

## Determinants of dividend policy of public listed companies in Malaysia

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### Abstract

Purpose - This study aims to investigate the **determinants of the dividend policy of public listed companies in Malaysia**. The factors examined in this study include earnings, cash flows, free cash flows, debt level, growth, investment, size, largest shareholders, risk and lagged **dividend**.

Design/methodology/approach - Data were obtained from the relevant databases and annual reports of the sampled **companies**. The study examines a total of 147 **listed companies**. In analyzing the data, the study used fixed and random effects, pooled least squares model, robust standard errors on fixed effects and random-effects models.

Findings - The results revealed the five factors that are earnings, debt, size, investment and largest shareholder have a significant influence on **dividend policy**, with earnings, firm size and investment revealed to have a positive significant effect, while debt and large shareholders have a negative significant effect.

Practical implications - The findings from this study are useful to the board of directors and management team of **companies** in deciding an appropriate **dividend policy** for the company. The results are also useful to shareholders in making investment decisions.

Originality/value - The study extends empirical evidence on **dividend policy determinants** which are currently reported to be inconclusive. In addition, the study fills the lacuna in the existing literature by focusing on the issue of **dividend policy determinants** in the context of an emerging economy, namely, **Malaysia**.

### Keywords

Author Keywords: **Malaysia**; **Determinants**; **Listed companies**; Emerging market; **Dividend policy**

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