International Journal of Application or Innovation in Engineering & Management (IJAIEM)
Web Site: www.ijaiem.org Email: editor@ijaiem.org
Volume 10, Issue 7, July 2021 ISSN 2319 - 4847

Mediating Effect of Profitability on Leverage and Dividend Policy Relationship: An Analytical Study on Select IT Companies in India

Rashmi Rekha Pradhan[1], Prof. D. P. Misra[2]

[1]Research Scholar, Department of Business Management, Fakir Mohan University, Balasore, Odisha, India
[2]Professor (Retd.), Department of Business Management, Fakir Mohan University, Balasore, Odisha, India

ABSTRACT
Dividend payout is an important decision for every company because it not only affects directly the interest of the shareholders but also affects the retention policy leading to future growth and expansion of the company. Further, dividend payout of a company is influenced by a number of factors. However, identification of important factors that affect dividend payout may help the companies in making accurate decisions in this regard. This article attempts to examine the effect of important variables namely leverage and profitability on the dividend payout of select IT companies in India. Further, profitability variable is taken as a mediating variable to examine its effect on the dividend payout of the sample companies. This study has selected 19 Indian IT companies as sample units who have been generating profit on a continuous basis. The study period covers from 2008-09 to 2019-20. Data for the study have been collected from the annual reports of the concerned companies. The data have been analyzed through descriptive as well as inferential statistics such as mean, standard deviation, variance, and regression analysis. The regression result reveals that the role of mediating variable (profitability) is significant in influencing dividend payout of sample IT companies in association with leverage.
Key words: Dividend Payout, IT Companies, Leverage, Profitability.

1.Introduction
Investment, financing, and dividend decisions are the three crucial decision areas in financial management where most of the finance managers face the challenge. The dividend distribution to the shareholders as part of the financial decision of a firm refers to the proportion of the firm's earnings to be paid out to the shareholders. At this juncture, a firm decides on the portion of the profits that is to be distributed to the shareholders as dividends and the rest to be retained back in the firm. While deciding how much dividend to pay to its shareholders, if any, a company must look into the profits it has made and consider how much should be retained in the business to finance future growth and expansion program. Apart from this, the firm should also consider other important issues like firm value, share price behavior, potential investor etc. while paying dividends because it directly or indirectly affects such issues. It is pertinent to mention that payment of dividends is influenced by a large number of exogenous and endogenous factors. One thing is certain that without profit, no company can declare the dividends. Hence, profit or profitability is considered as a prominent factor in determining the dividend payment of a firm. In this study, the researchers have made an attempt to assess the impact of leverage variable on dividend payment keeping profitability as mediating variable to examine the select IT companies in India.

2. Importance of the study
Leverage is an important determinant of dividend payouts. Leverage is the ability of the company to use debt funds that have fixed cost to increase the profit volume of the company to ensure greater returns to its shareholders. However, companies with high debt levels tend to pay low dividends due to the fact that company must pay interest and installments in order to avoid default risk. Hence, leverage plays vital role in the payment of dividends in a firm. Here comes the role of the finance manager who has to formulate an appropriate leverage (debt-equity) composition to have a smooth dividend payment. To examine this aspect, this study selects the IT sector in India since this sector plays an important role in accelerating economic growth of the nation by contributing immensely to almost all sectors of the economy. Therefore, a study on leverage effect on dividend payment in this sector assumes greater importance.

3. Review of literature

Review of literature in the related area of research facilitates in understanding the fundamentals and also creates the foundation for further research. Research studies relating to the impact of key factors such as liquidity, leverage, profitability, size, age, etc. on dividend policy have been carried out by eminent researchers at national and international level. The key findings of latest such studies are summarized below.

Moradi et al. [1] examined the effects on dividend payment in relation to profitability, size, beta rate, the rate of retained earnings, P/E, and debt ratio. In their research study, they covered all listed companies in the Tehran Stock Exchange. The period of the study is from 2000 to 2008. They found that there is a positive relationship between dividend payout and profitability; whereas there is a negative relationship between dividend payout and the factors namely P/E, beta rate and debt ratio. Further, they concluded that there is no significant relationship on company's size and rate of retained earnings with dividend payout.

Gill et al. [2] conducted a study on the determinants of dividend payout of American service and manufacturing firms. They collected data from financial reports of 266 sample units for the study. They used descriptive statistics, multi-collinearity and OLS Regression model for the data analysis. They found that for the entire sample, the dividend payout is the function of profit margin, sales growth, debt-to-equity and tax. For the firms in services industry, the dividend payout is the function of profit margin, sales growth and debt-to-equity. However, for the manufacturing firms, they found that dividend payout is the function of profit margin, market-to-book and tax.

Musiega et al. [3] carried out a study on the determinants of dividend payout of non-financial firms listed on Nairobi Securities Exchange. They selected 30 sample companies by using purposive sampling technique for the study. The period of their study was five years i.e. from 2007 to 2011. They collected data from audited financial statements of the sample companies. The study used dividend payout as dependent variable while profitability, growth, current earnings and liquidity were selected as the independent variables. Business risk and size were used as moderating variables for the study. To analyze the data, they adopted descriptive statistics and multiple regressions. They found that return on equity, current earnings and firm's growth activities are positively correlated with dividend payout. Further, they concluded that the business risk and size used as moderating variables increased the precision of significant variables from 95% to 99%. They observed that the study provided evidence of business risk and size as the major determinants of dividend payout.

Tamimi and Takhtaei [4] in their study investigated the effect of the financial leverage and the age of the company on the dividend policy. They selected 92 manufacturing companies of Tehran Stock Exchange. The study period was from 2005 to 2011.They used the square and the cube of the company age in their model to investigate the linear or non-linear relationship between company age and dividend policy. The results indicate that there is a positive and significant relationship between company age and dividend payout, whereas there is a negative and significant association between financial leverage and dividend payout.

Bisht et al. [5] in their research paper analyzed the effect and association of dividends payment in relation to profitability, beta rate, size, retained earnings, P/E and debt ratio. They collected the data from annual reports of the 200 sample companies listed in BSE. The period of their study was from 2009 to 2013. They used multiple regression analysis to process the data. The result revealed that there is a direct relationship between dividend payment and profitability. Further, the findings indicated that there is a reverse relationship with regard to P/E, beta rate and debt ratio with dividend payment. In addition to this, the results of their study revealed that there is no significant association between the dividend policy and a company's size and rate of retained earnings. They concluded that it is important to determine the deterministic element in dividend policy because it will help the managers to predict annual receipt of dividend and its distributable percentage so that they can forecast their cash budget and investment policies in deducting investor risk in the expected receipt yield.

Hadianto and Sahabuddin [6] in their study examined the impact of debt policy on dividend payment by using profitability and liquidity as a control variables. The study period was from 2006 to 2012. They selected sample units by using stratified random sampling method. To analyze the data, they employed the archival approach and the logistic regression. The result revealed that debt policy owns a negative influence on dividend policy, whereas profitability and firm liquidity have a positive effect on dividend policy. They concluded that the companies with higher profitability will have higher free cash flow and hence, can pay higher dividend.

Tahu and Susilo [7] in their study aimed to determine the effect of liquidity, leverage, and profitability on the firm value with the dividend policy as a moderating variable. They selected 30 manufacturing companies listed on the Indonesian Stock Exchange as the sample units for their study. They used moderated multiple regression analysis with the application of SPSS package. The results revealed that there is an insignificant positive effect of liquidity on firm value and the dividend policy is not able to significantly moderate the effect of liquidity on the firm value. Again, leverage has insignificant negative effect on firm value and the dividend policy is not able to significantly moderate the effect of leverage on firm value. Furthermore, profitability has significant positive effect on firm value where dividend policy is not able to significantly moderate the effect of profitability on firm value. They concluded that profitability is only having significant positive influence on the firm value which indicates that high profitability can provide added value to the firm, Kumar and Sujit [8] conducted a study to understand the purpose of variables in the dividend payment trend of Indian firms. For this study, they selected 15 different industry sectors in India. They adopted partial least square structural equation modeling methodology (PLS SEM) and covariance based structural equation modeling (CB- SEM) to examine the determinants of the dividend intensity of Indian firms. From the analysis, they found that the higher the financial leverage, the lower is the propensity to pay dividends. High growth firms have low dividend payout policies. Moreover, dividend intensity of firms is directly related to the size of firm. Firms with higher liquidity tend to pay more dividends. Profitable firms tend to have higher dividend intensity.

Chauhan, et al. [9] in their study attempted to evaluate the impact of dividend policy on profitability of Indian Information Technology companies listed on Bombay Stock Exchange. They selected the companies for the study based on market capitalization. They used correlation matrix and panel regression model for data analysis and interpretation. They found that there is a low positive association between price earnings and dividend payout, between return on assets and earnings per share and between return on equity and earnings per share. On the other hand, there is strong positive association between return on equity and return on assets. They concluded that although the performance of firm has a significant impact on the dividend policy, the selected companies do not follow consistent pattern of dividend payments throughout the study period.

Trinh and Trinh [10] in their research work made an attempt to study dividend payment and its determinants in developing Asian nations. The period of their study was from 2009 to 2017. They selected 9,717 non-financial firms to analyze the behavior of dividend payment policy across 17 economies in the Asian region. They used fixed effects method to estimate the data. They found that profitability, firm size, liquidity, and growth have negative impact on dividend payment while leverage is having a positive impact on dividend payment. Further, they added that free cash flow is not a significant determinant of dividend payment in Asian region. They concluded that their findings are slightly different for middle-income and upper-income countries.

Mauris and Rizal [11] conducted a study to determine the effect of collateralized assets, growth in net assets, liquidity, leverage and profitability on dividend policy in non-financial service companies which are listed on the Indonesia Stock Exchange. The period of the study was from 2016 to 2019. They collected the data from the financial reports of the official website of the selected firms. They adopted panel data regression analysis by using Eviews 11.0 software to evaluate the data. The results revealed that simultaneous collateralized assets, growth in net assets, liquidity, leverage and profitability have a significant effect on dividend policy. They suggested that companies can manage assets that will be used as collateral for debt in order to reduce conflicts of interest with creditors so that the company can pay large dividends. This will be helpful for investors while choosing companies that pay dividends regularly.

4. Statement of the problem

Decision on dividend payment has been a critical issue in the eyes of academicians, practitioners and analysts in financial literature not only in India but also across the world. A good number of theoretical models have been evolved by researchers to test the various factors that influence the dividend payment by the firms. However, there is no common answer to this critical issue. Therefore, the researchers have decided to carry out a study on the impact of leverage variable on dividend payment keeping the profitability as mediating variable. Further, the researchers would like to find out the effect of mediating factor and give suggestions to the IT companies on the basis of the findings of the study.

5. Objectives and scope of the study

The current research work has been carried out on 19 selected IT companies in India and following are the objectives of the study.

1) To determine the impact of leverage on dividend payout of select IT companies in India.
2) To determine the impact of profitability as a mediating factor on dividend payout of select IT companies in India.
3) To recommend suggestions based on the outcome of the study.

The scope of the present study is limited to IT companies only. In other words, non-IT companies are not included in the purview of this study.

6. Hypotheses of the study

Keeping in view the above mentioned objectives, the following null hypotheses are formulated.

1. H_0: There is no significant impact of leverage on the dividend payout of sample IT companies.
2. H_0: There is no significant impact of leverage on the profitability of sample IT companies.
3. H_0: There is no significant impact of profitability on dividend payout of sample IT companies.
4. H_0: There is no mediating role of profitability on the relationship between leverage and dividend payout of sample IT companies.

7. Conceptual framework and measurement of variables

Leverage: Leverage is the ability of the company to use fixed interest bearing capital to increase the profitability of the company. Leverage position of a firm can be explained through debt-equity ratio. Companies with high debt levels tend to pay low dividends. This is because the firm must pay interest and installments for the debt which will lower the cash flow and affects the dividend payment. This assumption is supported by research conducted by Asif et al. [12], Emamalizadeh et al. [13] and Kaźmierska-Jóźwiak [14]. These studies further revealed that leverage has a negative influence on dividend policy. Leverage or debt-equity ratio can be calculated as follows.

Debt-Equity ratio= Long term debt/Shareholders' equity

Profitability (Mediating variable): Profitability has long been regarded as the primary indicator of a firm's capacity to pay dividends. It is one of the most important determinants of dividend payout policy. However, the results on relationship between profitability and dividend payout have been mixed one. Aivazian et al. [15], Myers and Bacon [16] and Kun-Li and Chung-Hua [17] have maintained that firms are more likely to raise their dividends if they are large and profitable. Their studies proved that the profitability is positively related to the dividend payout ratio. Amidu and Abor [18], Baker and Gandhi [19] and others have maintained that the profitability is negatively and significantly associated with the dividend payout indicating that the firms invest more in their assets rather than paying dividends to shareholders. Keeping in view the mixed results, in this study profitability variable has been used as a mediating variable by following Baron and Kenny model [20]. The objective is to find out the effect of profitability in conjunction with the independent variable i.e. leverage on dividend payment. The profitability can be calculated as follows.

ROA= Profit after tax/Total assets*100

Dividend payout: The dividend payout ratio refers to the ratio of total annual dividend paid to profit after tax. While formulating the dividend payout ratio, it is very important to have a glance over the past payout ratios of the firm and the retention amount needed for future growth and expansion of the said firm. The dividend payout ratio has been used in many studies as the dependent variable by the researchers. Few of such latest studies include the research work of Mehta [21], Sanjari and Zarei [22], Ahmad and Wardani [23], Nurchaqiqi and Suryarini [24] and others. The dividend payout ratio can be calculated as follows.

DPR= Dividend paid/Profit after tax*100

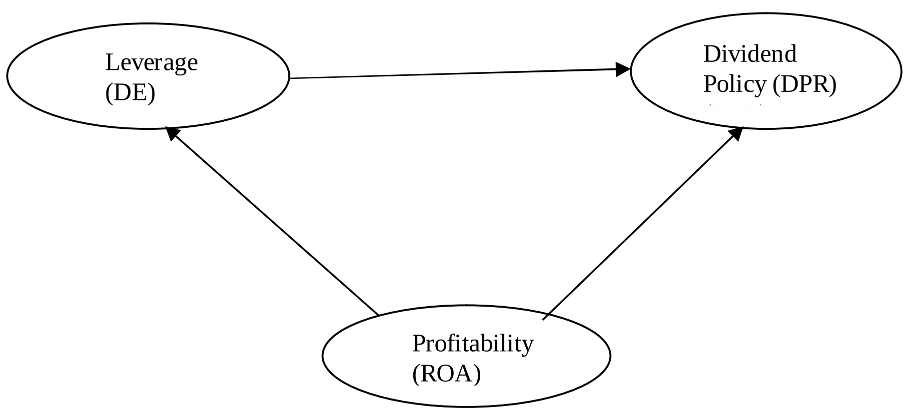

Fig.1: Proposed dividend model with mediating variable

8. Methodology for the study

The following methodology has been followed to carry out the present research work.

Data Collection: The data for the study has been collected mainly from the secondary sources i.e. annual reports of select IT companies. The important variables namely leverage, profitability and dividend payout were calculated from the collected data and included for the analysis and interpretation. In this study leverage is taken as explanatory (independent) variable while dividend payout is taken as dependent variable. Apart from this, profitability is taken as the mediating variable.

Period of the study: The period of study is 12 years i.e. from 2008-09 to 2019-20. The researchers consider that a minimum of 10 years or more continues data is necessary to determine the effect of the independent variables on the dependent variable with more degree of accuracy.

Sample Size: The sample size for this study is 19 IT companies. These companies have been selected to carry out the research work in the line of the objectives mentioned earlier.

Tools and Techniques used for the study: In this study both descriptive and inferential statistics have been used for the purpose of data analysis. The important statistical tools used in this study include mean, standard deviation, variance and both simple and multiple regression analysis. Further, t-test and f-test are also used to test the hypotheses.

9. Analysis and interpretation of data

The analysis and interpretation of the entire study has been carried out in two sections i.e. section-1 deals with descriptive analysis and section-II deals with inferential analysis.

Section-1: Descriptive Analysis

The descriptive analysis is carried out on the data collected from select IT companies with regard to DE, ROA, and DPR and presented below.

Table-1: Descriptive statistics of variables of sample companies

Variables	Mean	Minimum	Maximum	Standard Deviation	Variance
DPR	36.8724	21.1726	67.7319	12.8646	165.4985
DE	0.0995	0.0474	0.2545	0.0690	0.0048
ROA	25.0787	17.4314	31.7518	3.6998	13.6882

Source: Compiled and calculated from annual reports of sample companies.

From the above table it is revealed that the select IT companies have a mean value of 0.0995 debt-equity ratio. This explains that on an average, the select IT firms are using nearly 10% as debt capital in their capital structure. The rest 90% are in the form of equity capital. The standard deviation is 0.0690 which suggests that there is quite insignificant variation in the DE ratio during the study period. Further, the DE ratio value ranges from a minimum 0.0474 to a maximum 0.2545. The ROA has a mean value of 25.0787. This suggests that on an average the IT companies are earning 25.07% on investment (total assets). The Standard deviation is 3.6998 which signify that there is low degree of variation in the ROA during the study period. Moreover, the ROA values range from a minimum value of 17.43% to a maximum value of 31.75% during the study period. The DPR has a mean value of 36.8724. This explains that on an average, the select IT companies are paying 36.87% of their net profit after tax as dividend and retaining 63.13% in the reserve and surplus fund for future growth and expansion program. The standard deviation is 12.8646 which reveal that there is a moderate degree of variation in the DPR during the study period. Further, the DPR value varies from a minimum value of 21.1726 to a maximum value of 67.7319.

Section-2: Inferential Analysis

The inferential analysis is carried out with regard to the mediating effect of profitability in between leverage and dividend payout. The analysis and its interpretation are presented in the following section.

Mediating role of ROA on DE and DPR

In order to find out the mediating effect of ROA on DE and DPR the below mentioned four steps are followed and the results are shown in the respective tables.

Step 1: Regress DPR on DE
Step 2: Regress ROA on DE
Step 3: Regress DPR on ROA
Step 4: Regress DPR on DE and ROA

To assess the mediating role of profitability, initially, the linkage between the dependent (DPR) and independent (DE) variable is put under regression model and Regression results are shown in the below tables.

Table-2: Summary of regression result of step 1

DPR	Coefficient	T- statistics	P-value	R^2	Adjusted R^2	F- Ratio
Constant	43.2451	6.5375	0.0000	0.1179	0.0297	1.3370
DE	-64.0565	-1.1562	0.2744			

The above table shows that the model is not efficient enough to determine the impact of debt-equity on the dividend payout as R^2 value is 0.1179. The relationship between the variables is also not significant as the p-value of debt-equity is 0.2744 > 0.05. Thus, the null hypothesis that there is no significant impact of leverage on the dividend payout of sample IT companies is not rejected. Thus, the results of the above model show that no direct connection between the variables can be established.

In the second step considering the mediating role of ROA, the relationship between the leverage and profitability is analyzed and results are shown in below table.

Table-3: Summary of regression result of step 2

ROA	Coefficient	T- statistics	P-value	R^2	Adjusted R^2	F- Ratio
Constant	23.0764	12.2903	0.0000	0.1407	0.0548	1.6380
DE	20.1257	1.2798	0.2294			

The Table-3 shows that the R^2 value of 0.1407 shows that about 14.07% of the variation in the value of profitability is represented by the change in leverage. Further, there is no significant relationship between the independent and mediating variable as the p-value of the debt-equity is 0.2294 which is more than the significance level of the study i.e. 0.05. Therefore, null hypothesis is not rejected. It can be concluded that there is no direct linkage between the variables.

Now the third step is conducted to ascertain the association between the dividend payout and profitability through regression analysis and the results are shown in the following table.

Table-4: Summary of regression result of step 3

DPR	Coefficient	T- statistics	P-value	R^2	Adjusted R^2	F- Ratio
Constant	95.8542	4.6729	0.0008	0.4574	0.4032	8.4326
ROA	-2.3518	-2.9039	0.0157			

Results shown in Table-4 reveals that the value of R^2 is 0.4574 thus showing about 45.74% of the variation in the DPR that could be depicted by considering variation in the ROA. Moreover, the p-value of ROA is 0.0157 which is less than 0.05, the significance level of the study. Hence, the null hypothesis of having no significant impact of ROA on DPR is rejected. It can be concluded that, there is a significant and negative impact (as coefficient value is -2.3518) of ROA on DPR.

Finally in the last step, the impact of leverage on dividend payout is analyzed by considering profitability as a mediating variable and the results are presented below.

Table-5: Summary of regression result of step 4

DPR	Coefficient	T- statistics	P-value	R^2	Adjusted R^2	F- Ratio
Constant	94.3769	4.3381	0.0018	0.4668	0.3483	3.9402
DE	-19.4629	-0.3974	0.7003			
ROA	-2.2157	-2.4268	0.0381			

The above table shows that the value of R^2 and Adjusted R^2 has improved as compared to the results of Equation-1 i.e. R^2 value has increased from 0.1179 to 0.4668 and Adjusted R^2 value from 0.0297 to 0.3483. This improvement in value shows that the variation in the value of DPR is very much clear by including mediating variable i.e. ROA in the model. About 34.83% of the variation in DPR is now represented by the independent and mediating variables. Moreover, the F-ratio has also increased from 1.3370 to 3.9402 thus, showing a more accurate prediction of DPR that could be done now. Finally, the p-value of the mediating variable is 0.0381 which is less than the significant level of the study i.e. 0.05. Hence, the null hypothesis of having no significant impact of ROA on DPR is rejected. Therefore, there is significant contribution of the mediating variable on the dividend payout. In other words, it can be stated that there is a full mediating effect of profitability on the dividend payout.

10. Findings of the study

The major findings of the study are presented below.

- The standard deviation values of DE and ROA show that the leverage and Profitability have a low degree of fluctuation during the study period. On the other hand, the dividend payout (DPR) has shown moderate degree of fluctuation during the study period.
- The independent variable namely leverage has least impact on dividend payout.
- The result of the study reveals that profitability as mediating variable in association with leverage variable contribute significantly to the variation in dividend payout of sample IT companies.

11. Conclusion and Suggestion

Considering the role and importance of IT industry in the economic growth and development of our country, the present research work has been carried out. Since dividend decision is one of the key decision areas in financial management, the purpose of this study is to find out the effect of leverage on the dividend policy of the IT firms keeping profitability as the mediating variable. The regression analysis reveals that leverage has less effect on dividend payout. However, when profitability is used as the mediating variable, it significantly affects the dividend payout. Looking at the mean value of DE ratio of the select IT companies i.e. about 10%, it can be inferred that IT firms rely heavily on equity capital than debt capital. This in turn, deprives the IT firms the leverage benefits. Further, the coefficient value of leverage being negative as revealed from the result indicates that it adversely affects the profitability and dividend payout policy of IT companies. Hence, there is a need for restructuring of capital structure in order to derive leverage benefits. This would definitely improve the profitability and dividend payout of IT companies.

References

[1] M. Moradi, M. Salehi and S. Honarmand, "Factors Affecting Dividend Policy: Empirical Evidence of Iran", Poslovna Izvrsnost Zagreb, GOD, 4 (1) , 46-62, 2009.

[2] A. Gill, A. N. Biger and R. Tibrewala, "Determinants of Dividend Payout Ratios: Evidence from United States", The Open Business Journal, 3, 8-14, 2010.

[3] M. G. Musiega, O. B. Alala, M. Douglas, M. O. Christopher and E. Robert, "Determinants of Dividend Payout Policy Among Non-Financial Firms On Nairobi Securities Exchange, Kenya", International Journal of Scientific & Technology Research, 2(10), 253-266, 2013.

[4] M. Tamimi and N. Takhtaei, "Relationship between Firm Age and Financial Leverage with Dividend Policy", Asian Journal of Finance & Accounting, 6(2), 53-63, 2014

[5] D. Bisht, L. K. Singh and P. C. Kavidayal, "Determinants of Dividend Policy: A Study of Sensex Incorporated Companies", International Journal of Application or Innovation in Engineering and Management, 4(3), 175-181, 2015.

[6] B. Hadianto and Z. A. Sahabuddin, "The Impact of Debt Policy, Profitability, and Liquidity on Dividend Policy of The Manufacturing Firms Listed In Indonesia Stock Exchange, Asian Journal of Management Sciences and Education, 5(4), 27-41, 2016.

[7] G. P. Tahu and D. D. B. Susilo, "Effect of Liquidity, Leverage and profitability to The Firm Value (Dividend Policy as Moderating Variable) in Manufacturing Company of Indonesia Stock Exchange", Research Journal of Finance and Accounting, 8(18), 89-98, 2017.

[8] B. R. Kumar and K. S. Sujit, "Determinants of dividends among Indian firms- An Empirical Study", Cognent economics and finance, 6(14), 1-18, 2018.

[9]J. Chauhan, M. S. Ansari, M. Taqi and M. Ajmal "Dividend Policy and Its Impact on Performance of Indian Information Technology Companies", International Journal of Finance and Accounting, 8(1), 36-42, 2019.

[10] Q. D. Trinh and N. H. A. Trinh, "Determinants of Dividend Policy in Emerging Markets: New Evidence from Asian Countries", International Journal of Science and Research, 9(7), 1185-1190, 2020.

[11] F. I. Mauris and N. A. Rizal, "The Effect of Collaterallizable Assets, Growth in Net Assets, Liquidity, Leverage and Profitability on Dividend Policy (Case Studies on Non-Financial Services Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2019 Period)", Budapest International Research and Critics Institute-Journal, 4(1), 937-950, 2021.

[12] A. Asif, W. Rasool and Y. Kamal, "Impact of Financial Leverage on Dividend Policy: Empirical Evidence from Karachi Stock Exchange Listed Companies", African Journal of Business Management, 5(4), 1312, 2011.

[13] M. Emamalizadeh, M. Ahmadi and J. Pouyamanesh, "Impact of Financial Leverage on Dividend Policy at Tehran Stock Exchange: A case Study of Food Industry", African Journal of Business Management, 7(34), 3287–3296, 2013.

[14] B. Kaźmierska-Jóźwiak, "Determinants of Dividend payment: Evidence from Polish Listed Companies", Procedia Economics and Finance, 23(1), 473-477, 2015.

[15] V. Aivazian, L. Booth and S. Cleary, "Do Emerging Market Firms Follow Different Dividend Policies from U.S. Firms"?, Journal of Financial Research, 26(3), 371-387, 2003.

[16] M. Myers and F. Bacon, "The Determinants of Corporate Dividend payment", Academy of Accounting and Financial Studies Journal, 8(3), 17-28, 2004.

[17] L. Kun-Li and S. Chung-Hua, "The Impact of Corporate Governance on the Relationship between Investment Opportunities and Dividend Policy: An Endogenous Switching Model Approach", Asia-Pacific Journal of Financial Studies, 41, 125–145, 2012.

[18] M. Amidu and J. Abor, "Determinants of the Dividend Payout Ratio in Ghana", The Journal of Risk Finance, 7(2), 136-145, 2006.
[19] K. Baker and D. Gandhi, "The Perception of Dividends by Canadian Managers: New Survey evidence", International Journal of Managerial Finance, 13(1), 70–91A, 2007.
[20] R.M. Baron and D.A. Kenny, "The Moderator–Mediator Variable Distinction in social Psychological Research: Conceptual, Strategic and Statistical Considerations", Journal of Personality and Social Psychology, 51(6), 1173-1182, 1986.
[21] A. Mehta, "An Empirical Analysis of Determinants of Dividend Policy - Evidence from the UAE Companies", Global Review of Accounting and Finance, 3(1), 18 – 31, 2012.
[22] T. Sanjari and B. Zarei, "The Study Factors Influencing Corporate Dividend Policy of Financial and Non-Financial Firms on Companies Listed in Tehran Stock Exchange", Research Journal of Finance and Accounting, 5(21), 138-144, 2014.
[23] G. N. Ahmad and V. K. Wardani, "The Effect of Fundamental Factor to Dividend Payment: Evidence in Indonesia Stock Exchange", International Journal of Business and Commerce, 4(2), 14-25. 2014.
[24] R. Nurchaqiqi and T. Suryani, "The Effect of Leverage and Liquidity on Cash Dividend payment with Profitability as Moderator Moderating", Accounting Analysis Journal, 7(1), 10-16, 2018.

Rashmi Rekha Pradhan completed her B. Sc. and MBA from D.R. Nayapalli College, Bhubaneswar in 2015 and Gangadhar Meher University, Sambalpur in 2018 respectively. Currently, she is pursuing her Ph. D degree in Management from Fakir Mohan University, Balasore, Odisha as a research scholar. She has successfully published 4 research articles in referred/ peer reviewed journals in the area of Corporate Dividend Policy and Practices.

Dr. Devi Prasad Misra is a retired Professor in Management of Fakir Mohan University, Balasore, Odisha. He had an illustrious academic career spanning 31 years. Prof. Misra produced 25 Ph. D scholars and published more than 100 research articles in referred/peer reviewed journals in the area of finance and marketing. Further, he has received many awards to his credit. Before retirement, he has held key positions in the university administration.