



Ownership Structure, Corporate Governance, and Dividend Policy in Sri Lanka

Riyath, M.I.M^a and Jahfer, A^b

^{a,b} *Department of Accountancy and Finance, South Eastern University of Sri Lanka*

riyath@seu.ac.lk

ABSTRACT

Many studies investigate the impact of ownership structure and corporate governance on dividend policy; however, no research was found in the Sri Lankan market. This paper investigates the relationship between ownership structure, corporate governance, and dividend policy of listed companies in Sri Lanka. It was analyzed using panel data collected from annual reports of the 36 listed companies on the Colombo Stock Exchange from 2014 to 2019. It was regressed within the framework of fixed effects methods. It was found that foreign ownership has a significantly negative effect on dividend payment while insider ownership has a significantly positive effect on dividend payment. Board independence, CEO duality, and board intensity also have a significantly negative effect on dividends, while there is a significant positive relationship between board size and dividend payment. Further, the results show that leverage, firm size, and profitability significantly correlate with dividend payments.

Keywords: *corporate governance, CSE, Dividends, ownership structure.*