KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI, GHANA

THE IMPACT OF TAXATION AND CORPORATE GOVERNANCE ON DIVIDEND POLICY: A CASE OF LISTED FIRMS ON THE GHANA STOCK EXCHANGE

BY

JOHN AWUGYE

(PG9375721)

(MSC. ACCOUNTING AND FINANCE (IDL))

A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF

MSC. ACCOUNTING AND FINANCE

NOVEMBER, 2023

DECLARATION

I John Awugye hereby declare that this thesis is my own work towards the award of the **MSc. Accounting and Finance** and that, to the best of my knowledge, it contains no material previously by another person or any material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

		11th September 2023
John Awugye	……………………	………………………
(PG9375721)	Signature	Date

Certified by:

Dr. Kwame Mireku	……………………	………………………
(Supervisor's Name)	Signature	Date

Pro. K.O. Appiah	……………………	………………………
(Head of Department)	Signature	Date

DEDICATION

I dedicate this thesis to Priscilla Addison Odoom and the entire Awugye family.

ACKNOWLEDGEMENT

The success of this study depended on the support I received from several people who I owe a lot of gratitude. I herein wish to extend my sincere thanks and heart-felt gratitude to my supervisor Dr. Kwame Mireku for painstaking guiding me through this work. His continuous comments, suggestions and strict adherence to thorough academic guidelines encouraged and motivated me in completing this work. My sincere gratitude also goes to Priscilla Addison Odoom and the entire Awugye family for their prayers and support.

ABSTRACT

The study investigated how corporate governance and taxation impact dividend policy. The study used a quantitative research technique using a panel data set from the enterprises' annual reports on their websites and the GSEs. The study included all GSElisted financial firms. Data was analyzed using two-stage least squares regression. Result showed that board size, audit quality, and CEO duality significantly affected companies' dividend policy. The corporate income tax, which affects dividend yield but not dividend payment, also moderates the relationship between corporate governance and dividend yield. The report recommended that managers develop strong company governance standards to preserve owners' and other stakeholders' interests and achieve their goals. Investors like dividends, thus firms should be able to execute dividend

policies that improve their value and distribute excess money to investors through effective corporate governance procedures.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATION

BOD	Board of Directors
BSE	Bombay Stock Exchange
CEPS	Customs Excise and Preventive Services
CG	Corporate Governance
CIT	Corporate Income Tax
GRA	Ghana Revenue Authority
GSE	Ghana Stock Exchange
OECD	Organization for Economic Cooperation and Development
OLS	Ordinary Least Squares
ROA	Return on Assets
SEC	Securities and Exchange Commission

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Dividend policies determine whether a company pays shareholders or keeps profits (Zagonel, Terra, and Pasuch, 2017). This policy controls business capital flows (Mohapatra and Panda, 2022). Dividend payment decisions may make or break a company. However, whether dividend distribution increases or decreases business value is still unclear (Mohapatra and Panda, 2022). Since dividend distribution may influence a firm's value, understanding the elements that contribute helps improve forecasting. Dividend policy is important because it affects business tax evasion and capital structure (Elsyasiani, Jia and Movaghari, 2019; McClure, et al. 2018).

With theoretical and empirical justification for dividend policy, enterprises must reveal the influencing elements (internal or external). Elsyasiani, Jia, and Movaghari (2019) found that corporate and non-corporate variables affect dividend policy in advanced nations. Thus, this analysis focuses on taxes and corporate governance as dividend policy drivers.

Literature shows that corporate governance affects company internal management (Zaid, Abuhijleh, and Pucheta-Martínez, 2020). Thus, Mohapatra and Panda (2022) defined corporate governance as organisations' management, direction, and control systems. All corporate governance practises should connect senior executives' goals with the businesses. Thus, corporate governance and dividend policy cannot be overemphasised (Shamsabadi, Min, and Chung, 2016). Corporate decision-makers' advice is requested due to this continuous difficulty (Yakubu, Kapsuzoglu, and Ceylan, 2022). Good ties between business management and shareholders may reduce agency conflict and conflict of interest.

Corporations' dividend payouts depend on the prevailing tax laws in the country. According to the tax preference theory, taxation dictates whether firms pay dividends or capital gains (Khan and Shah 2017). Taxation-dividend policy research is scarce, and recent investigations have had mixed results. For instance, Jacob and Michaely (2017) discovered that taxes impact dividend policies, but agency conflict and managershareholder conflict negate this effect. However, Khan and Shah (2017) indicated that capital gains tax does not affect corporate dividend policy. They further revealed that business dividend policy does not affect capital gains tax.

This research was inspired by a desire to objectively assess the effects of Ghana's corporate dividend taxes (capital gain tax, personal tax, and dividend tax withholding) on enterprises' dividend payment decisions. Researchers have long studied how company governance affects dividend policy. However, this study quizzes: "With the difficulties in taking dividend policy decision, does good corporate governance makes it easier?" Thus, the Ghanaian business world will test the interplay of these three crucial components.

1.2 Problem Statement

The scholarly works on the factors that determine a firm’s dividend payout are innumerable (see: Tinungki et al., 2022; Hartono et al., 2021; Bakri and Abd Jalil, 2021; Yakubu, 2022, 2019, Jaara et al., 2018) as only a few of the many studies on dividend payouts. These studies, however, only examined the dividend policy impacts of firmspecific factors such as profitability, size, leverage, etc. Likewise, recent research that focused only on the impact of taxes on dividend policy (see: Khan and Shah 2017; Jacob and Michaely 2017; Matray and Boissel, 2020; Smart, 2018; Oloyede, Olaoye, and Oluwaleye, 2018; Lee and Hong, 2018) reached opposing conclusions. Khan and Shah (2017) found no effect of tax on dividend policy, whereas Lee and Hong (2018) showed that a dividend tax decrease in Korea in 2014 increased enterprises' dividend payments. In 2014, Korea's dividend tax increased corporations' dividend payments, according to Lee and Hong (2018). Oloyede, Olaoye, and Oluwaleye (2018) indicated that corporate tax has no evident effect on dividend policy. Also, Zagonel et al. (2018) examined how Brazil's taxes and corporate governance structures affect dividend policy. They examined corporate governance using a dummy variable that indicated the year a firm was listed on any corporate governance listing level. This variable measured business listings. The majority of corporate governance studies have however shown that board size, board independence, CEO duality, and managerial ownership best represent corporate governance (Kanojia and Bhatia, 2022; Mehdi, Sahut and Teulon, 2017). With regards to the measures of dividend policy, Zagonel, et al. (2018) assessed dividend policy using dividend per share, however, Dewasiri, Koralalage, Azeez, Jayarathne, Kuruppuarachchi, & Weerasinghe (2019) recommended utilising dividend propensity and payout concurrently to solve the dividend determinant dilemma. The current study also sought to examine how taxes and corporate governance affect dividend policy in line with Pahi and Yadav (2019).

1.3 Objectives of the Study

The current study set out to achieve the main objective of assessing the impact of taxation and corporate governance on dividend policy in Ghana.

1.3.1 Specific Objectives

The specific objectives in that regard are aimed at achieving the following:

1. To examine the impact of taxation on the dividend policy of GSE-listed financial firms in Ghana for 2009-2021.
2. To assess the impact of corporate governance on the dividend policy of GSElisted financial firms in Ghana for the study period.

3. To investigate the interactive effect of taxation on the interplay of corporate governance and dividend policy of GSE-listed financial firms.
4. To evaluate the effect of firm-specific variables on the dividend policy decision of GSE-listed financial firms in Ghana for the study period.

1.4 Research Questions

To be able to meet the specified objectives, the current study sought to answer the following questions:

1. What is the impact of taxation on the dividend policy of GSE-listed financial firms in Ghana?
2. What is the impact of corporate governance on the dividend policy of GSElisted financial firms in Ghana for the period of 2009-2021?
3. What is the interactive effect of taxation on the interplay of corporate governance and dividend policy of GSE-listed financial firms in Ghana for the study period?
4. What are the effects of firm-specific variables on the dividend policy decision of GSE-listed financial firms in Ghana for the study period?

1.5 Significance of the Study

The extant reviewed literature indicated that the subject matter is very pertinent in the financial scholarly landscape. With the traditional belief that dividend policy decisions are delicate and difficult to make, this current study presented the chance to empirically assess the assertions in the Ghanaian context. Therefore, with a scant of similar studies in Ghana, the current study stands the chance of being the pioneer study to combine both corporate (corporate governance) and non-corporate (taxation) on the decision regarding dividend payout. The findings of the current study will be useful for listed firms with regards to their decision on dividend paying policies. Since taxation reduces the after-tax income, the current study will empirically prove it to firms to guide managers on whether to increase or decrease dividend payment in the face of the current increasing taxes withholding in the corporate firms.

Also, the study's findings are set to provide theoretical implications on the assertion by Miller and Modigliani in their tax irrelevance who indicate that there exist a perfect society where there are no such things as taxes, transaction costs, or information asymmetry. also set to. Therefore, the current study will approve or disapprove whether tax is a significant determinant of firms' dividend payment and performance.

The study will also provide practical implications regarding the influence of corporate governance on dividend policy decision. Since good corporate governance practices may have positive influence on the decision of dividend payment, the current study will provide an empirically proof to this assertion.

It is also hypothesised that dividend payment is a means to reduce firm liquidity, this study will provide nuanced insight into the magnitude of the effect of dividend payment on firms' performance. Thus, this finding will contribute to literature regarding the nature of the relationship existing between dividend payment and firm performance.

1.6 Scope of the Study

The purpose of this research is to learn how different factors, such as corporate taxes and corporate governance, affect the dividend policy of enterprises in Ghana. The study period was limited to only 12 years which is from 2009 to 2021. Only GSE-listed financial firms were considered in this study. Only secondary data sourced from the listed firms will be used for the study.

1.7 Summary of Methodology

The study's aims were met by using the explanatory research design, which is categorized under the quantitative research method. The investigation was conducted under the philosophical premise of the positivist paradigm. Annual reports from both the companies and the GSE were used to compile the panel data set. According to (Zagonel, Terra, and Pasuch, 2017), the data was analysed using the panel pool OLS estimation method. The study was performed in Eviews 10, a statistical programme developed by the researcher. Dividend payout and dividend payout tendency were the dependent variables. The factors in this study were corporate governance and taxation policies. Board diversity, audit committee diversity, board independence, and CEO duality were all indicators of good corporate governance. The national fiscal stabilisation levy and the corporate income tax expenditure were used to quantify taxation. Firm-level characteristics were included as independent variables, and these included firm size, profitability (ROA and ROE), and leverage.

1.8 Chapter Summary

The study's opening chapter provides context for the rest of the study, identifies the research topic, outlines the study's goals and methodology, and explains why this research is necessary. The literature review, which presents an overview and breakdown of the conceptual framework as well as evaluations of key theories, is included in Chapter two of the research. The technique, which is covered in Chapter three includes the following topics: research design; study entities; sampling strategies; data collecting; data processing; reliability and variability testing; ethical considerations; and a chapter summary. Chapter Four, "Data Analysis," includes tabular data on the variables, outcomes for each goal, post-estimation methods, and a chapter summary. Chapter Five provides a concise overview of the results, the conclusions made, and recommendations for policy adoption and further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this part, the researcher will survey the previous researches that have been conducted on this subject. It is organised as a theoretical overview, an empirical overview, and a conceptual framework. The empirical review gathered data from previous research that was directly applicable to the present study. Last but not least, the conceptual framework demonstrated the means by which the study variables and objectives were investigated.

2.2 Conceptual Review

2.2.1 Taxation

The term "taxes" in the OECD categorization refers to mandatory, unrequited payments to the general government (Annex, 2018). Taxes are unjustified because the advantages received by taxpayers from the government are often disproportionate to the amount of money they pay in taxes (Kramarova, 2021). Fines unrelated to tax offences and mandatory government loans are not included in the definition of a tax. Taxes are collected in all contemporary countries to pay for the provision of communal public goods and services such as transportation, defence, healthcare, and education systems. A tax is a compelled contribution made to a government agency or other entity that has taxing authority in order to offset the costs of that entity's activities, usually without the taxpayer receiving any form of compensation for making that contribution (Abdallah, 2014). Asante and Marfo-Yiadom's (2010) explanation of taxation says that taxes are "any amount of money that the government of a country forces its citizens to pay without giving anything in return or giving goods in direct exchange for the amount collected." Agyeman (2005) says that taxation is when the national or local government forces the people of a country to pay money. It is not given in exchange for a specific service or as punishment for a specific crime. The term "taxation" refers to the means through which the government enforces tax rules and regulations for its advantage (Mukasa, 2011).

The ability of a government to collect sufficient tax revenue is a key factor in any nation's ability to provide the safety and well-being of its population, advance the cause of democracy, and ensure its continued viability (Brautigam, Fjeldstad, and Moore, 2008). According to Armah-Attoh and Awal (2013), a social compact between governments and the population about the collecting and expenditure of public funds is essential to the functioning of a democracy, alongside periodic elections. Taxation is the main source of government revenue in Ghana, as it is in much of Africa. The capacity of a government to raise sufficient tax income from inside its borders is dependent on a wide range of circumstances (Moore, 2013; O'Donovan, 2021; Prichard et al., 2019).

2.2.1.1 Tax System in Ghana

In Ghana, the government imposes both direct and indirect taxes (Akoto, 2020; Aboagye and Hillbom, 2020). Some common types of direct taxes are those on income (both earned and invested), corporations, capital gains, tolls, polls, gifts, and properties (Dabuo, 2017). Both taxation and other forms of income are important contributors to the Ghanaian government's coffers. The GRA board and the Customs and Excise Preventive Service are totally on their own when it comes to bringing in tax money (CEPS). Depending on the nature of the income, several entities are responsible for its collection (Ninson, 2018).

Income tax from people, corporations, and other entities, as well as proceeds from the sale of petroleum, stamp duty, inheritance tax, and real estate, all contribute to the government coffers in the form of direct tax revenue. Revenue from taxes that are not levied directly on individuals or businesses comes from indirect taxes collected by the

Customs and Excise Department. Indirect taxation has provided the government with its greatest source of revenue since the 1960s. Tariffs on imported goods, levies on exported goods, excise taxes, sales taxes, and service fees are all examples of indirect taxes. Income the government receives that is not taxed comes from sources such as the sale of government assets, the rental of government property, interest on government deposits, the profits the government earns on its investments, fines and forfeitures, and penalties.

The dividend choice is impacted by corporate taxation in more ways than one. The company's ability to pay dividends is tied to its net income after taxes which in turn may have repercussions for the net value received by shareholders. The dividend policy is therefore heavily influenced by corporation tax structure and rate. Dividends declared, distributed, or paid by a corporation are subject to a separate tax called "corporate dividend tax," which is calculated as a percentage of the corporation's taxable revenue.

There are a number of possible points of intersection between taxation and corporate governance. One set of concerns involves how to prevent tax policy from incentivizing conduct that is counter to the best interests of a company and/or its shareholders. The methods for ensuring sound managerial judgement and complete openness in the tax system present still another set of challenges. More specifically, it is crucial to make sure the board, shareholders, and other stakeholders understand the risks associated with tax management (Owens, 2008). According to Khurana and Moser (2013), it is generally recognized that shareholders favour "tax aggressive strategies" in an attempt to not only enhance "after-tax earnings per share but also to increase cash available to shareholders." This is because taxes represent a significant cost to the firm and its shareholders which can reduce the cash flow available to them. Tax aggressiveness leads to tax savings in the current period, and theoretically, each dollar saved in taxes through tax planning is an additional dollar for shareholders.

2.2.2 Corporate Governance

Agency theory suggests that corporate governance is a system for exerting some level of control over the actions of agents such as managers and subcontractors, in order to ensure their alignment with the goals of the organization (L'Huillier, 2014). However, not all scholarly authors see corporate governance from an agency theory approach. Numerous academics have written on the topic of corporate governance, and they do so from a wide range of theoretical perspectives other than agency theory which has led to a proliferation of unique ideas on the topic and, in turn, shifted the connotative connotations of the term.

Scholars who agree with the agency theory definition of corporate governance, such as (Adegbite et al., 2012; Di Vito and Trottier, 2022; Azizah, 2020; Barzuza, Curtis, and Webber, 2019; Jiang and Kim, 2020), say that corporate governance is about how shareholders manage corporate insiders to maximise shareholder value by reducing agency loss. To put it briefly Larcker et al. (2007) describe corporate governance as the system of incentives and checks that managers use to make decisions when ownership and control are split. In this area of study, a lot of attention has been paid to the role that governance methods play in lowering agency costs that come from the fact that ownership and management are kept separate. The goal of this research is to stop managers from making decisions based on what's good for them personally (Huu Nguyen, Thuy Doan, and Ha Nguyen, 2020; Vitolla, Raimo, and Rubino, 2020).

Personal cash goals are one type of private gain.

Mensah and Adams (2014) define corporate governance as "the process by which a company's activities are controlled and managed to enhance business profitability and corporate responsibility with the ultimate goal of achieving organisational goals and long-term stakeholder value." The definition as envisaged by Mensah and Adams is however in sync with the stakeholder theory approach to corporate governance. Per this perspective, corporate governance, according to stakeholder theorists, should serve as a vehicle for harmonising stakeholder interests (Alharbi and Alharbi, 2021; Lange and Bundy. 2018). This theory of corporate governance establishes frameworks through which stakeholders may make their case which mitigate the negative impacts of information asymmetry and which include an enforcement mechanism to safeguard stakeholder rights. Corporate governance refers to the rules, practises, and procedures that businesses employ to steer and regulate their daily operations. Board "composition," "board committees," "CEO duality or separation," "board meetings," and "shareholder concentration" are all factors typically cited as having an impact on this process (Puni and Anlesinya, 2020).

2.2.2.1 Corporate Governance in Ghana

Ghana was one of the few sub-Saharan African nations in the 1990s to adopt a marketbased approach to economic management. As a result, Ghana joined an exclusive club of African countries. The Ghana Stock Exchange (GSE) was founded in July 1989 under the Stock Exchange Act of 1971 (Act 384). This was done so that investors would have access to the markets and infrastructure required to buy and sell stocks, bonds, and other assets. Although the Ghana Stock Exchange (GSE) opened for business in 1989, it was not until 1993 that the Securities Industry Law (PNDC Law 333) was enacted, establishing the Securities and Exchange Commission (SEC) of Ghana and charging it with protecting the integrity of the market and promoting conditions favourable to the healthy expansion and development of the country's capital market. The Securities and Exchange Commission of Ghana (SEC of Ghana) was set up in 1998, and the corporate governance principles of best practises were introduced the following year.

Incorporated within these norms were recommendations for how publicly traded companies should handle their own corporate governance. The guidelines are intended to reduce the agency problem and boost company performance by placing more focus on monitoring as part of corporate governance.

Investors have a fundamental interest in receiving dividends. Managers, as stated by Jensen and Meckling (1976), often act in their self-interest while running a business. Investors will, without a doubt, be impacted by such actions. Management and shareholders have opposing goals. Minority shareholders in emerging economies may face agency conflicts with the larger shareholders. To protect minority shareholders' interests, particularly with respect to dividends, good corporate governance systems are required (Setiawan and Phua, 2013). Kumar (2006) found that a corporation's dividend policy was influenced by its corporate governance structure. When given the option, minority shareholders would prefer to receive a dividend than a portion of the company's profits. Both the result theory and the substitution theory (La Porta et al., 2000) have a significant impact on corporate governance and dividend policy. Good corporate governance, according to outcome theory, leads to greater protections for investors' rights. Companies with strong corporate governance practise typically have more generous dividend policies. Effective dividend payments are a sign of effective corporate governance Brown, et al. (2011). However, according to the substitution theory, poorly managed businesses would raise payouts in an effort to attract new customers. They want to entice investors with the dividend. Practices in corporate governance seem to correlate negatively with dividend payments.

2.2.3 Dividend Policy

The payout ratio is a measure of how much of a company's earnings are distributed to shareholders in the form of dividends. The dividend yield is calculated by dividing the annual dividend by the current stock price. Dividends are often paid out in the form of cash however other options exist. Stock splits, dividends, and bonuses all fall within this category (Pandey, 2010). However, dividend policy refers to the numerous choices made by the company's management on the distribution and payment of dividends to the company's shareholders.

Dividends are distributed to shareholders based on their ownership percentage and are defined by Few, et al. (2007) as distributions of retained earnings. Dividends are often distributed as cash but may also be issued in the form of shares or other assets. There are many goals that companies strive for, but one of the most important is to find a dividend policy that strikes a good balance between the firm's present distribution, its potential for future dividend growth, and the stock price.

One of the most contentious areas of company finance is the dividend policy. Financial economists have been modelling and analysing corporate payout policies for well over half a century (Singh and Tandon, 2019; Kaźmierska-Jóźwiak, 2015; Mehta, 2012; Jabbouri, 2016). A lower necessary rate of return and higher stock market valuation is predicted by the tax-preference hypothesis if dividend payout ratios are kept low. To offset the dividend tax disadvantage relative to capital gains, investors need a better risk-adjusted return on businesses with higher dividend yields (Brenan, 1970). Agency costs theory provides a second plausible rationale for the dividend policy's importance by pointing to the division of ownership and control in addition to the information asymmetry between managers and shareholders. According to this school of thinking, executives may act in ways that are not beneficial to shareholders if doing so serves their own goals. Since CEOs' remuneration is typically tied to business size, this can lead to certain undesirable outcomes such as wasteful spending on perks or excessive investment leading to a larger company than is appropriate (see Jensen, 1986; Gaver and Gaver, 1993)

The dividend conundrum is only partially answered by the aforementioned theories which offer competing explanations for what influences companies' decision to pay dividends (the debate between these explanations remains unresolved). The dividend policy of a company may be affected by taxation and corporate governance factors, as stated above.

2.3 Theoretical Review

2.3.1 The Tax Preference Theory

According to Miller and Modigliani's tax preference theory, the value of a company in an ideal world should be based solely on the risk and return of its assets, rather than the mix of securities it has issued (its capital structure). They argued that in a theoretical setting, capital structure and dividend policy have no effect on the value of the enterprise. In other words, shareholders should not be concerned about whether a company chooses a capital structure with dividends or one without dividends. In general, the management of the company needs to be concentrating its efforts on other issues that are more pressing, such as determining where and how the company's finances should be invested. In a perfect society according to Miller and Modigliani (1961), there would be no such things as taxes, transaction costs, or information asymmetry (Booth and Zhou, 2017).

The Miller and Modigliani theorem, also known as the capital structure irrelevance principle, posits that the capital structure of a firm or the proportion of debt-to-equity financing does not affect the firm's value or the expected returns of its securities. This result holds under certain assumptions including perfect capital markets and the absence of taxes, bankruptcy costs, and agency costs. The theorem suggests that an investor can replicate the risk and return of a firm's securities by adjusting their own capital structure rather than relying on the firm to alter its own capital structure (Al-Kuwari, 2009). In other words, the risk and return of a firm's securities are independent of its capital structure.

The theorem has significant implications for corporate finance and tax planning, as it suggests that firms do not need to concern themselves with the optimal capital structure and that shareholders can achieve the same risk and return as the firm through their own financial leverage. In the case of inheritance, the theorem also implies that the capital gains tax liability of the inheriting shareholder is independent of the capital structure of the inherited firm.

In a perfectly competitive market, when there are no "taxes, transaction costs, asymmetric knowledge, and agency costs," the effect of a company's dividend policy on the value of its shares is negligible, as stated by Stultz (2000). As a result, it seems that dividend policy is not a viable tool for financial managers to use in influencing the value of their companies. Instead, as shown by Stultz (2000), a company's worth is essentially defined by its investment in productive assets. A reasonable investor in such a market should not give more weight to dividends or capital gains, and it follows that dividend policy is of relatively low significance. Several researchers have argued that Miller and Modigliani's theory doesn't work in the real world because of its numerous flaws (Dhanani, 2005).

There are two assumptions that underpin this discussion. First, dividends are tax-free for shareholders. Second, businesses may use capital markets to fund innovative initiatives without paying prohibitive issue costs. Second-school proponents argue that dividends are harmful to the average investor because they create a tax disadvantage, which in turn reduces the value of the company (Omran and Pointon, 2004). Finally, a third camp maintains that dividends must be helpful since shareholders (at least some of them) like receiving them and react sensibly when the dividend payout is increased. Although dividends have been the traditional method through which publicly traded firms return profits to their shareholders, they are far from being the sole choice. For instance, a corporation may pay dividends to its stockholders by repurchasing shares of stock in the open market (an action known as an "equity repurchase"). Spinoffs and split-offs allow companies to redistribute assets back to shareholders. (Hite, and Owers, 1983).

This theory is relevant to this research due to its insight. The fundamental insight that underpins the claim of the theory is straightforward. In order to deliver the same overall return to shareholders, businesses with varying risk profiles and cash flows from investment choices must provide different levels of price appreciation. Therefore, investors should not care whether they get their returns via price appreciation or dividends if there are no taxes or if there is a single tax rate that applies to both dividends and capital gains (DeAngelo et al., 2006). The theory explains how taxation can affect dividend policy.

2.4 Empirical Review

2.4.1 Taxation on the Dividend Policy

Zagonel, Terra and Pasuch (2018) examined how corporate governance and taxation in Brazil impact the dividend policy of Brazilian businesses. The authors analyse how changes in Brazilian tax law between 1986 and 2011 influenced dividend practices for both ordinary and preferred stock. Authors employ Probit and Tobit estimates on panel data to check whether or not firms are likely to pay dividends in various tax environments. There is a total of 301,342 data points among 672 firms and 1,159 securities. The findings of the authors indicate that dividend payouts are significantly affected by changes in tax policy. Additionally, companies do not adhere to preset payout ratios, however, dividends do rely to some extent on prior payments. Stock voting rights, privatisation, and dividend deductibility all have an impact on dividend payments. Payout ratios tend to improve after regulatory changes that ease shareholder agency concerns.

Dhamija and Arora (2019) looked at how recent changes to Indian dividend tax regulations have affected dividend distribution practices. Taxes on dividends received by major shareholders are now required by law. Companies' dividend policies are likely to suffer as a result of the promoter's group's status as the main shareholder. More so, businesses with substantial promoter stakes have more reason to cut their dividend. In this study, 370 companies from the BSE 500 Index were examined, and their dividend payments before and after the tax were compared. The data shows that companies altered their dividend policy as a result of the new tax law, particularly those with high levels of inside ownership. The findings will affect businesses, investors, and policymakers in profound ways.

From 2006 to 2015, Abiahu and Amahalu (2017) analysed the impact of Nigerian taxes on the dividend policies of the country's financial firms. The relevant data were statistically analysed using Pearson's correlation coefficient and Ordinary Least Squares (OLS) regression. The study uncovered a significant negative relationship between taxation and dividend policies. In addition, the dividend policy of banks is significantly influenced by this tax. The research suggests, among other things, that bank management creates a dividend policy that increases both shareholder happiness and the bank's worth.

The impact of taxes on the dividend policy of the Pakistani banking sector was studied by Zeeshan, Ch, and Shahzada (2012). Twenty-one banking companies listed on the

Karachi Stock Exchange throughout a five-year period (2006-2010), and their respective annual financial reports, are used in this research. Pearson correlation and regression may be used to find the connection between taxes and dividend income. These results not only suggest that the tax rate is a major predictor of the dividend policies followed by the banking sector, but also that there is a statistically significant relationship between taxation and the dividend income of banks.

Obayagbona and Ogbeide (2018) conducted an empirical investigation of the link between Nigerian non-financial companies' dividend policies, agency expenses, and corporate taxes. Forty-eight non-financial firms that traded on the floor of the Nigerian Stock Exchange during the course of eight years (2008-2015) are included in the scope of the research. According to the data, dividend payments made by non-financial companies are unaffected by corporation tax responsibilities. This indicates that these companies' dividend planning may not be affected by a rise in taxes in the near future. Furthermore, the research discovered that agency costs in non-financial enterprises negatively influence their dividend policy, indicating that higher taxes may not change the dividend strategy of these companies in the near future.

2.4.2 Corporate Governance on Dividend Policy

The impact of corporate governance on dividend policy was investigated by Das Mohapatra and Panda (2022). Their findings are summarised below. The vast majority of studies' findings point towards a positive correlation between higher quality corporate governance practises and higher dividend payments. Secondly, the studies have mostly been undertaken in the United States and Europe, with just a small number of studies focusing on underdeveloped markets. Finally, they found that few studies have assessed how various developing economies have been affected by recent structural changes in corporate governance.

The impact of corporate governance (CG) on the dividend policies of Vietnamese companies was studied by Nguyen, Dang, and Dau (2021). Using a total of 2,937 observations, this study examines the impact of CG on DP for businesses traded on the Vietnam Stock Exchange between 2008 and 2018. The data utilised in the study of these enterprises is compiled from a variety of sources, including the financial statements of businesses, the data sets given by Vietstock, and the data gathered from the many reputable securities websites. For this study, we used the GLS regression method to examine information gathered from Vietnam's publicly traded companies between 2008 and 2018. The research shows that CG, the chairman of the board of directors (BOD), and the managing director all have a detrimental effect on DP. More specifically, companies with strong BODs often have low dividend distributions.

Australian publicly listed corporations were analysed by Farooque, Hamid, and Sun (2021) to determine the connection between corporate governance and dividend policy. Using data from 1,438 company-year observations spanning 2005–2011, we find that dividend payment is favourably (negatively) correlated with board size, board independence, institutional ownership, and use of a Big-4 audit firm (CEO duality and management ownership). Additionally, dividend yield (foreign ownership) is significantly positively correlated with the proportion of ownership held by management. Companies that pay higher dividends are more likely to engage in effective governance practises and have comprehensive monitoring and control mechanisms in place, indicating that dividend policy and corporate governance processes work together to reduce agency costs.

Mai and Syarief (2021) examined how corporate governance influences dividends. This 2009–2019 analysis examined Indonesia Stock Exchange bank stocks. Data were analysed using Ordinary Least Squares and Logistic Regression. Four of five Corporate

Governance traits affected dividend policy. Institutional ownership, board size, and audit committee size all positively correlate with dividend payments, whereas women on boards negatively correlate. Independent commissioners did not affect the dividend payout ratio or tendency. This study expands financial understanding, particularly on corporate governance and dividend policy. Investors should consider these elements while determining returns.

Good corporate governance has an impact on dividend payment practises of Malaysian insurance companies, as Ibrahimy and Ting (2021) discovered. They looked at whether a company's use of a dual CEO is related to the board's size, the board's independence, or both. The study collects secondary data from nine insurance companies by reviewing their Annual Reports from 2013 to 2017. All of these companies were traded on the Bursa Malaysia stock exchange. The regression study revealed a strong positive relationship between the size and independence of insurance firms' boards of directors and their dividend yield. However, the researchers did find a small inverse relationship between CEO dualism and dividend yield. Based on the results, one may better understand the connection between corporate governance and dividend distribution, especially in the insurance industries in Malaysia.

Zagonel, Terra and Pasuch (2018) identified the effect that Brazil's taxes and corporate governance have had on the dividend policies of Brazilian businesses. The authors identify the modifications that were made to Brazil's tax code throughout the period 1986-2011 and investigate the impact that these modifications had on the dividend policy of corporations for both preferred and common shares. The whole sample consists of 30134 observations and 672 firms, which collectively include 1,159 traded equities. According to the findings of the authors, alterations made to tax policy appear to have a considerable impact on dividend payouts. Additionally, corporations do not adhere to preset payout percentages; nonetheless, dividends are largely based on previous payments. Stock voting rights, privatisation, and the deductibility of dividends are three factors that might influence dividend disbursements. Payout ratios are favourably impacted when there are modifications to regulation that lessen the agency problems among shareholders.

Trisanti (2018) evaluated corporate dividend policy factors. The IDX-acquired financial records of a manufacturing company from 2013 to 2016 were used. Sales, asset growth, profitability, and debt financing were postulated. Profitability, sales growth, asset expansion, and debt negatively impacted dividend payments, according to regression analysis. Adjaoud and Hermassi (2017) investigated Toronto Stock Exchange-listed Canadian businesses' dividend policies and corporate governance requirements from 2008 to 2011. The findings reveal that a dual CEO, board composition, and independence all affect dividend distributions and the likelihood of paying dividends. Profitability, firm size, and leverage affect dividend policy, according to the findings. The results support the premise that dividend policy protects shareholder interests and lowers free cash flow agency costs. The analysis reveals further arguments for and against company dividends. It helps solve the payoff mystery. The dividend policies of non-financial companies listed on the Pakistan Stock Exchange between 2012 and 2019 were studied by Khan et al. (2021). The firm's size was used as a control variable in this analysis. Panel data and panel data models are important for any serious analysis. First-stage results suggest that dividend policy is independent of company governance. However, the second-stage study findings suggest that the relationship between corporate governance and dividend policy is robust when political stability is poor.

2.5 Hypothesis Development

2.5.1 Taxation and Dividend Policy

Theoretical studies of financial markets (Akani, and Sweneme, 2016; Brennan, 1970; Masulis and Trueman, 1988) suggest that taxes affect dividend policy. If this theory applies, changes in federal income tax policy would cause firms to adjust their dividend distributions. However, Miller and Scholes (1978, 1982) showed that it was possible to avoid paying taxes on a substantial portion of dividend income. Therefore, the amount by which individuals may legally evade taxes is a determinant of how taxes affect dividend policy at businesses. If businesses and individuals were able to reduce their tax burden, it would have no impact on their dividend policy. Companies, particularly those with high levels of inside ownership, adjusted their dividend policy in light of the new tax, as shown by empirical studies like Dhamija and Arora (2019). Similarly, Zeeshan, Ch, and Shahzada (2012) looked into the impact of taxes on the banking industry in Pakistan and found that there is a statistically significant correlation between taxation and the dividend revenue of banks, implying that the tax rate is a primary predictor of the dividend policies that are adopted by the sector. Based on theory and empirical data this study hypothesis that:

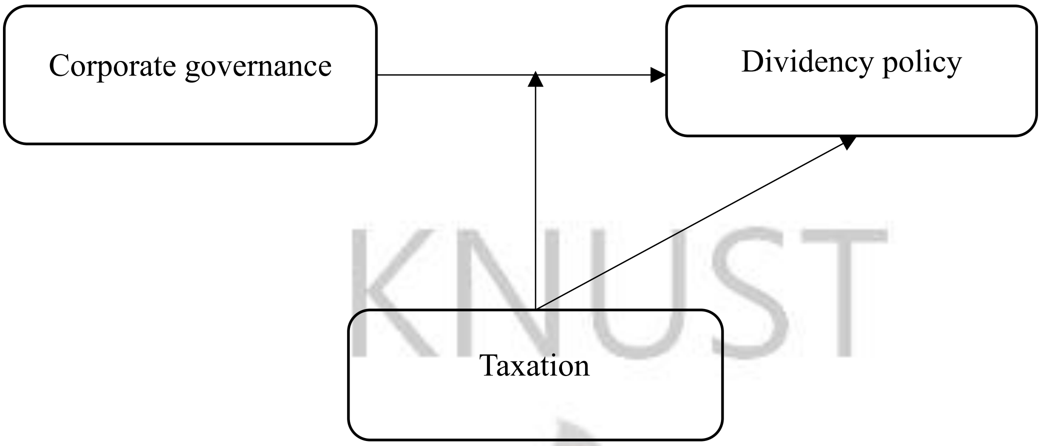
H_1: There is a positive relationship between Taxation and dividend policy.

2.4.2 Corporate Governance and Dividend Policy

As Al-Najjar and Kilincarslan (2019), Driver, Grosman, and Scaramozzino (2020), and Koussis, Martzoukos, and Trigeorgis (2017) note, there is a plethora of literature and ideas dedicated to dividend policy. In the context of corporate governance, scholars have devoted particular attention to agency theory (Shi, Connelly, and Hoskisson, 2017; Vitolla et al., 2020). Both the replacement technique and the outcome approach may be used in the study of dividends and corporate governance, two relatively new fields of research (Yarram and Dollery, 2015). Agency expenses and management entrenchment may be lowered with the aid of dividends by lowering free cash flow (Guizani, 2018). As a result, corporations are more likely to utilise financial markets to fund new initiatives, which adds another layer of control and reduces the likelihood that managers would make choices based on their own self-interest (Guizani, 2018). In light of the fact that "well-governed enterprises are linked with reduced agency costs deriving from the separation of ownership and control," (Adjaoud and Ben-Amar, 2010, p. 649) it follows that the necessity to deploy dividends to attenuate agency costs decreases in the presence of superior governance. On the other hand, dividends are seen as a kind of recognition for competent leadership. Larger dividends are paid out using this strategy when governance is improved, for instance when minority shareholders apply pressure (Yarram and Dollery, 2015). The importance of free cash flows in providing for managers' indulgences is central to this approach, as stated by Jiraporn et al. (2011). The dividend issue is only partially answered by the aforementioned theories which offered competing theories for what influences corporations' decision to pay dividends (the debate between these explanations remains unresolved). The dividend policy of a company may be affected by taxation and corporate governance factors, as stated above. It is therefore postulated based on literature that:

H_2: There is a positive relationship between corporate governance and dividend policy.

2.6 Conceptual Framework



Source: Author's construct (2022)

Figure 2. 1 Conceptual Framework

The conceptual framework is the pictorial depiction of the subject matter under investigation. This framework portrays the connections between the study variables namely taxation, corporate governance and dividend policy. The dividend policy is the dependent variable, while the independent variables are taxation and corporate governance.

2.7 Summary of Chapter

This section reviewed the literature on corporate governance, taxation and dividend policy and their interactions. Corporate governance and dividend policy research is limited and has mostly been undertaken in economically developed regions like the United States and Europe. Using a dummy variable to determine whether a company was listed on a corporate governance listing level in a given year, Zagonel et al. (2018) examined this connection within the setting of Brazil. Other research, however, has indicated that traits like "board size, board independence, CEO duality, audit committee size, and managerial ownership" are more indicative of good corporate governance

(Kanojia and Bhatia, 2021; Mehdi, Sahut, and Teulon, 2017). By analysing the impact of corporate governance features (board size, board independence, CEO duality, and audit committee size) on dividend policy in Ghanaian businesses, this study hopes to add to the little literature on the issue in developing countries.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter encompassed the methodology, methods and research tools appropriate to attain the study's aims. It is made up of six subsections which are arranged chronologically; research design, data, methods, model specification with a diagnostic test, variable description and measurement and chapter summary.

3.2 Research Design

The design of a research is the step-by-step approach or framework that is used to achieve the study's goals, starting from the conceptualization of the research problem, through to the data collection and the data analysis (Abutabenjeh and Jaradat, 2018). The design of any research stems from the philosophical assumptions and approach or method used for the data analysis and data collection. Thus, based on the positivism research paradigm, the quantitative method of analysis was employed (Saunders et al., 2018). Consequently, the current study adopted the explanatory research design. This design was adopted because it enables researchers to obtain detailed information about a phenomenon and to ascertain the existing causes and effects among variables (Edmonds and Kennedy, 2017). To be able to test the hypothesis in an inquiry, the explanatory research design has been one of the appropriate designs (Gravetter and Forzano, 2018). Thus, the research investigated the impacts of taxes and corporate governance on dividend policy. This gives the approval for the use of the explanatory or causal research design in line with Zagonel, Terra and Pasuch (2017).

3.3 Data

Data refers to the pieces of information, facts, and statistics that are observed, elicited or produced in the research process (Erway, 2013). It can be obtained from two basic sources; primary and secondary (Byju, 2020). The research used secondary data. Data from the listed businesses' annual and financial reports. The Ghana Stock Exchange market reports and corporate websites supplied the data. Panel-type data. This data format combines time-series and cross-sectional properties. Since the data was collected from a cross-section of listed corporations from 2009 to 2021, it was useful. Dividend payment, company governance, and taxes were measured. 3.5 describes and measures variables. The research examined Ghana's stock exchange financial and nonfinancial enterprises. The firms are Ghana Commercial Bank, CalBank Ghana Ltd, Agriculture Development Bank (ADB), ACCESS Bank, ECOBANK, Republic Bank, Ghana, Standard Chartered Bank, Fan Milk, Uniliver Ghana, Fan Milk, Guinness Ghana, Benso Oil Plantation and Uniliver Ghana.

3.4 Methods

Research methods constitute the specific techniques or procedures applied in the methodology of a study. On the premises of the quantitative method, the study adopted the multiple regression model was employed to enable the study to assess the association between taxation, corporate governance and dividend policy of firms. In tandem with Zagonel, Terra and Pasuch (2017) the dynamic regression models of analysis (specifically the 2SLS) were used to eliminate the issues of endogeneity. This model allows for the previous or one-period lag of the dependent to be accounted for in the study. To this end, three variables were considered in the study based on Zagonel, Terra and Pasuch (2017).

Dependent variable: the study considered dividend payout and dividend yield as the dependent variables.

Independent variables: Firm-specific factors in line with Zagonel, Terra and Pasuch

(2017) are: Corporate income tax (CIT) and the corporate governance indicators such as the size of the board of directors, size of the audit committee, CEO duality, and the independence of the board of directors.

Control variables: the study also considered control variables such as firm profitability (ROA) and firm size

3.5 Model Specification

With two dependent variables (dividend payout and propensity to pay dividends) the model specified two models. Dividend payout ratio is determined by dividing dividends paid out by earnings per share. The dividend yield is defined as the dividend payout percentage relative to the share price (Briano-Turrent et al., 2020). Companies that pay dividends are considered for approval even if they post a loss that year, so dividend- and loss-paying businesses shouldn't be at a competitive disadvantage to one another. Dividends paid by companies with lower debt loads are presumed to be safer investments. The controlling company's size is expressed as the natural logarithm of its total assets (Sakawa and Watanabe, 2019). Firms' dividend payments are regressed against corporate governance, taxation and firm-specific variables. Consider the empirical models in equations (1) and (2).

$$DDDDDDDDDDDDDD_{iiii} = \beta\beta_0 + \delta\delta DDDDDDDDDDDDDD_{iiii-1} + \beta\beta_1 \mathrm{CIT}_{iiii} + \beta\beta_2 BBBBBBBBBB_{iiii} + \beta\beta_3 BBBBBBDD_{iiii}$$

$$+ \beta\beta_4 CCCCCCDDDDDDCC_{iiii} + \beta\beta_5 AADDAABBDDAA_{iiii} + \beta\beta_6 RRCCAA_{iiii} + \beta\beta_7 FFBBBBBBBB_{iiii} + \beta\beta_8 LLCCLL_{iiii}$$

$$+ \beta\beta_9 BBDDDDSSSS_{iiii-1} + \varepsilon\varepsilon_{iiii}$$

$$DDDDBBBBCCAA_{iiii} = \beta\beta_0 + \varphi\varphi DDLLDDDDBBBBCCAA_{iiii-1} + \beta\beta_1 \mathrm{CIT}_{iiii} + \beta\beta_2 BBBBBBBBBB_{iiii} + \beta\beta_3 BBBBBBDD_{iiii}$$

$$+ \beta\beta_4 CCCCCCDDDDDDCC_{iiii} + \beta\beta_5 AADDAABBDDAA_{iiii} + \beta\beta_6 RRCCAA_{iiii} + \beta\beta_7 FFBBBBBBBB_{iiii} + \beta\beta_8 LLCCLL_{iiii}$$

$$+ \beta\beta_9 BBDDDDSSSS_{iiii-1} + \omega\omega_{iiii}$$

Where $DDDDDDDDDDDDDD_{iiii}$ is the dividend payout of firm i at time t. CIT$_{iiii}$ is the corporate income tax of firm i at time t, $BBBBBBBBBB_{iiii}$ is the board size of firm i at time t. $BBBBBBDD_{iiii}$ is the board independent of firm i at time t, $CCCCCCDDDDDDCC_{iiii}$denotes the duality of the Chief Executive Officer of firm i at time t. $AADDAABBDDAA_{iiii}$ refers to the audit quality of firm i at time t. $RRCCAA_{iiii}$ denotes to return on assets of firm i at time t, $FFBBBBBBBB_{iiii}$ represents the firm size of firm i at time t. $\beta\beta_0$, $\varepsilon\varepsilon_{iiii}$, $\omega\omega_{iiii}$represent regression constant and stochastic error terms. $\beta\beta_{ii}$ is the regression coefficient.

3.5.1 Diagnostic Testing

Economists use panel analysis because it is more powerful, informative, and volatile than cross-sectional and time-series analysis (Gujarati, 2014). However, endogeneity is a problem that can arise when working with panel data with firm-specific variables. This necessitates the use of panel model diagnostics like the 2SLS. The panel data were checked for normality, heterogeneity and consistency of the empirical model. Collinearity between independent variables and between error terms of independent variables is another common issue for panel models to face. As a result, the issue of serial correlation was identified through the use of time dummy clustering.

3.6 Variables Description and Measurement

Variable	Description / Measurement	Reference
Dependent		
Dividend Payout Ratio (DPR)	DPR = ratio of total equity dividends declared to net profit after tax	Pahi and Yadav, 2019.

Dividend Yield (DYield)	dividend per share divided by market price per share at the end of the year	Pahi and Yadav, 2019.
Independent		Al-Najjar and Kilincarslan, 2016.
Corporate Income Tax (CIT)	Income tax divided by profit before tax	
Board Independence	Ratio of independent non-executive directors	Kanojia and Bhatia, 2021
Board Size	Number of Directors on the company's board, as reported by the company	Abbass, et al. (2021)
Audit Quality	Dummy variable, where 1 is assigned if the firm is audited by any of the big 4 audit firms (such as PwC, KPMG, Deloitte and EY), and 0 otherwise	Baker, et al. 2020
CEO Duality	Dummy variable, where 1 is assigned if the company's chief executive officer is also chairman of the board, as stated by the company, and 0 otherwise	Kanojia and Bhatia, 2021
Control		
Firm Size (SIZE)	logarithm of total assets	Khan and Aksoy, 2022
Return on Assets (ROA)	ratio of earnings before interest and taxes to total assets	Pahi and Yadav, 2019.

3.7 Chapter Summary

The third chapter detailed research methods. Quantitative methods were utilised to fulfil the study's aims. Explanatory research was utilised. Secondary data from audited annual reports and financial statements of study businesses were utilised to assess research goals. The study used a total of ten GSE-listed firms over a 12-year period (from 2009 to 2021). This chapter also described the dynamic 2-stage Least Square model as the appropriate model to guide the data analysis section of this study. The required diagnostic tests, such as normality, homogeneity, and serial correlation tests, were carried out. The variables' descriptions and measurements were presented.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter analyses and interprets data. Panel data was collected from 2009–2021 GSE-listed enterprises and two-stage least squares regression was used to examine the hypotheses stated in the study.

4.2 Descriptive Statistics

Table 4.1 shows that dividend payout and dividend yield which are the dependents variable in the study were considered for measuring the dividend decision of the firms. From the table, the average dividends payout is 9.309 with a minimum and maximum value of 0.00 and 48.750 respectively and with an overall standard deviation of 11.975. The dividends yield also recorded an average value of 1410.746 with a minimum and maximum value of 0.000 and 9223.372 respectively and with an overall standard deviation of 9223.372. In the study, the independent variables consisted of four corporate governance factors and corporate income tax. The first corporate governance factor, the board size, recorded an average value of 9.030, the smallest board size is 5 and largest board size is 15 and the standard deviation of 1.790. The second factor, board independents recorded a mean value of 0.547 with a standard deviation of 0.189, meaning that 54.7% of the directors are non-executive or independent directors of the board. The third one, the CEO duality, also recorded a mean of 0.360 with its standard deviation being 0.481 implying that 36.0% of the firms' chief executive officers are also chairpersons of the board. The fourth factor, audit quality, had a mean of 0.730 and a standard deviation of 0.447, indicating that PwC, KPMG, Deloitte, and EY audited 73.0% of the companies surveyed. However, the corporate income tax had a mean value of 0.276 and a standard deviation of 0.421, which equates to a tax rate of 26.7% being applied to the firm's total revenue sources at the conclusion of the firm's accounting income year. Profitability (ROA) and company size were also employed as control variables. Firms' average size is 20.740 (ranging from 13.507 to 23.636), with a variance of 1.701 (from the smallest to the biggest business). The average ROA is 2.010 (with a deviation of 2.185).

Table 4. 1 Descriptive Statistics

Variables	Obs	Minimum	Maximum	Mean	Std. Deviation
Dividend payout	142	0.000	48.750	9.307	11.975
Dividend yield	143	0.000	9223.372	1410.746	9223.372
BSIZE	143	5.000	15.000	9.030	1.790
BINDEP	143	0.000	0.875	0.547	0.189
DUAL	143	0.000	1.000	0.360	0.481
AUDIT	143	0.000	1.000	0.730	0.447
TAX	142	-1.062	3.359	0.276	0.421
ROA	143	-3.700	8.000	2.010	2.185
FSIZE	143	13.507	23.636	20.740	1.701

Author’s computation (2023)

4.3 Correlation Analysis

As part to check for multicollinearity and correlation between the variables, the study utilizes bivariate correlations to probe potential explanatory factors and single out independent variables with strong correlation coefficients. Pearson's correlation matrix which quantifies the level of linkage between research variables is shown in Table 4.2. The Table shows that correlation coefficients do not exceed 0.8. The presence of multicollinearity may be suspected for values larger than 0.8, as stated by Gujarati (2003).

Table 4. 2 Correlation Analysis

Variables	BSIZE	BINDEP	DUAL	AUDIT	TAX	FSIZE	ROA	Dividend payout	Dividend yield
BSIZE	1								
BINDEP	-.264**	1							
DUAL	-.219**	.333**	1						
AUDIT	.311**	-.500**	-.790**	1					
TAX	-0.098	0.028	-0.08	0.049	1				
FSIZE	.405**	-.271**	-.706**	.632**	0.103	1			
ROA	.258**	-.242**	-.629**	.515**	-0.054	.527**	1		
Dividend payout	-.182*	.227**	.548**	-.424**	-0.071	-.356**	-.269**	1	
Dividend yield	-.291**	0.056	-0.099	0.081	.406**	-0.1	0.035	-0.103	1

**, * Correlation is significant at the 0.01, 0.05 level (2-tailed)

4.4 Diagnostic Test

Several diagnostic tests were conducted to determine the model's viability. These included checks for heteroskedasticity and normality.

4.4.1 Heteroskedasticity Test

For the OLS estimation to work, it is assumed that the error or term has a constant variance of two and that the variance of the error or term is the same in all observations where it occurs. A homoscedastic error or phrase describes this kind of discrepancy. Heteroskedasticity is the term used when this assumption is true and the variance changes across various observations (Gujarati, 2014). Table 4.2 shows the results. From the table Breusch-Pagan-Gordon test for heteroskedasticity in dividend payout has (Chi-Sq=343.67; Pr=0.000) and dividend yield has (Chi-Sq=466.99; Pr=0.000) since the p-value for all the dividend policy variables (dividend payout and dividend yield) is less than 5%, the null hypotheses is rejected and it is concluded that the variance is non-constant indicating the presence of heteroscedasticity.

Table 4. 3 Heteroskedasticity Test: Breusch-Pagan- Godfrey for ROE

Variables	Chi-square test value	Prob > chi2
Dividend Payout	343.67	0.000
Dividend Yield	466.99	0.000

Author's computation (2023)

4.4.2 Multicollinearity Test

Thompson, Kim, Aloe, and Becker (2017) propose using the variance inflation factor (VIF) to test for statistical significance between two or more independent variables. In this study, the VIF was used to examine the relationship between CEO duality, Audit quality, board independence, board size, and corporate income tax. According to the literature, multicollinearity among the variables is present when the VIF is more than 5.0 (Daoud, 2017; Thompson et al., 2017). The results from Table 4.3 show that none of the independent variables had VIF values more than 5.0 indicating that there is no issue of multicollinearity among the independent variables.

Table 4. 4 Variance Inflation Factor

	VIF	1/VIF

DUAL	3.929	.254
AUDIT	3.317	.302
BINDEP	1.382	.724
BSIZE	1.336	.749
TAX	1.054	.949
Mean VIF	2.165	.

Author's computation (2023)

4.4.3 Normality Test

Data distribution was checked for normality using the Jarque-Bera test. The data is presumed to be normally distributed if the probability level is larger than 0.05. The pvalues for the normality test are all higher than 0.05, hence the null hypothesis that the data are normally distributed is accepted.

Table 4. 5 Normality Test

	Jarque-Bera Coefficient	P-value
BSIZE	2.587	0.100
BINDEP	3.421	0.265
DUAL	3.735	0.324
AUDIT	5.304	0.702
TAX	2.153	0.227
ROA	3.239	0.300
FSIZE	3.145	0.201

Author's computation (2023)

4.5 Two-Stage Least Squares Regression

4.5.1 Regression for Dividend Payout

The coefficient of determination (R2) for dividend distribution is 0.342, as shown in table 4.5. The findings demonstrate that the independent variables (BSIZE, BINDEP, AUDIT, DUAL, TAX, ROA, and FSIZE) accounted for 34.2% of the variance in dividend payment, lending credence to the model's claims of explanatory power. This indicates that extraneous variables may account for the remaining 65.8% of the dividend payment volatility. The Durbin-Watson test may be used to check for autocorrelation in the outcomes of a regression analysis. The DW statistic may take on values between 0 and 4, with a value of 2.0 indicating the absence of autocorrelation. Autocorrelation is considered positive if the number is less than 2.0, and negative if it is more than 2.0. Since the Durbin-Watson value is less than 2.0, or 1.746, in the table, we may infer that the variables are positively autocorrelated with one another. Table 4.6 further shows that the chi-sqaure for testing dividend payout is 9.027, which is statistically significant (sig = 0.004<.05). This substantiates the model's credibility in describing the dividend distribution data. This demonstrates that there is a substantial association between the dependent variable (dividend payment) and the independent factors (business size, independence from the board of directors, audit, CEO duality, tax rate, return on assets, and business size).

4.5.1.1 Corporate Governance and Dividend Payout

It was anticipated in the study that board size has a significant relationship with the dividend payout of the GSE-listed financial firms in Ghana over the period of 20092021. The results as can be seen in Table 4.6 indicated an insignificant connection between board size and dividend payout ($\beta\beta$=-0.08; t=-0.04; p-value=0.964 >0.05). The results contradict the hypothesis stated in the study that the two constructs are related. This means that all other factors remaining constant, board size for the listed firms do not explain any amount of variation in dividend payout. This also implies that any further increase in board size for the listed firms will not affect the dividend payout of the firms.

The research also predicted that, from 2009 to 2021, dividend distribution by GSElisted financial businesses in Ghana would be significantly related to the level of board independence such firms maintained. Table 4.5 shows that the correlation between board independence and dividend payments is not statistically significant ($\beta\beta$=3.622; t=0.08; p-value=0.939 >0.05). The study's findings disprove the premise that there is a connection between the two concepts. This implies that no amount of variance in dividend distribution can be attributed to differences between listed companies' boards of directors. This also means that public companies may improve their board independence without worrying about their dividend payments.

It was also hypothesised in the research that, between 2009 and 2021, dividend payments from GSE-listed financial businesses in Ghana would be significantly correlated with audit quality. Table 4.5 shows that there was no statistically significant relationship between audit quality and dividend payment ($\beta\beta$=6.826; t=0.06; pvalue=0.955 >0.05). The study's findings disprove the premise that there is a connection between the two concepts. This indicates that audit quality does not explain a substantial amount of variance in dividend distribution, assuming all other parameters stay constant. This also means that the corporations' dividend payments are immune to improvements in audit quality.

Researchers repeated their previous assumption that a correlation existed between CEO duality and dividend payment at GSE-listed financial businesses in Ghana between 2009 and 2021. According to the data, having two CEOs is associated with a lower dividend ($\beta\beta$=6.019; t=2.05; p-value=0.037 <0.05). The study's findings corroborate the premise that a connection exists between the two concepts. This suggests that the existence of a dual-CEO structure accounts for a significant proportion of the variance in dividend distribution, everything else being equal. This also means that the dividend distribution of the listed companies would grow by 6.019 if the CEOs are dual-headed.

4.5.1.2 Corporate Income Tax and Dividend Payout

Over the period of 2009-2021, the research analysed the dividend payment of GSElisted financial businesses in Ghana and found that corporate income tax had a strong relationship with dividend distribution. Table 4.5 displays the data, showing that there is no statistically significant relationship between corporate income tax and dividend distribution ($\beta\beta$=-0.64; t=-0.08; p-value=0.933 >0.05). The study's findings disprove the premise that the two constructs are linked. This means that all other factors remaining constant, corporate income tax for the listed firms do not explain any significant amount of variation in dividend payout. This also implies that any further increase in corporate income tax for the listed firms will not affect the dividend payout of the firms.

4.5.1.3 Interaction Effect of Taxation

The research also predicted that corporate income tax will reduce the link between corporate governance and dividend distribution among Ghana's GSE-listed financial businesses within the study's 2009–2021-time frame. Table 4.5 shows that the impact of corporate income tax on the association between corporate governance and dividend distribution is not statistically significant ($\beta\beta$=-5.038; t=-0.06; p-value=0.955 >0.05). Results disprove the study's null hypothesis that there is a correlation between the constructs. This suggests that the correlation between corporate governance and dividend distribution is not significantly explained by differences in corporate income tax, everything else being equal. This also suggests that increasing the corporate income tax will not have a positive impact on the dividend distribution of companies.

4.5.1.4 Firm-Specific Variables and Dividend Pay-out

The study investigates the influence ROA on dividend payout. The findings showed that ROA have negative but insignificant influence on dividend payout (β=-13.201; t=0.080; p-value=0.940 >0.05). The findings showed that ROA do not account for a significant variation in dividend payout, implying that a unit rise in ROA may not affect dividend payout.

The study also examines the effect firm size on dividend yield. Firm size was shown to have a positive but insignificant effect on dividend payout (β=0.377; t=0.494; pvalue=0.622 >0.05). The findings showed that firm size do not accounts for a significant variation in dividend payout, implying that a unit rise in firm size may not affect dividend payout.

Table 4. 6 Instrumental Variables (2SLS) Regression

DividendPayout	Coef.	St.Err.	t-value	p-value	Sig
BSIZE	-0.08	1.784	-0.04	0.964	
BINDEP	3.622	47.072	0.08	0.939	
AUDIT	6.826	120.646	0.06	0.955	
DUAL	6.019	11.749	2.05	0.037	**
TAX	-0.64	7.612	-0.08	0.933	
Tax_Cor	-5.038	88.929	-0.06	0.955	
ROA	-13.201	174.949	-0.08	0.94	
FSIZE	0.377	0.763	0.494	0.622	
Constant	-6.432	111.618	-0.06	0.954	
Model Summary					
Mean dependent var	0.135	SD dependent var	1.292		
R-squared	0.302	Number of obs	142		
Chi-square	9.027	Prob > chi2	0.004		
Durbin-Watson stat	1.746				

*** p<.01, ** p<.05, * p<.1

4.5.2 Regression for Dividend Yield

It can be observed in Table 4.6, that the coefficient of determination (R^2) is 0.465 for dividend yield. The results show that the explanatory power of the model is largely attributable to the independent variables (BSIZE, BINDEP, AUDIT, DUAL, TAX, ROA AND FSIZE), which accounted for 46.5% of the variation in dividend yield. This suggests that the remaining 53.5% of the variation in dividend yield may be explained by factors not included in the research. Testing for autocorrelation in a regression model's results may be done using the Durbin-Watson statistic. A DW statistic value of 2.0 indicates no autocorrelation, and the range of this statistic is from 0 to 4. If the value is less than 2.0, then autocorrelation is positive; if it is more than 2.0, then autocorrelation is negative. The table shows that there is a positive autocorrelation between the variables since the Durbin-Watson statistic is smaller than 2.0, or 0.987 Also, from Table 4.6, chi-square tests is 11.802 for dividend yield which is significant since sig = 0.003<0.05. This demonstrates that the model accurately describes the data for dividend yield. This shows that there is a significant connection between the independent variables (BSIZE, BINDEP, AUDIT, DUAL, TAX, ROA AND FSIZE) and the dependent variables (dividend yield), however only board size, audit quality and firm size have a significant relationship with dividend yield.

4.5.2.1 Corporate Governance and Dividend Yield

The research predicted that the dividend yield of Ghanaian financial enterprises listed on the Ghana Stock Exchange (GSE) would be significantly correlated with the size of their boards of directors between 2009 and 2021. Table 4.6 shows that there is a statistically significant relationship between board size and dividend yield ($\beta\beta$=-0.726; t=-4.324; p-value=0.004 <0.05). The study's findings corroborate the premise that a connection exists between the two concepts studied. This suggests that the size of the board of directors for the listed companies may, in the absence of other variables, explain a large proportion of the difference in dividend yield. This also means that if the boards of the public companies become any bigger, the dividend yield will decrease by 0.726 units.

The research also predicted that, for financial enterprises listed on the Ghana Stock Exchange (GSE), board independence has a substantial link with dividend yield throughout the years 2009-2021. Table 4.6 shows that the correlation between board independence and dividend yield is not statistically significant ($\beta\beta$=-1.304; t=-0.02; pvalue=0.985 >0.05). The study's findings disprove the premise that the two constructs are linked. This means that all other factors remaining constant, board independent for the listed firms do not explain any amount of variation in dividend yield. This also implies that any further increase in board independence for the listed firms will not affect the dividend yield for the firms.

Also, the study envisaged that audit quality has a significant relationship with dividend yield of the GSE-listed financial firms in Ghana over the period of 2009-2021. The results as can be seen in Table 4.6 indicated an insignificant connection between audit quality and dividend yield ($\beta\beta$=0.401; t=3.234; p-value=0.030<0.05). The results support the hypothesis stated in the study that the two constructs are related. This means that all other factors remain constant, audit quality explains a significant amount of variation in dividend payout. Therefore, if the businesses' audit quality improves, their dividend payment will rise by 0.401 units

The analysis predicted, once again, that the dividend yield of GSE-listed financial businesses in Ghana had a substantial association with CEO duality between 2009 and 2021. The link between having two CEOs and dividend yield was not statistically significant ($\beta\beta$=-11.676; t=-0.07; p-value=0.943 >0.05), as shown in Result Table 4.6. The study's findings disprove the premise that the two constructs are linked. This means that all other factors remain constant, CEO duality does not explain any significant amount of variation in dividend yield. This also implies that any further improvement in CEO duality for the listed firms will not increase the dividend yield for the firms.

4.5.2.2 Corporate Income Tax and Dividend Yield

The research also predicted that, from 2009 to 2021, the dividend yield of GSE-listed financial businesses in Ghana will be significantly related to the corporate income tax rate. Table 4.6 displays the data, which show a statistically significant relationship between corporate income tax and dividend yield ($\beta\beta$=0.301; t=3.045; p-value=0.024 <0.05). Study findings corroborate the proposed link between the two concepts. This means that all other factors remaining constant, corporate income tax for the listed firms explain a significant amount of variation in dividend yield. This also implies that any further increase in corporate income tax for the listed firms will increase the dividend yield for the firms by 0.301 units.

4.5.2.3 Interaction Effect of Taxation

Over the period of 2009-2021, the research looked at the dividend yield of Ghanaian stock exchange-listed financial companies and hypothesised that their corporate governance levels would have a direct correlation with their dividend payouts. Table 4.6 shows that the relationship between corporate governance and dividend yield was significantly moderated negatively by the presence of corporate income tax ($\beta\beta$=-0.09; t=-2.99; p-value=0.000 <0.05). Conclusions The study's hypothesised relationship between the constructs holds up under scrutiny. Corporate income tax explains a large portion of the variance in the association between corporate governance and dividend yield, assuming all other variables stay constant. This also means that the impact of corporate governance on dividend yield for the businesses will be reduced by 0.09 units for every additional increase in corporate income tax.

4.5.2.4 Firm-specific Variables and Dividend Yield

The study investigates the influence of ROA on dividend yield. ROA was shown to have a positive but insignificant influence on dividend yield (β=18.048; t=0.07;

pvalue=0.944 >0.05). The findings showed that ROA do not accounts for a significant variation in dividend yield, implying that a unit rise in ROA may not affect dividend yield.

The study also examines the effect firm size on dividend yield. The findings showed that firm size have negative and significant influence on dividend yield (β=-0.880; t=5.324; p-value=0.000 <0.01). The findings suggest that controlling for other variables, firm size accounts for a significant variation in dividend yield, implying that a unit rise in firm size may lead to a 0.880 decrease in dividend yield.

Table 4. 7 Two-Stage Least Squares Regression for Dividend Yield

DividendYield	Coef.	St.Err.	t-value	p-value	Sig
BSIZE	-0.726	0.27	-4.324	0.004	***
BINDEP	-1.304	6.713	-0.02	0.985	
AUDIT	0.401	0.06	3.234	0.030	**
DUAL	-11.676	6.018	-0.07	0.943	
ROA	18.048	9.097	0.07	0.944	
FSIZE	-0.88	6.567	5.324	0.000	**
TAX	0.301	0.03	3.045	0.024	**
Tax_Cor	-0.09	0.657	2.99	0.000	***
Constant	6.153	5.304	0.04	0.97	
Model Summary					
Mean dependent var	2.703	SD dependent var 3.766			
R-squared	0.465	Number of obs 142			
Chi-square	11.802	Prob > chi2	0.003		
Durbin-Watson stat	0.987				

*** p<.01, ** p<.05, * p<.1

4.6 Discussion of Results

The most important results are summarised and compared to similar studies in this section. Studying the impact of corporate governance and taxation on dividend policy in Ghana was the study's major objective. The study's theoretical foundation was determined to be tax preference theory. In the parts that follow, we will go further into the results.

4.6.1 Taxation and Dividend Policy

The first objective of the study was to examine the effect of taxation on the dividend policy of GSE-listed financial firms in Ghana over the period of 2009-2021. The study also anticipated that corporate income tax has a significant connection with the dividend payout of the GSE-listed financial firms in Ghana over the period of 20092021. The results indicated an insignificant connection between corporate income tax and dividend payout. The results contradict the hypothesis stated in the study that the two constructs are related. This means that all other factors remaining constant, corporate income tax for the listed firms do not explain any significant amount of variation in dividend payout. This also implies that any further increase in corporate income tax for the listed firms will not affect the dividend payout of the firms. The results provide credence to Miller and Modigliani's tax preference theory, which held that capital structure and dividend policy had no impact on firm value in a purely theoretical context. That is to say, investors shouldn't care whether a business uses a dividend capital structure or a dividend-free capital structure. As a rule, the company's management should be focusing on more essential matters, such as deciding where and how the company's funds should be invested. Miller and Modigliani argue that in a perfect society, taxes, transaction costs, and knowledge asymmetry would not exist. (Booth and Zhou, 2017).

Also, Stultz (2000) argued that in a perfectly competitive market, where there are no external considerations like "taxes, transaction costs, asymmetric knowledge, and agency costs," the effect of a company's dividend policy on the value of its shares is negligible. This indicates that dividend policy adjustments made by financial managers have little effect on the value of their companies. As Stultz (2000) showed, however, a company's worth is driven more by its investment in productive assets. Given the low relevance of dividend policy in such a market, a rational investor would not show a preference for either dividends or capital gains. However, these results run counter to the conclusions reached by Zagonel, Terra, and Pasuch (2018), who showed that dividend payouts are highly sensitive to changes in tax policy.

The research also predicted that, from 2009 to 2021, dividend yield of GSE-listed financial businesses in Ghana will be significantly related to the corporate income tax rate. Dividend yield was shown to be significantly related to the corporate income tax. The study's findings corroborate the premise that a connection exists between the two concepts studied. The change in dividend yield may be explained, at least in part, by differences in corporate income tax for the listed businesses, assuming all other variables stay constant. This also suggests that the dividend yield of listed companies would rise in response to future increases in corporate income tax. Dhamija and Arora's (2019) results that taxes significantly influenced firms' dividend distribution practises are consistent with ours. These findings lend credence to the conclusion reached by Abiahu and Amahalu (2017), who found a negative significant relationship between tax and dividend policies. These results are in line with those of Zeeshan, Ch, and Shahzada (2012), who also discovered a positive association between taxation and bank dividend income and who concluded that tax rate is a major predictor of dividend policies employed by the banking sector. However, the results are at odds with those of Obayagbona and Ogbeide (2018), who found that non-financial companies' dividend policies are not considerably impacted by their corporation tax burdens.

4.6.2 Corporate Governance and Dividend Policy

The second purpose of the research was to analyse the dividend policies of Ghanaian financial institutions listed on the Ghana Stock Exchange (GSE) from 2009 to 2021 in light of corporate governance. Board size, board independence, audit quality, and CEO duality where the four categories into which corporations were broken down. Dividend payment and dividend yield of GSE-listed financial enterprises in Ghana for the period 2009-2021 were hypothesised to be significantly correlated with board size in the research. The results showed no significant association between board size and dividend payout, suggesting that an increase in board size for listed firms would have no effect on dividend payout even if all other factors influencing dividend payout were to remain the same. With respect to dividend yield, however, the results showed a significant correlation between board size and dividend yield. This means that all else being equal, board size explains a significant amount of variation in dividend yield, suggesting that any further increase in board size for the listed firms will decrease the firms' dividend yield. These findings are consistent with those of Shahwan and Almubaydeen (2020), who found that the size of a company's board of directors significantly affects its dividend policy. Although previous research found no correlation between board size and dividend policy (dividend distribution), the current data do not support this conclusion. The results are in agreement with those found by Shahid et al. (2016), who found that a higher number of board members was associated with a more generous dividend policy.

The research also predicted that, for financial businesses listed on the Ghana Stock Exchange (GSE), board independence will have a substantial association with dividend policy and dividend yield throughout the years 2009-2021. Board independence was shown to have no bearing on dividend distribution or dividend yield. The results contradict the hypothesis stated in the study that the two constructs are related. This means that all other factors remaining constant, board independent for the listed firms do not explain any amount of variation in dividend yield. This also implies that any further increase in board independence for the listed firms will not affect the dividend yield for the firms. These results contradict those of SetiaAtmaja (2010), who discovered that independent directors had a considerable impact on the dividend policy of corporations, particularly those owned by families. The findings also lend credence to the view that dividends and independent board members are complimentary governmental instruments. According to Kilincarslan's results (2021), among BISTlisted family enterprises in the period between 2012 and 2017, there was a significant favourable influence of board independence on dividend decisions.

It was also hypothesised in the research that, for financial businesses listed on the Ghana Stock Exchange (GSE) between 2009 and 2021, dividend payment and dividend yield would be significantly correlated with audit quality. The results showed that there was no correlation between audit quality and dividend payout. This means that, controlling for other factors, audit quality does not account for a sizable portion of the variance in dividend payout, and that firms can continue to improve their audit quality without seeing a change in their dividend payout. The results corroborate the findings of Hendijani (2022), who discovered that auditees with high-quality audits had more reliable dividend distributions than those with low-quality audits. For dividend yield, the findings indicated a significant connection between audit quality and dividend yield meaning that all other factors remaining constant, audit quality explains a significant amount of variation in dividend payout, implying that any further improvement in audit quality for the firms will increase the dividend payout of the firms. These results are consistent with those of Zeb et al. (2019), who found that audit quality had no appreciable impact on dividend policy.

The study again envisaged that CEO duality has a significant relationship with dividend payout and dividend policy of the GSE-listed financial firms in Ghana over the period of 2009-2021. For dividend payout, the findings demonstrated a significant connection between CEO duality and dividend payout meaning that all other factors remaining constant, CEO duality explains a significant amount of variation in dividend payout, implying that any further improvement in CEO duality for the listed firms will increase the dividend payout of the firms. However, for dividend yield, the findings indicated an insignificant connection between CEO duality and dividend yield, meaning that all other factors remaining constant, CEO duality does not explain any significant amount of variation in dividend yield, implying that any further improvement in CEO duality for the listed firms will not increase the dividend yield for the firms. These results corroborate those of Tahir et al. (2020), who found that appointing a co-CEO improved dividend payouts among Malaysia's non-financial companies. According to the data, companies whose corporate boards are well-organized have a more generous dividend policy. Contrary to what the findings may imply, CEO duality does affect dividend yield. The also results are consistent with those of El Ammari (2021), who discovered that a CEO's dual role significantly affects the company's dividend distribution strategy.

4.6.3 The Interactive Effect of Taxation on the Interplay of Corporate Governance and Dividend Policy

The study's third goal was to examine the impact of taxes on the dynamics of corporate governance and dividend policy at Ghana Stock Exchange-listed financial businesses from 2009 to 2021.

Over the period of 2009-2021, the study looked at the dividend payouts and corporate governance of GSE-listed financial businesses in Ghana. The researchers expected that corporate income tax would moderate the relationship between corporate governance and dividend payouts. The findings showed that corporate income tax had a negligible moderating influence on the association between corporate governance and dividend distribution. Results disprove the study's null hypothesis that there is a correlation between the constructs. This suggests that corporate income tax does not explain a considerable amount of variance in the correlation between corporate governance and dividend distribution, assuming all other parameters stay constant. Furthermore, this indicates that the impact of corporate governance on dividend distribution for corporations would not be enhanced by additional increases in corporate income tax. The results confirm the findings of Obayagbona and Ogbeide (2018), who found that non-financial firms' dividend payments are not impacted by their corporation tax requirements. The results contradict the conclusions reached by Abiahu and Amahalu (2017), who discovered a negative considerable connection between tax and dividend policies.

Over the period of 2009-2021, the research looked at the dividend yield of Ghanaian stock exchange-listed financial companies and hypothesised that their corporate governance levels would have a direct correlation with their dividend payouts. The findings revealed that corporate income tax significantly moderated the positive relationship between corporate governance and dividend yield. The study's hypothesised relationship between the constructs holds up under scrutiny. Corporate income tax explains a large portion of the variance in the association between corporate governance and dividend yield, assuming all other variables stay constant. This further means that the influence of corporate governance on the dividend yield for the businesses will be reduced by any future rise in the corporate income tax. The findings are consistent with the research conducted by Berzins et al. (2019), who discovered that agency conflict and trade-off tax modulate the relationship between corporate governance and dividend policy. Dhamija and Arora (2019) claim that corporations, especially those with large degrees of inside ownership, adapted their dividend policy in light of the new tax, and our findings provide credence to that claim. The effects of taxation on the banking industry in Pakistan were studied by Zeeshan, Ch, and Shahzada (2012), who found a statistically significant correlation between taxation and the dividend revenue of banks, implying that the tax rate is a primary predictor of the dividend policies adopted by the banking sector.

4.6.4 Firm-Specific Variables on the Dividend Policy Decision

The research's fourth goal was to analyses the factors that influence financial institutions listed on the Ghana Stock Exchange (GSE) to make a choice about whether or not to distribute dividends. The findings showed that both ROA and firm size do not have any significant effect on dividend payout. However, there is evidence to support the hypothesis that firm-specific characteristics (firm size) significantly affect dividend yield but not ROA. This suggests that business profitability and firm size do not account for any change in dividend payout but, firms size explain significant variation in dividend yield. The findings are in line with those of Sondakh (2019), who found that dividend policy was unaffected by profitability but was significantly impacted by business size. These findings contradict those of Rizqia and Sumiati (2013), who found that growth in both profitability and size had a favourable effect on a company's market value. Also, Pattiruhu and Paais (2020), discovered that although company profitability (ROA) does affect dividend policy, firm size does not.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This is the last chapter of the thesis, and it includes a brief overview of the findings, discussion, and suggestions.

5.2 Summary of Findings

The primary goal of the research was to examine how corporate governance and taxes in Ghana affect dividend policy. The most important findings are summarised and presented based on the analyses and previous studies. Given the goals of the study, the findings stated below are entirely predictable.

5.2.1 Effect of Taxation on Dividend Policy

The primary purpose of the research was to analyse financial institutions listed on the Ghana Stock Exchange (GSE) and their dividend policies from 2009 to 2021, with a focus on the impact of taxes. The study's findings disprove the premise that there is a connection between the two concepts. Therefore, corporate income tax for the listed corporations does not explain a significant amount of variance in dividend distribution, assuming all other variables stay constant. The dividend yield of GSE-listed financial businesses in Ghana will be significantly related to the corporate income tax rate. Dividend yield was shown to be significantly related to the corporate income tax.

5.2.2 Corporate Governance and Dividend Policy

The second purpose of the research was to analyse the dividend policies of Ghanaian financial institutions listed on the Ghana Stock Exchange (GSE) from 2009 to 2021 in light of corporate governance. Board size, board independence, audit quality, and CEO duality were the four categories into which corporations were broken down. The results showed no significant association between board size and dividend payout, suggesting that an increase in board size for listed firms would have no effect on dividend payout even if all other factors influencing dividend payout were to remain the same. In contrast, the results showed a significant correlation between board size and dividend yield, which means that all things being equal, board size explains a significant amount of variation in dividend yield, implying that any further increase in board size for the listed firms will decrease the firms' dividend yield. The study also anticipated a significant correlation between board independence and dividend policy and dividend yield for GSE-listed financial firms in Ghana between 2009 and 2021. Both dividend payout and yield were shown to be unaffected by board independence. The results contradict the hypothesis stated in the study that the two constructs are related.

5.2.3 The Interactive Effect of Taxation on the Interplay of Corporate Governance and Dividend Policy

The study's third goal was to examine the impact of taxes on the dynamics of corporate governance and dividend policy for financial institutions listed on the Ghana Stock Exchange (GSE) between 2009 and 2021. The findings showed that corporate income tax had a negligible moderating influence on the association between corporate governance and dividend distribution. This also suggests that increasing the corporate income tax will not have a positive impact on the dividend distribution of companies. The findings revealed that corporate income tax significantly moderated the positive relationship between corporate governance and dividend yield.

5.2.4 Firm-Specific Variables on the Dividend Policy Decision

The research's fourth goal was to analyse the factors that influence financial institutions listed on the Ghana Stock Exchange (GSE) to make a choice about whether or not to distribute dividends. The research found evidence to support the hypothesis that firmspecific characteristics have a substantial effect on dividend distribution. The results showed that dividend distribution was unrelated to either business size or return on assets (ROA). This suggests that business profitability and firm size do not account for a substantial percentage of the variance in dividend distribution, holding all other parameters constant. This also suggests that corporations will not raise their dividend distribution in response to future increases in profitability or growth. The research also found that firm-specific characteristics affected dividend yield significantly. The results showed that the correlation between return on investment and dividend yield was weak. This indicates that dividend yield for these companies is unaffected by their profitability

5.3 Conclusion

Studying the impact of corporate governance and taxation on dividend policy in Ghana was the study's major objective. The study used a panel data set constructed from the companies' annual reports, which were retrieved from the companies' websites and the GSEs, to accomplish the goal. The research sample consisted of all of the financial institutions that are members of the GSE. The data were analysed using both descriptive and correlational methods. The health of the data was checked using a diagnostic tool. A total of twenty-three (16) banking institutions were selected for this analysis. The data were subjected to both descriptive and correlational analysis. The correlation between the variables was analysed using a two-stage least squares regression model. Corporate governance parameters such as board size, audit quality, and CEO duality were shown to have a substantial effect on companies' dividend policies. In addition, the corporate income tax acts as a moderator between corporate governance and dividend yield, since it primarily affects dividend yield but not dividend payment.

5.4 Policy and Practical Recommendations

The research found that dividend policy is significantly impacted by corporate income tax and corporate governance, leading to the following suggestions.

- In order to safeguard the interests of owners and other stakeholders and produce the desired outcomes for them, managers should apply effective corporate governance standards. Investors place a high value on dividends; thus, firms should be able to use effective corporate governance procedures to execute dividend policies that increase their value and distribute any excess cash to investors.

- To decrease the negative effects of administrative costs, shareholders may choose companies with strong corporate governance and a history of consistent dividend payments.
- To stop management and the majority of shareholders from stealing money from minority shareholders via dividends, policymakers are urged to enforce corporate governance regulations rigorously.
- When deciding which companies to hold in a portfolio, investors should consider how dividend tax reform can alter the businesses' payment behaviours.
- It is already common knowledge that taxation influences business payout policies and, maybe, investment and financing strategies. If increasing private investment and GDP growth are goals of policymakers, they will need to investigate how proposed changes to the tax law would affect company behaviour.

5.5 Limitations and Future Research Directions

There are gaps in the study that must be filled in order to pave the way for more research. Limitations of the research include its use of data only collected between 2009 and 2021 and its small sample size (16 participants). Data from both longitudinal and cross-sectional time series were used in the study. Future research should enhance the sample size by collecting data over a lengthy period of time to confirm the study results and address the study's shortcomings. More longitudinal research is needed to confirm the results of this study.

REFERENCES

Abbas, U., Farooq, M.I., Kashif, A.R., Hassan, S. and Scholar, S.M.P., 2021. Effect of Dividend Paying Behavior and Board Size and Board Composition on Firm's Performance: Evidence from Pakistan. *Academy of Accounting and Financial Studies Journal*, *25*(2), pp.1-17.

Abdallah, A.N., 2014. *Taxation in Ghana: Principles, practice, and planning*. Black Mask.

Abiahu, M.F.C. and Amahalu, N., 2017. Effect of taxation on dividend policy of quoted deposit money banks in Nigeria (2006-2015). *EPH-International Journal of Business and Management Science*, *2*(3), pp.1-30.

Aboagye, P.Y. and Hillbom, E., 2020. Tax bargaining, fiscal contracts, and fiscal capacity in Ghana: A long-term perspective. *African Affairs*, *119*(475), pp.177202.

Abutabenjeh, S., and Jaradat, R. 2018. Clarification of research design, research methods, and research methodology: A guide for public administration researchers and practitioners. *Teaching Public Administration*, *36*(3), pp.237258.

Adegbite, E., Amaeshi, K. and Amao, O., 2012. The politics of shareholder activism in Nigeria. *Journal of Business Ethics*, *105*(3), pp.389-402.

Adjaoud, F. and Hermassi, N., 2017. The Impact Of Corporate Governance Mechanisms On The Dividend Policy Of Canadian Firms: Empirical Study. *International Journal of Business, Accounting, and Finance*, *11*(1).

Agyeman, E.D., 2005. *Income Tax, Gift Tax and Capital Gains Tax with Supplementary Questions*. EDA Publications.

Akani, H.W. and Sweneme, Y., 2016. Dividend policy and the profitability of selected quoted manufacturing firms in Nigeria: An empirical analysis. *Journal of Finance and Accounting*, *4*(4), pp.212-224.

Akoto, D., 2020. Assessing the effectiveness of the tax system in Ghana as a tool for economic development. *Journal of Finance and Economics*, *8*(3), pp.127-134.

Alharbi, B. and Alharbi, A., 2021. Corporate Governance Development and Practices in an Emerging Economy: A Review of Empirical Findings and Literature in Saudi Arabia. *International Journal of Business and Management*, *16*(3).

Al-Kuwari, D., 2009. Determinants of the dividend policy of companies listed on emerging stock exchanges: the case of the Gulf Cooperation Council (GCC) countries. *Global Economy and Finance Journal*, *2*(2), pp.38-63.

Al-Najjar, B. and Clark, E., 2016. Corporate governance and cash holdings in MENA: Evidence from internal and external governance practices. *Research in International Business and Finance*, *39*, pp.1-12.

Al-Najjar, B. and Kilincarslan, E., 2019. What do we know about the dividend puzzle? –A literature survey. *International Journal of Managerial Finance*.

Annex, A., 2018. The OECD classification of taxes and interpretative guide.

Armah-Attoh, D. and Awal, M., 2013. Tax administration in Ghana: perceived institutional challenges. *Afrobarometer Briefing Paper*, *124*(1), p.9.

Asante, S. and Marfo-Yiadom, E., 2010. Taxation module for Centre for Continuing Education, University of Cape Coast.

Azizah, A., 2020. *The Impact of Corporate Governance, Risk Management and Corporate Reputation on Firm Value: An Indonesian Case* (Doctoral dissertation, Victoria University).

Bakri, M. Ashari - Abd Jalil, M., and Isa-Hassan, Z., 2021. Dividend Policy in Malaysia: A Comparison of Determinants Pre and Post Malaysian Code on Corporate Governance, *International Journal of Banking and Finance,* 16(2), pp. 1-22.

Barzuza, M., Curtis, Q. and Webber, D.H., 2019. Shareholder value (s): Index fund ESG activism and the new millennial corporate governance. *S. Cal. L. Rev.*, *93*, p.1243.

Berzins, J., Bøhren, Ø. and Stacescu, B., 2019. Dividends and taxes: The moderating role of agency conflicts. *Journal of Corporate Finance*, *58*, pp.583-604.

Booth, L. and Zhou, J., 2017. Dividend policy: A selective review of results from around the world. *Global Finance Journal*, *34*, pp.1-15.

Brautigam, D., Fjeldstad, O.H. and Moore, M. eds., 2008. *Taxation and state-building in developing countries: Capacity and consent*. Cambridge University Press.

Brennan, M. (1970), "Taxes, market valuation, and financial policy", National Tax Journal, Vol. 23 No. 4, pp. 417-427.

Briano-Turrent, G.D., Li, M. and Peng, H., 2020. The impact of family-CEOs and their demographic characteristics on dividend payouts: Evidence from Latin America. *Research in International Business and Finance*, *51*, p.101086.

Brown, P., Beekes, W. and Verhoeven, P., 2011. Corporate governance, accounting and finance: A review. *Accounting and Finance*, *51*(1), pp.96-172.

Dabuo, Y.A., 2017. *Evaluating The Awareness Of Tax Laws And Compliance By Small And Medium Size Enterprise In The Ghanaian Economy Using Businesses In Tamale Metropolis As A Case Study* (Doctoral dissertation).

Daoud, J.I., 2017, December. Multicollinearity and regression analysis. In *Journal of Physics: Conference Series* (949(1), p. 012009). IOP Publishing.

Das Mohapatra, D. and Panda, P., 2022. Impact of corporate governance on dividend policy: A systematic literature review of last two decades. *Cogent Business and Management, 9*(1).

DeAngelo, H., DeAngelo, L. and Stulz, R.M., 2006. Dividend policy and the earned/contributed capital mix: a test of the life-cycle theory. *Journal of Financial Economics,* 81(2), pp.227-254.

Dewasiri, N. J., Koralalage, W. B. Y., Azeez, A. A., Jayarathne, P. G. S. A., Kuruppuarachchi, D., and Weerasinghe, V. A. 2019. Determinants of dividend policy: evidence from an emerging and developing market. Managerial Finance,45(3), 413-429.

Dhamija, S. and Arora, R. K., 2019. *Impact of Dividend Tax Change on the Payout Policy of Indian Companies. Global Business Review, (), 097215091984681–.*

Dhanani, A., 2005. Corporate dividend policy: The views of British financial managers. *Journal of Business Finance and Accounting*, *32*(7-8), pp.16251672.

Di Vito, J. and Trottier, K., 2022. A literature review on corporate governance mechanisms: past, present, and future. *Accounting Perspectives*, *21*(2), pp.207235.

Driver, C., Grosman, A. and Scaramozzino, P., 2020. Dividend policy and investor pressure. *Economic Modelling*, *89*, pp.559-576.

Edmonds, W. A. and Kennedy, T. D. 2017. An Applied Guide to Research Designs: Quantitative, Qualitative, and Mixed Methods (2nd ed.). Sage Publications, Inc.

El Ammari, A., 2021. Do CEO duality and ownership concentration impact dividend policy in emerging markets? The moderating effect of crises period. *International Journal of Financial Studies*, *9*(4), p.62.

Erway, R. 2013. Starting the conversation: University-wide Research Data Management Policy. Dublin, Ohio OCLC Research. https://www.oclc.org/content/dam/research/publications/library/2013/2013

Farooque, O.A., Hamid, A. and Sun, L., 2021. Does Corporate Governance Have a Say on Dividends in Australian Listed Companies? *Australasian Accounting, Business and Finance Journal*, *15*(4), pp.47-75.

Few, S.L., Mohd. Lukman Abdull Mutalip, Shahrin, A.R. and Othman, M.S., 2007. Dividend policy: *evidence from publicly listed companies in Malaysia*.

Gaver, J., and K. Gaver, 1993. Additional evidence on the association between the investment opportunity set and corporate financing, dividend, and compensation policies. Journal of Accounting and Economics 16, 125-160.

Gravetter, F.J. and Forzano, L. A. B., 2018. *Research Methods for the Behavioral Sciences*. Cengage learning.

Guizani, M., 2018. The mediating effect of dividend payout on the relationship between internal governance and free cash flow. *Corporate Governance: The International Journal of Business in Society*.

Gujarati, D. and Porter, D., 2003. Multicollinearity: What happens if the regressors are correlated? *Basic econometrics*, *363*.

Gujarati, D., 2014. *Econometrics by example*. Bloomsbury Publishing.

Hartono, P., Gian-Sari, W., Rusliyana -Tinungki, G. M., and Jakaria, J-H. A. B., 2021. The Determinants of Dividend Policy: An Empirical Study of Inconsistent Distribution of Dividends Using Balanced Panel Data Analysis. *Media Ekonomi Dan Manajemen*, 36(2), pp. 89-106.

Hendijani Zadeh, M., 2022. Auditee's payout policies: does audit quality matter? *Managerial Auditing Journal*, *37*(5), pp.542-564.

Hite, G.L. and Owers, J.E., 1983. Security price reactions around corporate spin-off announcements. *Journal of Financial Economics*, *12*(4), pp.409-436.

Huu Nguyen, A., Thuy Doan, D. and Ha Nguyen, L., 2020. Corporate governance and agency cost: Empirical evidence from Vietnam. *Journal of Risk and Financial Management*, *13*(5), p.103.

Ibrahimy, A.I. and Ting, C.W., 2021. Impact of corporate governance on dividend payout policy of Malaysian insurance companies. *International Journal of Innovative Research and Development*, *10*(12).

Jaara, B-A., and Hikmat-Jaara, O., O. 2018. The Determinants of Dividend Policy for Non-Financial Companies in Jordan, *International Journal of Economics and Financial Issues*, 8(2), pp. 198-209.

Jabbouri, I., 2016. Determinants of corporate dividend policy in emerging markets: Evidence from MENA stock markets. *Research in International Business and Finance*, *37*, pp.283-298.

Jacob, M. Michaely, R. 2017. Taxation and Dividend Policy: The Muting Effect of Agency Issues and Shareholder Conflicts, The Review of Financial Studies, Volume 30, Issue 9, Pages 3176–3222, https://doi.org/10.1093/rfs/hhx041

Jensen, M. C., and Meckling, W. F. 1976. Theory of the firm: Managerial behavior, agency costs, and ownership structure. Journal of Financial Economics, 3: 305-60.

Jensen, M.C., 1986. Agency costs of free cash flow, corporate finance, and takeovers. *The American economic review*, *76*(2), pp.323-329.

Jiang, F. and Kim, K.A., 2020. Corporate governance in China: A survey. *Review of Finance*, *24*(4), pp.733-772.

Jiraporn, P. Kim, J. and Kim, Y. 2011. Dividend Payouts and Corporate Governance Quality: An Empirical Investigation. The Financial Review, 46(2), 251–279. https://doi.org/10.1111/j.1540-6288.2011.00299.x

Kanojia, S. and Bhatia, B. S. 2021. Corporate governance and dividend policy of the US and Indian companies. Journal of Management and Governance, 26(4), 1339–1373. https://doi.org/10.1007/s10997-021-09587-5

Kanojia, S. and Bhatia, B.S., 2022. Corporate governance and dividend policy of the US and Indian companies. *Journal of Management and Governance*, *26*(4), pp.1339-1373.

Kaźmierska-Jóźwiak, B., 2015. Determinants of dividend policy: evidence from Polish listed companies. *Procedia Economics and Finance*, *23*, pp.473-477.

Khan N. U; Jehan, Q-A, S. and Shah, A. 2017, Impact of taxation on dividend policy: Evidence from Pakistan. *Research in International Business and Finance, 42*, (C), 365-375.

Khan, A., Yilmaz, M.K. and Aksoy, M., 2022. Does board demographic diversity affect the dividend payout policy in Turkey? *EuroMed Journal of Business*, (aheadof-print).

Khan, M.B.A., Jabeen, M., Malik, F.F., Jabeen, A., Ilyas, M., Khan, J.A. and Akbar, S., 2021. An Empirical Analysis Of The Relationship Between Corporate Governance And Dividend Policy Of Pakistan's Listed Firms: The Moderating Role Of Political Instability. *Webology (ISSN: 1735-188X)*, *18*(5).

Khurana, I.K. and Moser, W.J., 2013. Institutional shareholders' investment horizons and tax avoidance. *The Journal of the American Taxation Association*, *35*(1), pp.111-134.

Kilincarslan, E., 2021. The influence of board independence on dividend policy in controlling agency problems in family firms. *International Journal of Accounting and Information Management*, *29*(4), pp.552-582.

Koussis, N., Martzoukos, S.H. and Trigeorgis, L., 2017. Corporate liquidity and dividend policy under uncertainty. *Journal of Banking and Finance*, *81*, pp.221235.

Kramarova, K., 2021. Transfer pricing and controlled transactions in connection with earnings management and tax avoidance. In *SHS Web of Conferences* (*92*, p. 02031). EDP Sciences.

L'Huillier, B.M., 2014. What does "corporate governance" actually mean? *Corporate Governance*.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R.W., 2000. Agency problems and dividend policies around the world. *The journal of finance*, *55*(1), pp.1-33.

Lange, D. and Bundy, J., 2018. The association between ethics and stakeholder theory. In *Sustainability, stakeholder governance, and corporate social responsibility*. Emerald Publishing Limited.

Larcker, D.F., Richardson, S.A. and Tuna, I.R., 2007. Corporate governance, accounting outcomes, and organizational performance. *The accounting review*, *82*(4), pp.963-1008.

Lee, S-Y., and Hong, W-H. 2018. The effect of tax incentive for dividend income on corporate payout policy: evidence from the Policy Experiment in Korea. *Korea Institute of Public Finance.*

Mai, M.U. and Syarief, M.E., 2021. Corporate Governance and Dividend Policy in the Banking Sector on the Indonesian Stock Exchange. *Jurnal Keuangan dan Perbankan*, *25*(1), pp.48-62.

Masulis, R.W. and Trueman, B., 1988. Corporate investment and dividend decisions under differential personal taxation. *Journal of Financial and Quantitative Analysis*, *23*(4), pp.369-385.

Matray, A. and Boissel, C. 2020. Higher Dividend Taxes, No Problem! Evidence from Taxing Entrepreneurs in France. Princeton University, PhD HEC-Paris Griswold Center for Economic Policy Studies. Working Paper No. 276, September 2020

Mehdi, M. Sahut, J.M. and Teulon, F. 2017. Do corporate governance and ownership structure impact dividend policy in emerging market during financial crisis?. *Journal of applied accounting research*, *18*(3), pp.274-297.

Mehta, A., 2012. An empirical analysis of determinants of dividend policy-evidence from the UAE companies. *Global review of accounting and finance*, *3*(1), pp.18-31.

Mensah, M. and Adams, M., 2014. The nexus between corporate governance and records management in private and public hospitals in Ghana. *Records Management Journal*.

Miller, M.H. and Modigliani, F., 1961. Dividend policy, growth, and the valuation of shares. *the Journal of Business*, *34*(4), pp.411-433.

Miller, M.H. and M.S. Scholes (1978). ‘Dividends and Taxes’. *Journal of Financial Economics*, 6(4): 333–364.

Miller, M.H. and M.S. Scholes (1982a). ‘Executive Compensation, Taxes and Incentives’. In C.M. Cootner and W.F. Sharpe (eds) *Financial Economics: Essays in Honor of Paul H. Cootner*. Englewood Cliffs, NJ: Prentice Hall: 179–201.

Miller, M.H. and M.S. Scholes (1982b). ‘Dividends and Taxes: Some Empirical Evidence’. *Journal of Political Economy*, 90(6): 1,118–1,141.

Mohapatra, D. D. and Panda, P. 2022 Impact of corporate governance on dividend policy: A systematic literature review of last two decades, Cogent Business and Management, 9:1, 2114308, DOI: 10.1080/23311975.2022.2114308

Moore, M., 2013. Obstacles to increasing tax revenues in low-income countries. *International Centre for Tax and Development Working Paper*, *15*.

Mukasa, J., 2011. Tax knowledge, perceived tax fairness and tax compliance in Uganda: *the case of small and medium income taxpayers in Kampala Central Division* (Doctoral dissertation, Makerere University).

Nguyen, H.V., Dang, H.N. and Dau, H.H., 2021. Influence of corporate governance on dividend policy in Vietnam. *The Journal of Asian Finance, Economics and Business*, *8*(2), pp.893-902.

Ninson, R.E.B.E.C.C.A., 2018. Services Sector Contribution to Tax Revenue Generation and Economic Growth in Ghana: *A Case of the Telecommunication Sub-Sector* (Doctoral dissertation, University of Ghana).

Obayagbona, J. and Ogbeide, D., 2018. Corporate taxes, agency costs and dividend policy of non-financial firms in Nigeria. *Amity Journal of Finance*, *3*(1), pp.6186.

O'Donovan, N., 2021. One-off wealth taxes: theory and evidence. *Fiscal Studies*, *42*(34), pp.565-597.

Oloyede, J.A., Olaoye, C.O., and Oluwaleye, T.O. 2018. Impact of Corporate Taxation on Dividend Policy of Quoted Firms in Nigeria. *Advances in Social Sciences Research Journal,* *5*(3) 440- 451

Omran, M. and Pointon, J., 2004. Dividend policy, trading characteristics and share prices: empirical evidence from Egyptian firms. *International Journal of Theoretical and Applied Finance*, *7*(02), pp.121-133.

Owens, J.P., 2008. Good corporate governance: The tax dimension. In *Tax and corporate governance* (pp. 9-12). Berlin, Heidelberg: Springer Berlin Heidelberg.

Pahi, D. and Yadav, I.S., 2019. Does corporate governance affect dividend policy in India? Firm-level evidence from new indices. *Managerial Finance*.

Pandey, I.M. (2010). Financial Management, Vikas Publishing House PVT Ltd, Tenth Edition

Pattiruhu, J.R. and Paais, M., 2020. Effect of liquidity, profitability, leverage, and firm size on dividend policy. *The Journal of Asian Finance, Economics and Business*, *7*(10), pp.35-42.

Prichard, W., Custers, A.L., Dom, R., Davenport, S.R. and Roscitt, M.A., 2019. Innovations in tax compliance: Conceptual framework. *World Bank Policy Research Working Paper*, (9032).

Puni, A. and Anlesinya, A., 2020. Corporate governance mechanisms and firm performance in a developing country. *International Journal of Law and Management*, *62*(2), pp.147-169.

Rizqia, D.A. and Sumiati, S.A., 2013. Effect of managerial ownership, financial leverage, profitability, firm size, and investment opportunity on dividend policy and firm value. *Research Journal of Finance and Accounting*, *4*(11), pp.120130.

Sakawa, H. and Watanabel, N., 2019. Family control and ownership monitoring in Stakeholder-oriented corporate governance. *Management Decision*, *57*(7), pp.1712-1728.

Saunders, M., and Lewis, P. 2017. *Doing research in business and management*. Pearson.

Setia-Atmaja, L., 2010. Dividend and debt policies of family-controlled firms: The impact of board independence. *International Journal of Managerial Finance*.

Setiawan, D. and Phua, L.K., 2013. Corporate governance and dividend policy in Indonesia. *Business Strategy Series*.

Shahid, M.S., Gul, F. and Rizwan, M., 2016. Ownership structure, board size, board composition and dividend policy: New evidence from two emerging markets. *IBT Journal of Business Studies (JBS)*, *2*(2).

Shahwan, Y. and Almubaydeen, T.H., 2020. Effects of board size, board composition and dividend policy on real earnings management in the Jordanian listed industrial firms. *International Journal of Financial Research*, *11*(4), pp.195202.

Shamsabadi, H. A., Min, B. S. and Chung, R. 2016. Corporate governance and dividend strategy: lessons from Australia. *International Journal of Managerial Finance. 12*(5), pp. 583-610.

Shi, W., Connelly, B.L. and Hoskisson, R.E., 2017. External corporate governance and financial fraud: Cognitive evaluation theory insights on agency theory prescriptions. *Strategic Management Journal*, *38*(6), pp.1268-1286.

Singh, N.P. and Tandon, A., 2019. The effect of dividend policy on stock price: evidence from the Indian market. *Asia-Pacific Journal of Management Research and Innovation*, *15*(1-2), pp.7-15.

Smart, M. 2018. The efficiency cost of dividend taxation: A new approach and estimates for Canada. University of Toronto. Preliminary version.

Sondakh, R., 2019. The effect of dividend policy, liquidity, profitability and firm size on firm value in financial service sector industries listed in the Indonesia stock exchange 2015-2018 period. *Accountability*, *8*(2), pp.91-101.

Stulz, R.M., 2000. Merton Miller and modern finance. *Financial Management*, pp.119131.

Tahir, H., Masri, R. and Rahman, M.M., 2020. Impact of board attributes on the firm dividend payout policy: evidence from Malaysia. *Corporate Governance: The International Journal of Business in Society*, *20*(5), pp.919-937.

Thompson, C.G., Kim, R.S., Aloe, A.M. and Becker, B.J., 2017. Extracting the variance inflation factor and other multicollinearity diagnostics from typical regression results. *Basic and Applied Social Psychology*, *39*(2), pp.81-90.

Tinungki, G. M. Robiyanto, R. Hartono and P. G., 2022. The Effect of COVID-19 Pandemic on Corporate Dividend Policy in Indonesia: The Static and Dynamic Panel Data Approaches, *Economies*, 10(1), pp. 1-18

Trisanti, T. 2018. Analysis of the Factors Influencing Dividend Policy: Evidence of Indonesian Listed Firms in the 2018 International Conference of Organizational Innovation, KnE Social Sciences, pp.240–249. DOI 10.18502/kss.v3i10.3377

Vitolla, F., Raimo, N. and Rubino, M., 2020. Board characteristics and integrated reporting quality: An agency theory perspective. *Corporate Social Responsibility and Environmental Management*, *27*(2), pp.1152-1163.

Yakubu, I. N, Kapusuzoğlu, A., and Ceylan N. B., 2022. The Effect of Corporate Governance on Firm Dividend Policy: Evidence from Ghana. *Muhasebe ve Finansman Dergisi – Nisan.* (94): 223-238 223 ISSN: 2146-3042 DOI:

10.25095/mufad.1064148

Yakubu, I.N., 2019. Revisiting the Factors Influencing Corporate Dividend Policy Decisions: Evidence from Listed Banks in Ghana. *Management and Accounting Review (MAR)*, *18*(3), pp.31-50.

Yarram, S.R. and Dollery, B., 2015. Corporate governance and financial policies: Influence of board characteristics on the dividend policy of Australian firms. *Managerial Finance*, *41*(3), pp.267-285.

Zagonel, T., Terra, P.R.S. and Pasuch, D.F., 2018. Taxation, corporate governance and dividend policy in Brazil. *RAUSP Management Journal*, *53*, pp.304-323.

Zaid, M.A., Abuhijleh, S.T. and Pucheta-Martínez, M.C., 2020. Ownership structure, stakeholder engagement, and corporate social responsibility policies: The moderating effect of board independence. *Corporate Social Responsibility and Environmental Management*, *27*(3), pp.1344-1360.

Zeb, A., Hussain, D.A. and Rahman, D.A., 2019. Earnings management and dividend policy: testing audit quality for the moderating effect. *Journal of Business and Tourism*, *5*(1), pp.45-54.

Zeeshan, H., Ch, A.H. and Shahzada, S.U.M., 2012. The effect of taxes on dividend policy of banking sector in Pakistan. *African Journal of Business Management*, *6*(8), pp.2951-2954.