velnampy., 2016) researched the relationship between dividend policy and corporate performance of manufacturing firms that are listed in Sri Lanka. With a sample size of 23 firms and time frame of 2009 to 2014, results from the regression analysis show that dividend policies significantly influence corporate firms’ profitability of the selected firms.

Rachid and Wiame (M. Rachid & B. Wiame, 2016) investigated the connection between dividend payments and listed firms’ performance in Morocco. Utilizing the multiple regression technique, findings showed a significant and positive connection between dividend policy variables and the performance of the firms studied. Thus, it was concluded that since dividend policy or guide is extremely vital, management should come up with a policy that will boost shareholders’ wealth, while increasing the firm’s performance.

Eyigege (A. I. Eyigege, 2015) examined dividend payout on the performance of quoted manufacturing firms in Nigeria. With a sample size of 14 firms and a time frame of 2004 to 2013, results from the regression analysis revealed that while financial leverage and taxation negatively affected firms' performance, variables like liquidity, return on equity, sales growth and earnings per share showed a positive relationship. However, it was judged that the positively related variables should be strengthened, in order to boost dividend payment.

Abdul and Muhibudeen (A. Abdul, L. Muhibudeen, 2015) also examined the strength of the relationship between dividend payout and selected oil firms' performance in Nigeria. Using the regression and correlation techniques, findings expose that a significant relationship exist between dividend payout and the performance of the firms studied.

Fathima and Mohamad (T. A. Fathima & A. M. Mohamad, 2014) investigated the influence of dividend payout on the profitability of listed manufacturing firms in Sri Lanka. With sample size of 21 firms and a time frame of 2007 to 2011, results from the regression analysis revealed a positive and significant connection between return on equity and return on assets and dividend payout, while at same time, a negative, but a significant connection between earnings per share and dividend payout.

Uwalomwa, Jimoh and Anijesushola (U. Uwalomwa, J. Jimoh & A. Anijesushola, 2012) assessed the relationship existing between performance and dividend payout. With a sample size of 50 firms and a time frame of 2006 to 2010, findings revealed a significant and positive connection between performance and dividend payment.

Timothy and Peter (K. Timothy & A. Peter, 2012) sought to establish the link between dividend payout and listed firms' performance in Nairobi. With a duration of 2002 to 2010 studied, the multiple regression analysis indicated that dividend payout is significant, as well as being a major variable influencing firms' profitability.

Merekefu and Ouma (T. Murekefu & O. Ouma, 2012) examined the relationship between dividend payout and firm performance in Kenya. With a sample size of 41 quoted firms and a duration of 2002 to 2010, findings from the regression analysis revealed net profit is correlated with firms' performance.

Amidu (M. Amidu, 2007) empirically examined the effect of dividend policy on listed firms' performance in Ghana. Using a sample size of 25 quoted firms, with a time frame of 1997 to 2004, findings from the regression analysis revealed that returns on assets has a significant and positive connection with dividend policy.

2. Methodology

The design used for this study is the ex-post facto research design. The choice of the design is based on the fact that it does not provide the study an opportunity to control the variables; mainly they have already occurred and cannot be manipulated. The data for this analysis are mostly from secondary sources. This is evidently true as data were obtained from the understudied firms' annual reports.

To assess the influence of dividend policies on the performance of firms that are listed in Nigeria, we formulated models of dividend indices and firms' performance. Thus, the functional as well as the econometric form of the models are given as;

Model I

$$FPERF = DIVP$$

Where

$$FPERF = \text{Firms' performance}$$

$$DIVP = \text{Dividend policy}$$

Model II

$$ROE = f(DPR, DPS, DY, CGI)$$

Model III

With corporate governance index being introduced in the study as a moderating variable, the econometric form of this model is given as;

$$ROE = f(DPR, DPS, DY, DPR*CGI, DPS*CGI, DY*CGI)$$

Where

$$ROE = \text{Firms' return on equity}$$

$$DPR = \text{Firms' dividend payout ratio}$$

$$DPS = \text{Firms' dividend per share}$$

$$DY = \text{Firms' dividend yield}$$

CGI = Corporate governance index

Without the moderating variable, the above models are proxied, and the ordinary least square regression model is given as;

$$ROE = a_0 + b_1DPR + b_2DPS + b_3DY + b_4CGI + u$$

On the other hand, with the moderating variable, the above models are proxied, and the ordinary least square regression model is given as;

$$ROE = a_0 + b_1DPR + b_2DPS + b_3DY + b_4DPR*CGI + b_5DPS*CGI + b_6DY*CGI + u$$

Where

a_0 = Regression constant or estimate

b_1 - b_3 = Unknown parameters or regression coefficients

u = Stochastic error term

2.1 Corporate Governance Index

Corporate governance is a system by which business corporations are directed and controlled. It specifies the distributions of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance. To arrive at the corporate governance index, the firms' board size was utilized as the measuring parameter. In the context of this study, corporate governance index acts as a moderating variable.

3. Data Analysis

Table 1. Statistical descriptive result

	ROE	DPO	DPS	DY
Mean	0.506808	0.531423	0.872000	0.088058
Median	0.305000	0.540000	0.880000	0.067359
Maximum	3.120000	0.860000	1.090000	0.767891
Minimum	0.010000	0.120000	0.590000	0.003639
Std. Dev.	0.568115	0.123391	0.070786	0.118213
Skewness	2.360203	0.147296	-0.628519	4.391792
Kurtosis	9.797887	3.140828	3.617950	21.95434
Jarque-Bera	742.0129	1.155020	21.25507	4727.865
Probability	0.000000	0.561294	0.000024	0.000000
Sum	131.7700	138.1700	226.7200	22.89518
Sum Sq. Dev.	83.59345	3.943373	1.297760	3.619357
Observations	260	260	260	260

Source: Researcher's computation/analysis, 2021

3.1 Statistical Description

The statistical descriptive result is presented above. The analysis showed that the firms' return on equity has a mean of 0.506, standard deviation of 0.568, while having its minimum value for Cadbury Nigerian Plc as 0.01 and its maximum value in MC Nichols Plc as 3.12. The total value of dividend per share (DPS) shows its minimum value as 0.59 for Vitafoam Nigerian Plc and maximum of 1.09 for International Breweries Plc; while having a mean of 0.872 and standard deviation of 0.07.

Moreover, the statistical descriptive result revealed that total value of dividend payout ratio (DPO) shows its minimum value as 0.12 for Cadbury Nigerian Plc and maximum of 0.86 for Flour Mill Nigerian Plc; while mean was 0.531 and standard deviation of 0.123. Finally, dividend yield (DY) had its mean as 0.088, standard deviation as 0.118, with minimum value for Cadbury Nigeria Plc as 0.003 and its maximum value of 0.76 for Dangote Sugar Refinery Plc.

Furthermore, the analysis indicated that the measurement of skewness showed that variables (ROE, DPS and DY) are rightly skewed (positively skewed) while DPO was found to be leftly skewed (negatively skewed). The coefficient of the kurtosis of the variables (ROE, DPS and DY) indicated that the variables were found to be peaked (3.00 and above) (Leptokurtic) relative to the normal distribution while DPO was found to be below 3.00. The Jarque-Bera (JB) test indicates the variance of kurtosis and skewness of the set with those from the normal set of distribution. Its corresponding values of 742.01, 21.25 and 4727.86 for ROE, DPS and DY respectively while their probability of equals or less than 0.05 per cent confirms the regularity of the sets

3.2 Unit Root Test

Table 2. Result of panel unit root test

Variable	Common Unit Root		Individual Unit Root					
	Levin, Lin & Chin t*		ImPesaran and Shin W-stat		ADF - Chi-square		Fisher PP - Chi-square	
	Levels	P-value	Levels	P-values	Levels	P-values	Levels	P-values
ROE	-11.1742	0.0000*	-4.4194	0.0000*	113.471	0.0000*	187.752	0.0000*
DPO	-4.7508	0.0000*	-2.5594	0.0052*	86.4664	0.0019*	137.466	0.0000*
DPS	-3.6613	0.0001*	-2.2547	0.0121*	81.4142	0.0057*	122.866	0.0000*
DY	-1428.39	0.0000*	-231.381	0.0000*	94.8090	0.0006*	81.0281	0.0061*

Source: Researcher's computation/analysis, 2021

The panel unit root test was conducted to test how stationary a time series variable is, as well as the suitability for the model. A unit root as a feature of stochastic process can cause problems in statistical inference, especially when it has to do with time series models. Also, a data is said to be stationary if its statistical qualities are constant given a period of time. The sight of a unit root signifies the null hypothesis, while the presence of explosive root, stationarity and trend stationarity indicates the alternate hypothesis. To efficiently conduct a panel data regression, its unit ratio test must first of all be carried out in order to know the stationarity of the understudied elements.

From Table 2, given the unit root measurement in the data; none of the variables was stationary at one (1) per cent, five (5) per cent and ten (10) per cent levels of significance. Only corporate governance index showed a sign of stationarity at levels using Levin, Lin and Chin measurement, but was found to be non-stationary when differenced once. Giving this information, the null hypothesis was accepted by the study (ROE, DPO, DPS and DY), and that the studied elements have no unit root at one (1) per cent, five (5) per cent and ten (10) per cent levels of significance. Since we have confirmed the stationarity of the variables, thus, the chosen variables are suitable to be used for further analysis. In conformity, the preconditions for the adoption of the autoregressive distributive lag (ARDL) model, that is, variables being integrated in the order of "I(0)", the relationship and effect of the dependent and moderating elements on its corresponding dependent element is revealed given the ARDL analysis.

3.2.1 ARDL Long Run Dynamics Test (Without Moderating Variable)

Table 3. Panel ARDL model result (without the moderating variable)^{4.3}

Dependent Variable: D(LROE)				
Method: ARDL				
Dependent lags: 1 (Fixed)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
Long Run Equation				
LDPO	0.182726	0.137818	1.325850	0.5214
LDPS	0.234888	0.566521	0.414614	0.6321
LDY	0.024298	0.129587	0.187503	0.7605
Short Run Equation				

COINTEQ01	1.123380	0.100259	11.20478	0.0000
D(LDPO)	0.704667	0.584243	1.206119	0.0227
D(LDPS)	1.429433	2.234785	0.639629	0.5236
D(LDY)	2.639343	4.241046	0.622333	0.5348
C	5.823460	0.658458	8.844087	0.0000
Mean dependent var	0.021924	S.D. dependent var		1.555795
S.E. of regression	1.016864	Akaike info criterion		2.583835
Sum squared resid	131.3197	Schwarz criterion		4.405260
Log likelihood	-202.8985	Hannan-Quinn criter.		3.316072

*Note: p-values and any subsequent tests do not account for model selection.

Source: The Researcher's analysis/computation, 2021

From the Panel ARDL in Table 3, the estimates in the long run revealed that all the explanatory elements possess an insignificant influence on consumer goods firms' performance in Nigeria. This result implies that variations in these variables (DPO, DPS and DY) will have a huge insignificant positively/negatively effect on the changes in quoted consumer goods firms' performance in Nigeria in the long run, *ceteris paribus*.

The panel ARDL long run estimates revealed that, other things being equal, a percentage augment in the first explanatory variable (dividend payout ratio) will result to a positive effect on quoted consumer goods firms' performance in Nigeria by 0.18 per cent, and was insignificant statistically at five (5) per cent. Similarly, a percentage increase in dividend per share (DPS) will result to a positive effect on quoted consumer goods firms' performance in Nigeria by 0.23 per cent, and was insignificant statistically. Lastly, the Panel ARDL long run estimates further revealed that, a percentage variation in dividend yield (DY) will result to a positive effect on quoted consumer goods firms' performance in Nigeria by 0.02 per cent, and was insignificant statistically.

3.2.2 ARDL Long Run Dynamics Test (With Moderating Variable)

Table 4. Panel ARDL model result (with the moderating variable)

Dependent Variable: D(LROE)				
Method: ARDL				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
Long Run Equation				
LDPOC	3.476178	0.463876	7.493758	0.0000
LDPSC	13.78300	1.024009	13.45984	0.0000
LDYC	10.29251	0.561232	18.33914	0.0000
Short Run Equation				
COINTEQ01	0.969143	0.109782	8.827920	0.0000
D(LDPOC)	1.719033	0.274741	6.256921	0.0000
D(LDPSC)	0.705689	0.461486	1.529166	0.4321
D(LDYC)	0.716760	0.452803	1.582940	0.3415
C	10.62381	1.269965	8.365437	0.0000
Mean dependent var	0.021924	S.D. dependent var	1.555795	
S.E. of regression	0.951942	Akaike info criterion		2.553853
Sum squared resid	115.0867	Schwarz criterion		4.375278
Log likelihood	-199.0008	Hannan-Quinn criter.		3.286090

*Note: p-values and any subsequent tests do not account for model

selection.

Source: Researcher's computation/analysis, 2021

3.2.3 ARDL Long Run Dynamics Test (with Moderating Variable)

From the Panel ARDL in Table 4, estimates of the long run revealed that DPO, DPS and DY, as explanatory variables, alongside the moderating variable (corporate governance index) possess a positive and significant influence on consumer goods firms' performance in Nigeria. Statistically, this implies that variations in these variables (DPO, DPS and DY) along with the moderating variable (corporate governance index) will result to either significantly positive or significantly negative influence on the changes in quoted consumer goods firms' performance in Nigeria, *ceteris paribus*.

The panel ARDL long run estimates revealed that, other things being equal, a percentage increase in dividend payout ratio (DPOC) with corporate governance index will lead to a positive influence on quoted consumer goods firms' performance in Nigeria by 3.47 per cent and was found to be statistically significant at five (5) per cent. Similarly, a percentage augment in dividend per share (DPSC) will increase quoted consumer goods firms' performance in Nigeria by 13.78 per cent and was significant statistically. Lastly, the Panel ARDL long run estimates further revealed that, a percentage variation in dividend yield (DYC) will increase quoted consumer goods firms' performance in Nigeria by 10.29 per cent and was significant statistically.

3.2.4 ARDL Short Run Dynamics Test (Without Moderating Variable)

The panel ARDL short-run test in Table 3 revealed an intercept value of 5.82. This implies that the performance of Nigerian consumer goods companies' performance will significantly increase by 5.82 per cent when all other variables (DPO, DPS and DY) are held constant. By implication, the short run effect of dividend policy as adopted by consumer goods firms in Nigeria demonstrated a positive effect on their performance. Beyond the sign, the significant effect aligns with bird-in-hand theory of dividend policy. Further examination of the panel ARDL short-run estimates revealed that changes in dividend payout ratio (DPO) had an insignificant positive influence on Nigerian consumer goods firms' performance. By implication, the use of dividend payout ratio as a dividend policy measure had an insignificant effect Nigerian consumer goods firms' performance. By this, Nigerian consumer goods companies do employ unfavourable dividend payout ratio, hence, the insignificant effect of this measure on their performance.

Further examination of the panel ARDL short-run estimates revealed that changes in dividend per share (DPS) had an insignificant positive influence on Nigerian consumer goods firms' performance. The implication is that, the use of dividend per share as a dividend policy measure had an insignificant positive effect on the performance of consumer goods firms in Nigeria in the short run. By this, dividend per share of Nigerian consumer goods companies is not statistically significant in determining the performance of these firms especially in the short run.

Lastly, the short-run estimates of the panel ARDL revealed that variation in dividend yield (DY) had an insignificant positive effect on influence on Nigerian consumer goods firms' performance. From all indications, the use of dividend yield as a dividend policy measure had an insignificant positive influence on Nigerian consumer goods firms' performance. By this, dividend yield of Nigerian consumer goods companies is not significantly statistical in determining the performance of these firms especially in the short run.

3.2.5 ARDL Short Run Dynamics Test (with Moderating Variable)

The short-run test of the panel ARDL in Table 4 revealed an intercept value of 10.62. This implies that the performance of Nigerian consumer goods companies' performance will significantly increase by 10.62 per cent when all other variables (DPO, DPS and DY) along with the moderating variable are held constant. By implication, the short run effect of dividend policy in addition with the corporate governance index as adopted by consumer goods firms in Nigeria demonstrated a positive effect on their performance. Beyond the sign, the significant effect aligns with bird-in-hand theory of dividend policy and the incorporation of the moderating element (corporate governance index) in Nigerian consumer goods companies could not have a meaning influence on their dividend payment decision.

Further examination of the panel ARDL short-run estimates revealed that changes in dividend payout ratio (DPOC) in addition with corporate governance index had a significant positive influence on Nigerian consumer goods firms' performance. By implication, the use of dividend payout ratio along with corporate governance demonstrated a positive effect on their performance. Further examination of the panel ARDL short-run estimates revealed that variations in dividend per share (DPSC) in addition with corporate governance index had an insignificant positive influence on Nigerian consumer goods firms' performance. With this result, the influence of the moderating element (corporate governance index) on the dividend per share of Nigerian consumer goods

companies was highly insignificant in influencing the performance of these firms especially in the short run.

Also, the panel ARDL short-run estimates revealed that changes in dividend yield (DYC) in addition with corporate governance index had an insignificant and a positive influence on Nigerian consumer goods firms' performance. By implication, the use of dividend yield along with corporate governance index as a dividend policy measure had an insignificant, but a positive effect on influence on Nigerian consumer goods firms' performance. By this, the influence of the moderating element (corporate governance index) on the dividend yield of Nigerian consumer goods companies was highly insignificant in influencing the performance of these firms especially in the short run.

3.2.6 Panel ARDL Error Correction Test (Without the Moderating Variable)

Meanwhile, the error correction term element showed a negative and significant influence, just as the way it was expected as revealed in Table 4.3. With this result, the system indicated the presence of both the long-run and short-run equilibrium. The negative and statistical significance of the period lag residual co-efficient indicates a long-run equilibrium. With a coefficient of -1.12, the system aligns with its previous period disequilibrium, given a speed of 112 per cent yearly. This is considered an extraordinary high speed of adjustment in the system.

3.2.7 Panel ARDL Error Correction Test (with Moderating Variable)

Table 5. Excerpts from selected firm-by-firm analysis

Firms	Constant variable	Standard error	t-statistics	Probability	Preferred theory
Cadbury Nigeria Plc	-12.01582	2.072371	-5.798103	0.0102	Bird-in hand
Champion Breweries Plc	-2.274992	0.815348	-2.790210	0.0684	Irrelevant
Dangote Flour Mills PLC	-4.159071	1.218007	-3.414653	0.0420	Bird-in-hand
Dangote Sugar Refinery Plc	0.474822	0.191217	2.483162	0.0890	Irrelevant
DN Tyre and Rubber Plc	-9.815381	0.817496	-12.00664	0.0012	Bird-in hand
Flour Mill Nigeria Plc	-13.70131	6.691398	-2.047601	0.1331	Irrelevant
Guinness Nigeria Plc	-5.135289	7.498554	-0.684837	0.5426	Irrelevant
Golden Guinea Breweries Plc	-1.285793	1.932749	-0.665266	0.5535	Irrelevant
Honeywell Flour Mill Plc	-2.993313	2.249651	-1.330568	0.2754	Irrelevant
International Breweries Plc	-8.752948	4.232363	-2.068100	0.1305	Irrelevant
Jos International Breweries Plc	-7.990705	4.385155	-1.822217	0.1660	Irrelevant
MC Nichols Plc	-8.329006	0.287902	-28.93001	0.0001	Bird-in hand
Multi-Trex Integrated Food Plc	-3.156252	1.769216	-1.783983	0.1724	Irrelevant
Nigeria Flour Mills Plc	-8.514308	4.857360	-1.752868	0.1779	Irrelevant
Nascon Allied Industries Plc	-6.377863	5.581645	-1.142649	0.3361	Irrelevant
Nestle Nigeria Plc	-5.940681	4.004736	-1.483414	0.2346	Irrelevant
Nigerian Breweries Plc	-6.422327	0.374852	-17.13295	0.0004	Bird-in hand
Nigerian Enamelware Plc	-8.553598	1.181163	-7.241675	0.0054	Bird-in hand
Premier Breweries Plc	-4.805664	0.262407	-18.31376	0.0004	Bird-in hand
PS ManoridesPlc	-3.040445	1.923505	-1.580680	0.2121	Irrelevant
PZ Cussons Nigeria Plc	-2.985180	2.441451	-1.222707	0.3087	Irrelevant
Rokana Industries Plc	-5.185060	1.583651	-3.274118	0.0466	Bird-in hand
Unilever Nigeria Plc	-2.616721	0.968814	-2.700954	0.0737	Irrelevant
Union Dicon Salt Plc	-3.282347	5.586906	-0.587507	0.5982	Irrelevant
Vitafoam Nigeria Plc	-6.524420	2.382223	-2.738795	0.0714	Irrelevant
Vono Products Plc	-8.026280	4.080125	-1.967165	0.1438	Irrelevant

Source: Researcher's computation, 2021

Also, as shown in table 4.4 the system indicated the presence of both the long-run and short-run equilibrium. The negative and statistical significance of the period lag residual co-efficient indicates a long-run equilibrium. With a coefficient of -0.96, the system aligns with its previous period disequilibrium, given a speed of 96 per cent yearly. This is considered a very high speed of adjustment in the system.

3.2.8 Firm-by-Firm Analysis: The Bird-in-Hand Theory or the Dividend Irrelevant Theory

Applying the short-run panel ARDL test in table 4.5 to determine the theoretical application of individual firms as encapsulated in the P-Values reveals that eight (8) out of selected 26 firms investigated adopted Bird-in-hand theory while 18 firms focused on dividend irrelevant theory. The P-Value of 8 firms were below 5 percent, indicating bird-in-hand adoption by the firms, on the other hand P-Value of 5 percent and above indicated dividend irrelevance approach.

3.3 Test of Hypothesis One

H0: Dividend pay-out ratio does not have significant impact on the performance of consumer goods listed firms in Nigeria.

From table 4.4, dividend per share {1.20} is less than the tabulated value of 2.056. This implies that dividend payout ratio is non-significant statistically. Thus, this empirical study rejected the alternative hypothesis. Thus, concluding that there is no significant connection between dividend payout ratio and the performance of consumer goods companies listed in Nigeria.

3.4 Test of Hypothesis Two

H0: Dividend per share does not impact significantly on the performance of consumer goods listed firms in Nigeria.

From table 4.4, dividend per share {0.63} is less than the tabulated value of 2.056. This implies that dividend per share is non-significant statistically. Thus, this empirical study rejected the alternative hypothesis. Thus, concluding that there is no significant connection between dividend per share and the performance of consumer goods companies listed in Nigeria.

3.5 Test of Hypothesis Three

H0: The performance of consumer goods listed firms in Nigeria was not significantly affected by dividend yield.

From table 4.4, dividend yield {0.62} is less than the tabulated value of 2.056. This implies that dividend yield is non-significant statistically. Thus, this empirical study rejected the alternative hypothesis. Thus, concluding that there is no significant connection between dividend yield and the performance of consumer goods companies listed in Nigeria.

The study empirically examined dividend policy and its corresponding influence on the performance of Nigerian quoted consumer goods companies. The study focused to achieve four (4) stated objectives using various econometric analytical techniques. The following facts were discovered:

The statistical description in Table 4.1 provides summary about the studied population as well as the characteristics from the variables. It showed the Jarque-Bera (JB) coefficients for ROE, DPS and DY, as well as the probability of more than 0.05. This indicates that the series are distributed normally and suitable for generalization. Also the probabilities of all the variables were judged to be significant at five (5) per cent. The result of the unit root test based on Fisher-Augmented Dickey Fuller and Fisher-Philip Perron, Im, Pesaran and Shin, and Levin, Lin and Chu test showed that all studied elements or variables were stationary, which mean that the null hypotheses were accepted and the variables assumed to be stationary.

Dividend per share is the volume of dividend announced per equity share recompensed by the firm. It shows the total earnings (including interim dividend paid) attributed to each issued ordinary share. It showed a significant influence on ROE of consumer goods firm at five (5) per cent level of significance which showed that dividend per share as a dividend policy tool was capable of enhancing the performance Nigerian consumer goods listed firms in the long run. However, in the short run, dividend per share showed a non-significant influence on return on equity of consumer goods firm at five (5) per cent level of significance which showed that dividend per share as a dividend policy tool had no significant impact in enhancing the performance of Nigerian consumer goods listed firms, *ceteris paribus*. The short run results shows that any change in dividend per share of the consumer goods companies that are listed in Nigeria will have a non-significant changes in the performance of these firms. Theoretically, this result of investigation is inconsistent with the bird-in-hand theory which asserted that increase in the payment of dividend influence firms' positively.

However, equity owners can manufacture their dividends if they choose to sell a certain portion of their stocks. Although, this constitutes costs, but could be mitigated if the firms pay dividends (A. Emekekwe, 2014). The finding also disagrees with Rachid and Wiame (M. Rachid & B. Wiame, 2016) who investigated the connection

between dividend payments and listed firms' performance in Morocco. Utilizing the multiple regression technique, findings showed a significant and positive connection between dividend policy variables and the performance of the firms understudied. Thus, it was concluded that since dividend policy or guide is extremely vital, management should come up with a policy that will boost shareholders' wealth, while increasing firm performance. Additionally, the findings also agrees with Jabbouri (I. Jabbouri, 2016) who investigated how shareholders' wealth and companies' performance are influenced by dividend policy in Pakistan for a period of 2006 to 2015. They specifically discovered that shareholders' wealth and companies' performance was positively influenced by dividend per share and dividend yield.

On the other hand, this study is consistent with Kimutai (P. K. Kimutai, 2012) who examined the connection existing between dividend policies and financial performances of corporate entities listed in Turkey. The results showed a positive relationship between dividend per share and Tobin's q ratio, while exhibiting a non-significant connection between return on equity and return on assets and dividend per share. Thus, he asserted that firms' performances are directly influenced by the choice of whether to pay dividend or not.

The results showed a significant effect of dividend pay-out ratio on the ROE of consumer goods companies at five (5) percent level of significance. This implies that dividend payout ratio as a dividend policy tool was capable of enhancing performance of consumer goods companies that are listed in Nigeria in both the short and the long run. With these results, any variation in dividend payout ratio of consumer goods companies that are quoted in Nigeria will have a significant change in the performance of these firms, hence is consistent with the bird-in-hand theory.

The finding also agrees with Anandasayanan and Velnampy (S. Anandasayanan & T. Velnampy., 2016), who researched the relationship between dividend policy and corporate performance of manufacturing firms that are listed in Sri Lanka. Using a sample size of 23 firms, with a time frame of 2009 to 2014, results from the regression analysis shows that dividend policies significantly influence on corporate firms' profitability of the selected firms. Additionally, the finding also agrees with Abdul and Muhibudeen (A. Abdul, L Muhibudeen, 2015), who examined the strength of the relationship between dividend payout and selected oil firms' performance in Nigeria. Using the regression and correlation techniques, findings expose that a significant relationship exist between dividend payout and the performance of the firms understudied.

Similarly, just like Fathima & Mohamad (T. A. Fathima & A. M Mohamad, 2014), Kazmierska-Józwiak (B. Kazmierska-Józwiak, 2015), Nwabuisi, Aseoluwa & Tolulope (N. A. Nwabuisi, A. C. Aseoluwa & O. O. Tolulope, 2017), investigated the extent to which corporate dividend policy influences financial performance of Nigerian non-financial companies. The statistical results indicated that dividend payout and firm performance had a significant and positive relationship.

Lastly, dividend yield connotes the amount of dividend each share earned, in relationship to the firm's share price. It shows how much earnings that each unit of the firm's stock is yielding. It showed a significant influence on the ROE of consumer goods firm at five (5) percent statistical significant. This implies that dividend yield as a dividend policy tool was capable of enhancing performance of Nigerian consumer goods firms that are listed on the Stock exchange in the long run.

However, the short run evidence showed that dividend yield exhibited a non-significant effect on return on equity of consumer goods firm at five percent level of significance which showed that dividend yield as a dividend policy tool had no significant impact in enhancing performance of Nigerian consumer goods firms that are listed on the Stock exchange, *ceteris paribus*. It further shows that any change in dividend yield of the Nigerian consumer goods firms that are listed on the Stock exchange will show a non-significant change in the performance of Nigerian consumer goods firms that are listed on the Stock exchange, and is inconsistent with the bird-in-hand theory.

The long run finding of dividend yield agrees; while the short run findings disagrees with Anandasayanan & Velnampy (S. Anandasayanan & T. Velnampy., 2016), who researched the relationship between dividend policy and corporate performance of manufacturing firms that are listed in Sri Lanka. Using a sample size of 23 firms, with a time frame of 2009 to 2014, results from the regression analysis shows that dividend policies significantly influence on corporate firms' profitability of the selected firms. The operational environment of firms may have contributed to the deviations in the short run analysis in context.

Additionally, the short run findings also disagree with Fathima & Mohamad (T. A. Fathima & A. M Mohamad, 2014), who investigated how shareholders' wealth and companies' performance are influenced by dividend policy in Pakistan for a period of 2006 to 2015. They specifically discovered that shareholders' wealth and companies' performance was positively influenced by dividend per share and dividend yield. Similarly, the findings conflicts with Nnadi, Wogboroma & Kabel (M. Nnadi, N. Wogboroma & B. Kabel, 2013), who investigated the influence of dividend policy and firms' earnings on selected listed corporate entities in Nigeria,

from a period of 2004 to 2013. The study asserted a statistical connection between earning per share and the firms' dividend yield.

4. Summary of Findings

The findings made from the study are summarized below:

- Without the moderating variable, dividend payout ratio was statistically non-significant both in the short and long run periods. This implies that without the moderating variable that the relationship between dividend payout ratio and firm performance is caused by chance in the short run and in the long run. However, with moderating effect, dividend payout ratio became statistically significant in the short run as well as the long run. This indicates that with the inclusion of corporate governance index, the existence of a relationship between dividend payout and firm performance is not a matter of chance;
- Again, without the moderating variable, dividend per share was statistically non-significant in both the short and long run periods. This implies that without the moderating variable that the relationship between dividend per share and firm performance is caused by chance in the short run and in the long run. However, with the moderating effect, dividend per share became statistically non-significant in the short run, but was significantly positive in the long run period, *ceteris paribus*. This indicates that with the inclusion of corporate governance index, the existence of a relationship between dividend payout and firm performance is a matter of chance in the short run period, and not a matter of chance in the long run period;
- Finally, without the moderating variable, dividend yield was statistically non-significant in both the short and long run periods. This implies that without the moderating variable that the relationship between dividend per share and firm performance is caused by chance in the short run and in the long run. However, with moderating effect, dividend yield was statistically non-significant in the short run, while been statistically significant in the long run, *ceteris paribus*. This indicates that with the inclusion of corporate governance index, the existence of a relationship between dividend payout and firm performance is a matter of chance in the short run period, and not a matter of chance in the long run period.

5. Conclusion

This study is an empirical examination of corporate firms' dividend policy and the influence it exhibits on Nigerian quoted entities. It had examined the effect of dividend payout ratio (DPR), dividend yield (DY) and dividend per share (DPS) and these firms' performance. The main aim is to make available insights on the direction of dividend policy in these firms between the dividend irrelevance theory and the bird-at-hand theory.

Different dividend policy measures considered for the study revealed that amongst the various dividend policy options considered, dividend payout is the most critical dividend policy measure that determines the performance of a firm both at the short and long run periods. The study further concluded that dividend yield and dividend per share had no significant influence on the studied firms' performance. However, the latter could possibly determine listed firms performance in the long run, all things being equal.

In addition, corporate governance role in dividend policy showed no significant influence on the studied firms' performance. By implication, the corporate governance index of list firms proxied by board size followed the irrelevant theory of dividend especially in the short run. Lastly, the selected individual listed firms' analysis revealed that, the majority of the studied firms' performance follows after the irrelevant theory of dividend.

6. Recommendations

Recommendations made from the study include:

- (1) Listed firms that are determined to maximize their equity holders' worth should, as a matter of fact, continually pay dividend, as high dividend payout ratio signals that the company is liquid and healthy. Theoretically, the payment of dividend is of great importance to stockholders, as well as prospective investors, as it is necessary in deciding stock value, while meeting the preference of ordinary shareholders for payment of current dividend than to be deferred, as the future is full of uncertainties, especially in developing economies like Nigeria.
- (2) Dividend per share raises the share value of listed firms in Nigeria. As such, listed firms should endeavour to achieve a steady increase in dividend per share, in order to continually boost the firms' value and performance. This is in consonance with the dividend relevancy theory, as the determination of the proportion of distributable profits that should be paid to ordinary shareholders is fashionable through the dividend payment guide. Thus, corporate firm owners' value dividends and prospective investors use it to judge the earnings ability of the firm.
- (3) Listed firms' management should be judicious in the declaration of dividend yield, as constant high dividend yield may imply the firms' share prices are undervalued, and may influence subsequent or future dividend yields, especially when the payment of dividends fluctuates insignificantly, in relationship to current

market prices of shares. This is in line with the dividend irrelevancy theory, as developed by Miller and Modigliani (1961) that a firm's value greatly depends on its assets' earning ability or its investment policy, and not the way its earnings stream is been split between dividend payment and earnings retention.

7. Contribution to Knowledge

The increasing importance of corporate governance structure, as a structure which business corporations are conducted, governed and regulated was clearly represented in the study reviewed, as well as in the model specification. This implies that beyond dividend policy, other factors could also influence the choice of whether to recompense dividend or not. Moreover, a company can be performing well, if it has a good corporate governance structure, and not just limiting performance to the payment of dividend. To my best of knowledge, among the few studies that have posited a connection between firms' dividend policies and performance, none has incorporated the moderating influence of corporate governance index.

Furthermore, the study seeks to examine the proportion at which dividend policy influences the performance of quoted consumer good firms in Nigeria, thus, going beyond investigating the performance of all Nigerian quoted corporate entities. None of the underlisted studies; Eyigege (A. I. Eyigege, 2015), who examined dividend payout on the performance of quoted manufacturing firms in Nigeria, using a sample size of 14 firms, with a time frame of 2004 to 2013; Abdul and Muhibudeen (A. Abdul, L Muhibudeen, 2015), who examined the strength of the relationship between dividend payout and selected oil firms' performance in Nigeria, using a period of 1999 to 2013; Uwalomwa, Jimoh and Anijesushola (U. Uwalomwa, J. Jimoh & A. Anijesushola, 2012), assessed the relationship existing between performance and dividend payout, using a sample size of 50 firms, with a time frame of 2006 to 2010; Uwuigbe, Jafaru and Ajayi (U. Uwuigbe, J. Jafaru & A. Ajayi, 2012), examined the strength of the connection between performance and dividend payout of fifty (50) Nigerian quoted companies for a period of 2006 to 2010, have been carried out, using only the listed consumer goods firms as a case study.

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