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Department of Economics and Finance

Persistence of dividend policy after IPO: Evidence from GCC countries

A Thesis Submitted in Partial Fulfillment of the requirements for the degree of
Master of Science in Finance

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The student is awarded a grade A in the thesis subject.

- ☒ Without making any changes to the thesis.
- ☐ After making the modifications attached with this decision.

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Abstract

Dividend policy has been a major topic in many of the research papers throughout the years. Setting up the firm's dividend policy is considered one of the most critical strategic decisions that can impact the firm in both the short run and the long run, due to its consequences on the firm's capital structure, leverage, value, and other important aspects from the perspective of current and potential shareholders alike; the dividend represents the reward that they receive in exchange for their investment in the firm and involves accepting any risks associated with their investment.

The objective of this study is to investigate the existence of dividend policy persistence after the initial public offering (IPO) date for listed non-financial firms located in the Gulf Cooperation Council (GCC) countries from 2000 to 2019, based on a sample of firms that had an IPO date between 2000 and 2016. Additionally, the study investigates dividend policy persistence after IPO date across GCC countries and various industries. The study also examines the effect of firm heterogeneity on the persistence of dividend policy after the IPO date. Two firm characteristics that are being considered for the analysis of this effect namely, firm size and firm profitability. Finally, with respect to the international economic conditions, the study examines their effect on the persistence of dividends per share after IPO date during the periods of the financial crisis and the fall in oil price.

The study sample size consisted of 256 non-financial firms listed in the GCC countries, which have been chosen based on the availability of data. The study imported the firm data using the Thomson Reuters Data stream. A random regression model has been applied based on the outcome of the Hausman test.

The study's selected variables were based on a critical review of previous studies that identified them as significant factors that impact a particular firm's dividend policy.

The result of the study provides strong evidence of the existence of dividend policy persistence after the IPO date for public non-financial GCC firms. The study result has been supported by the outcomes of various analyses that have been conducted to verify the robustness of the study results. Specifically, the study has utilized other period windows, lagged the variables, changed the regression dependent variable to dividend payout ratio, changed the regression dependent variable to dividend decision, and taking the first differences of the independent variables analysis as robustness checks.

At the country-level, the findings show that public non-financial firms located in all of the GCC countries tend to maintain their dividend policy after the IPO date, which shows a strong validation for the study's main outcome discussed above. As for industry level, the study found that firms within the manufacturing, accommodation and food services, construction, information, retail trade, and utilities industries tend to maintain their dividend policy after the IPO date. When it comes to the effect of firm's heterogeneity, the study results show that large firms as well as higher profitability firms tend to have a more persistent dividend policy after the IPO date. As for the effect of the financial crisis period and period of the fall in oil price as an international economic condition, the study found that the dividend policy of public non-financial firms in the GCC region was persistence during both of these periods.

Keywords: *Initial public offering; persistence of dividend policy; dividend policy; GCC countries; international economic conditions; financial crisis; oil prices.*

Dedication

*Dedicated to my late beloved father, who carried me on his shoulders
until the last day of his life*

*May Allah bless the soul of **Mohamed Abdulla Husain***

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This work would never been done if it was not for the bless and strength that Allah gave it to me that enabled me to carry on and achieved my desired goals. I would like to thank my mother, brother, and sisters for their continuous support. I would like to express my high appreciation to my dear supervisor doctor Yomna Abdulla for her time and great efforts and continuous support in supervising me throughout my thesis process. I want to also acknowledge my dear University of Bahrain master program instructors doctor Mehdi Mili, doctor Bora Aktan, doctor Fuad Kreishan, Professor Omar Juhmani, Professor Mukesh Kumar, and doctor Seref Turen for their great efforts and support throughout my master journey. Special thanks to my master journey partners and friends Ahmed Alawi and Yusuf Al-Ali.

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List of Abbreviations

GCC= Gulf Cooperation Council

IPO= Initial public offering

FEM = Fixed effect regression model

REM = Random effect regression model

DPS= Dividend per share

IPO_DIV= Dividend per share at IPO year

EPS= Earnings per share

LEV= Leverage

ROA= Return on Assets

LIQ= Liquidity

IM= Investment Opportunities

GDP= Gross domestic product

OPEC= Organization of the Petroleum Exporting Countries

VIF= Variance Inflation Factor

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Chapter One

Introduction

Chapter content:

- 1) Introduction
- 2) Study Problem
- 3) Study Questions
- 4) Study Objectives
- 5) Significance of the Study
- 6) Study Setting
- 7) Study Terminology

Chapter One

1. Introduction

1.1. Introduction

Dividend policy has been a major topic in many of the research papers throughout the years. Many of the researchers described the mentioned policy as a “puzzling” one, especially when it comes to measuring its behavior. According to Frankfurter and Wood Jr (2002), many conflicting theoretical models have been developed over the course of research history, with limited empirical studies to support them. According to Hussainey, Mgbame, and Chijoke-Mgbame (2011), dividend policy has been described as a puzzle by Black (1976); as irrelevant according to Miller and Modigliani (1961), and as relevant, according to DeAngelo, DeAngelo, and Skinner (1996).

In its simple form, dividends are defined as profit distribution from the firm to its shareholders. It can be perceived as a reward to the firm shareholders for their investment in a particular firm. Accordingly, shareholders in general attach significant value to the firm’s ability to generate cash flow and distribute it in the form of dividends (Ross, Westerfield, Jaffe, and Bley, 2013). Within the same context, according to the bird-in-the-hand theory of dividends, dividends are the preferred form of investment reward, as investors prefer dividends as a reward for investing and holding the company stock instead of capital gains (Lintner, 1962; M.J., 1963; Livoreka, Hetemi, Shala, Hoti, and Asllanaj, 2014; Pontoh, 2015; Priya and Mohanasundari, 2016; Khanal and Mishra, 2017). The dividend policy represents the firm’s decision regarding whether to distribute their earnings in the form of dividends or maintain them in the form of retained earnings

as an internal source to finance the firm's current and future potential investments (Barros, Matos, and Sarmento, 2020). Hence, a firm's dividend policy is considered to be an essential part of their corporate strategy.

Besides its impact on the way shareholders view the value of a particular firm, there are several other reasons why many scholars view dividend policy as a significant research topic. For example, shareholders might utilize the firm dividend policy to forecast its future earnings prospects, which is a practice related to a very well-known theory in finance called dividend signaling theory (Bozos, Nikolopoulos, and Ramgandhi, 2011; Dionne and Ouederni, 2011; Liu & Chen, 2015; Tekin and Polat, 2021). Another example is related to the impact that the dividend policy has on the firm's ability to finance its growth and investment. In other words, the way a particular firm "picks" its financing method will have considerable impact on its dividend policy, which is a practice related to another well-known theory in finance called the pecking order theory of dividends (Al-Malkawi, 2007; Yıldırım and Çelik, 2021). Shareholders also view the dividend policy as an effective tool to reduce their conflicts of interest with firm management, or what is known as the agency problem (Ross, 1977; Chang, Kang, and Li, 2016; Syed, Bin Zainir, and Isa, 2018).

This study contributes to the empirical studies of dividend policy by investigating its persistence from the date of the firm's initial public offering (IPO) for non-financial firms located in the Gulf Cooperation Council (GCC) countries. Additionally, the study examines the effect of firm heterogeneity and international economic conditions such as the financial crisis and the fall in oil price on the persistence of dividend policy.

Financial firms have been excluded from the study due to the fact that those firms differ substantially from non-financial firms in terms of the laws and

regulations that govern their activities. Moreover, financial firms differ from non-financial firms in terms of their financial structure and practices related to accounting and bookkeeping, which is due to the essence of the financial firm's business (Patra, Poshakwale, and Ow-Yong, 2012; Kuzucu, 2015; Jabbouri 2016; Dewasiri, Koralalage, Abdul Azeez, Jayarathne, Kuruppuarachchi, and Weerasinghe, 2019).

1.2. Study Problem

The basic concept of setting up a firm dividend policy is to determine the allocation of the firm's profit between rewarding their investors in the form of dividend distribution and/or maintaining it in the form of retained earnings. One of the most important things any firm should also take into consideration when establishing such critical policy is how well the firm will be able to maintain its dividend policy and the level of dividend distributed, as the decision to change the level of dividend paid might have severe consequences on the firm from the point of view of its shareholders (Hitten, Mustaruddin, and Rustam, 2019).

Taking into consideration the rapid growth in the number of public non-financial firms listed in the GCC markets, establishing and maintaining the dividend policy is considered to be a critical decision made by any firm who decided to go public.

This study investigates the existence of the mentioned policy persistence for the non-financial publicly listed firms in the GCC market from the firm's IPO date. It is worth mentioning that this study is the first to conduct such research in the GCC region, as other studies have considered dividend smoothing but not dividend persistence.

1.3. Study Questions

This study is aims to answer the following questions:

SQ1: Is the dividend policy of non-financial GCC firms persistent from the date of the firm's IPO?

SQ2: Is the dividend policy of non-financial GCC firms persistent from the date of the firm's IPO across GCC countries and various industries?

SQ3: What is the effect of firm heterogeneity on the persistence of the dividend policy post-IPO of non-financial GCC firms?

SQ4: What is the effect of the international economic conditions on dividend persistence in non-financial firms in the GCC?

1.4. Study Objectives

The main objective of this study is to investigate the existence of dividend policy persistence after the IPO date for listed non-financial firms located in the GCC countries from 2000 to 2019, based on a sample of firms that had an IPO date between 2000 and 2016. Additionally, the study investigates the dividend policy persistence after the IPO date at the level of the country and at the level of the industry. The study also examines the effect of firm heterogeneity on dividend policy persistence after IPO date after subdividing the study sample based on their size and profitability. Finally, with respect to the effect of the international economic conditions, the study investigates the existence of dividend policy persistence after the IPO date during the financial crisis and the period in which there was a fall in oil prices.

1.5. Significance of the Study

To our best knowledge, no study has ever investigated the existence of dividend policy persistence after IPO date for non-financial firms in the GCC. This investigation extends the theoretical basis of dividend policy persistence by adopting path dependency theory to explain the internal mechanisms of dividend policy persistence for the first time.

Moreover, the study's scope of investigation is extended to include analysis at both the level of the country and the level of the industry, subsampling analysis based on the firm size and profitability, and analyzing the effect of financial crisis and the period in which there was a fall in oil prices as major international economic conditions.

As a result, and based on what has been mentioned, the study constitutes a significant contribution to the ongoing studies linked generally to the dividend policy and to the persistence of the policy itself, specifically as a new study topic in the GCC region.

Finally, the study provides a strong base for comparing the behavior of the dividend policy of listed non-financial firms in GCC countries with that of other developing markets. This comparison can be extended to include developed markets in order to understand the main similarities and differences among them.

1.6. Study Setting

The study topic, which has been approved by the University of Bahrain, was chosen on the basis of its relevance to the field of financial studies. The study data was collected from the Thomson Reuters Eikon Datastream for non-financial firms located in the GCC countries for the period from 2000 to 2019, based on firms that had an IPO date between 2000 and 2016.

As for the structure of the study, chapter one provides an introduction that includes an overview of the topic of the study; the study problem, which discusses the general problem that the study is addressing; the study questions that will be answered; the study objectives, which outline what will be achieved by the study; the significance of the study, which describes the importance of the study from the author's point of view; and the terminology, which defines the main key-words of the study.

Chapter two discusses the theories and empirical studies that are related to the study. The chapter forms the basis for choosing the study's dependent and independent variables, as well as for formulating the hypothesis.

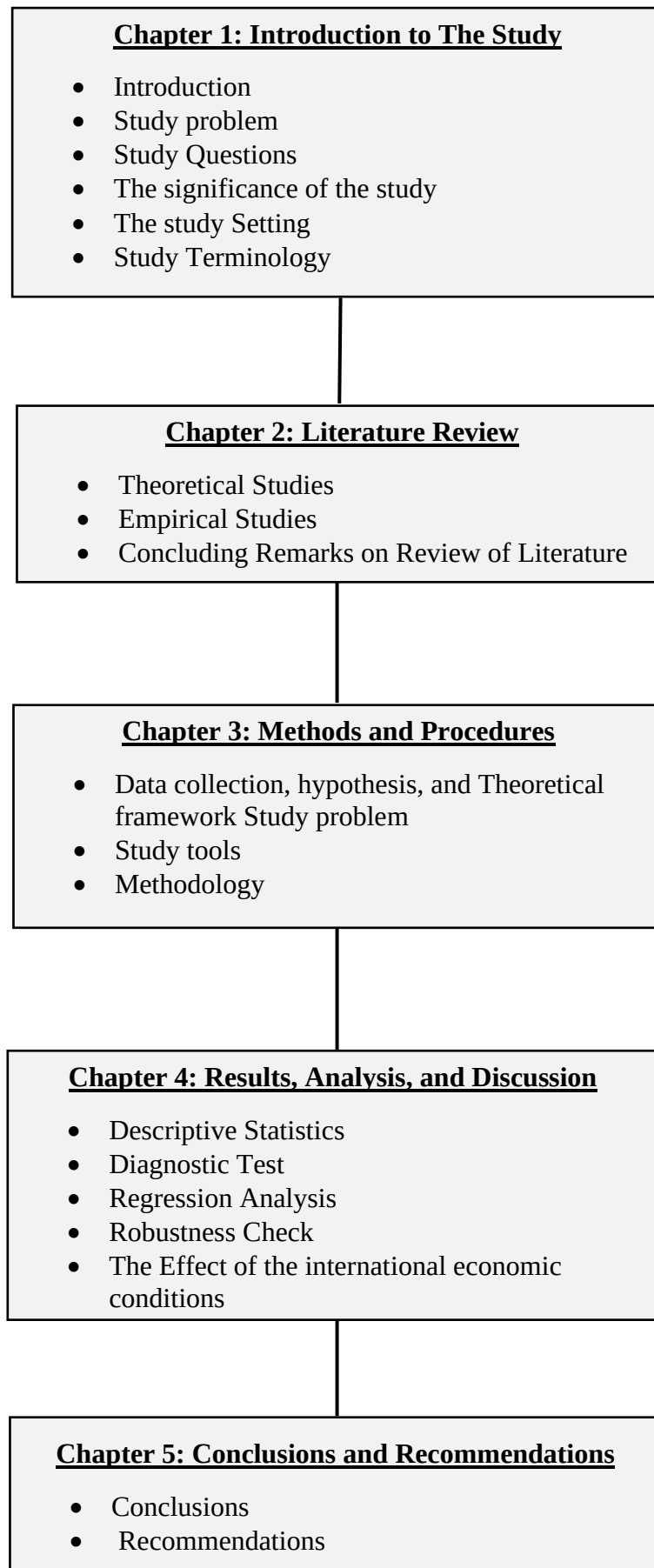
Chapter three outlines important aspects regarding the methods and procedures used in conducting the study, specifying and defining the sources of data and the various statistical tools used to generate the results.

Chapter four demonstrates the outcomes of the various models used to investigate the objectives of the study.

Finally, chapter five outlines the conclusions and recommendations based on the results, analysis, and discussion of the study.

The figure in the next page demonstrates the structure of the study:

Figure 1.1: Structure of the study



1.7. Study Terminology

The following study terminology has been defined according to Ross, S., Westerfield, R., Jaffe, J., and Bley, J. (2013), and Bodie, Kane, and Marcus (2013):

1. Dividend policy: Firm policy that determines the proposition of money it will distribute as dividends.
2. Dividend: Cash distribution of the firm's earnings.
3. Initial Public offering (IPO): A firm's sale of stock to the public for the first time.
4. Shareholders: Holder of common equity shares in a firm.

Chapter Two

Literature Review

Chapter content:

1) Theoretical Studies

2) Empirical Studies

- Gulf Cooperation Council (GCC) countries
- Non-GCC countries

3) Concluding Remarks on Review of Literature

Chapter Two

2. Literature Review

This chapter discusses the theories and empirical studies that are related to the study. The chapter will form the basis for choosing the study's dependent and independent variables, as well as formulating its hypotheses, which will be discussed in further detail in the following chapter.

2.1. Theoretical Studies

There are various dividend theories that explain the behavior and basis of a firm's dividend policy.

2.1.1. Agency theory

The relationship between the shareholders (the principle) of a firm and the firm's management (the agent) has been the subject of many studies over the past years. This is primarily because a conflict of interest might arise between the two parties, which is known as the agency problem. Brought forward by Barry Mitnick and Stephen Ross in 1973, agency theory has been one of the main core basis for setting policies and principles related to corporate governance. The following papers address the link between agency theory and dividend policy.

Agrawal and Jayaraman (1994) examine whether debt and dividend serve as an alternative control mechanism from the agency cost associated with free cash flow. The result of the study shows that the ratio of dividend payout of all equity firms' sample is significantly larger compared to levered firms included in the sample. Moreover, the results also show that

within the sample of all equity firms, the dividend payout ratio are higher for firms that have low managerial holdings compared to firms that have high managerial holdings.

Chang, Kang, and Li (2016) examine the impact of institutional ownership on dividend payout over the glass of agency theory by using data collected from the Thomson Reuters 13F database and the Compustat and Center for Research in Security Prices (CRSP) for the period from 1995 to 2009. By using a descriptive and logit regression statistical approach, the study produces three main results: first, there is a positive relationship between lagged long-term institutional ownership with large stakes and dividend payout ratio. Second, the positive linkage is more noticeable in firms with high agency cost. Third, the positive linkage is more noticeable when there is a weak in the external monitoring.

Syed, Bin Zainir, and Isa (2018) show the degree to which both agency costs and asymmetric information theories account for dividend smoothing and whether theories' proxy effects change based on the firm's reputation regarding the degree of dividend smoothing (high/low). Using a sample of 606 Indian firms for the period from 1987 to 2015, and after employing quantile regression methodology, and Lintner model, the study concluded that the tendency to smooth dividends with respect to agency and information asymmetry proxies clearly varies depending on the degree of firm dividend smoothing.

2.1.2. Modigliani-Miller theory

Miller and Modigliani (1961) argue that dividend policy is irrelevant to firm value. However, their theory has been tested and challenged in various research papers, which are examined in this section.

Paulo (2010) examines the aspect of Miller and Modigliani's 1961 methodology with respect to the Companies Act 2006 in the UK, which is related to distributions and the obligation of directors in the process of building up the success of the company. Based on a critical analysis of Miller and Modigliani, including a critical review of the 30 equations used in their model, the study concludes that Miller and Modigliani excluded dividends as a factor of the firm share value bypass as the main goal of their research. As a result, the basis and grounding of their analysis is considered less reliable, as it does not take into consideration the differences between capital and income. Based on their analytical work, they consider both dividend and financing decisions, as well as the important form of company law, to be irrelevant. From the researchers' point of view, they describe the uncritical presentation in most of the sound financial management textbook as "obstinately resolute adherents."

By using a dynamic stochastic partial equilibrium model, Karpavičius (2014) attempts to describe the reason dividends lean to be constant on an annual basis. Based on a sample of 1,000 simulated firms for a 2000s time period, the study results show that firm value relies upon payout policy. The study shows that firms have a higher value when their dividends streams are more stable. The study results thus challenge Modigliani-Miller theory.

2.1.3. Signaling (information asymmetry) theory

The company decision regarding whether to distribute dividends or not has been explained by many research theories, including signaling theory. Introduced by Stephen Ross and Solomon Ezra in 1977, signaling theory assumes that the company decision regarding whether to increase or decrease dividend payouts convey the company management's prospects

of future performance. The following papers demonstrate various studies related to the signaling theory of dividends.

Dionne and Ouederni (2011) study the signaling theory of dividends in reconciliation with risk management theory by extending the signaling framework of Bhattacharya (1979), taking into consideration the potentiality of future cash flow and hedging using linear hedging strategy. The study result shows that the expected effect of future earnings on dividends is lowered when taking into consideration the hedging of future cash flows.

In order to account for the impact of economic adversity, Bozos, Nikolopoulos, and Ramgandhi (2011) use data from the London Stock Exchange (LSE) to study the hypothesis of dividend signaling and the interaction of dividends and earnings under both steady and adverse economic conditions. It is worth mentioning that news regarding dividends and earnings are released simultaneously for firms listed in the LSE. Based on a sample size of 991 dividend announcements for the period from 2006 to 2010 and applying the standard market model of abnormal return, the study concluded that, during times of economic growth and stability, dividends are considered less informative in terms of content than earnings. However, during a time of economic adversity, dividends are considered to have more information content than earnings.

To examine the signaling theory of dividends, Liu and Chen (2015) employ a simultaneous equation approach to investigate whether managers alter the company dividends in accordance with their anticipation of potential earnings. By applying the mentioned equation on a sample of dividend change events from the United States market for the period from 1979 to 2011, the study results show that dividends are used by managers to signal equity scale potential earnings. Moreover, the study provides evidence that

company managers tend to alter dividends for the purpose of signaling changes in previous earnings and satisfying dividend clientele. When it comes to the information aspect of dividend changes, the study concludes that investors frequently cannot identify the signaling purpose, and dividends changes are not considered helpful for the investors in predicting potential future earnings.

Tekin and Polat (2021) examine the dividend policies of companies located in the United Kingdom in order to determine whether companies in different markets employ dividends as a signaling tool. Based on data collected from 1,247 companies from both the unregulated Alternative Investment Market (AIM) and the regulated Main Market (MAIN) from 2002 to 2017. The study found that during turbulence, AIM companies decreased their dividend payments to a level lower than MAIN companies. Moreover, the study found that AIM companies with higher incomes will most likely increase the level of dividends paid. Both of the mentioned outcomes suggest that AIM companies' practice is in line with the assumptions of signaling theory.

2.1.4. Life-cycle theory

Firms generally go through different stages of life cycles, and the investment opportunities in each stage vary accordingly. Developed by Dennis Mueller in 1972, life cycle theory assumes that once the firm reaches its maturity phase, the level of cash availability will overtake the investment opportunities available to the firm. Ultimately, the firm will be in an ideal position to distribute cash dividends. The current section provides an overview of studies related to life cycle theory.

DeAngelo, DeAngelo, and Stulz (2006) examine the effect of the capital structure on the life-cycle theory of dividends. The study was derived from

a sample of non-utility and non-financial firms in the Center for Research in Security Prices (CRSP) and Compustat files, which are firms with Standard Industrial Classification (SIC). It is worth mentioning that the study sample only takes into account firms that are incorporated in the United States and listed in the NYSE, Nasdaq, and Amex from 1973 to 2002. By using a multivariate logit model and other statistical techniques, the study concluded that the percentage of dividend payers is high when a large portion of the firm's total equity comes from retained earnings. By contrast, the percentage of dividend payers is lowered and falls almost to zero when a large part of the total equity is considered to be contributed capital.

Denis and Osobov (2008) investigate the factors of the tendency to pay dividends based on data collected from Worldscope through Thomson One Banker Analytics for companies in Germany, Japan, France, the United Kingdom, Canada, and the United States. After conducting univariate and multivariate analyses, the study conclusions support the life-cycle theory of dividends.

Lin, Chen, and Tsai (2017) examine the relation among information asymmetry, dividend policy, and ownership structure based on data collected from Chinese firms listed on the Shanghai and Shenzhen exchanges from 2003 to 2012. After applying different testing methods, the study concluded that there is an inverse relationship among information asymmetry and dividend payouts. In other words, if information asymmetry is high, dividend payouts will be low. With respect to the capital structure, the study finds that state-controlled firms with higher information asymmetry would pay higher dividends compared to controlled firms. Finally, the study shows that information transparency is reinforced when conducting a split share capital structure, examining a

positive moderating impact on the relationship among information asymmetry and dividend policy.

Hu, Tuilautala, and Kang (2019) investigate the effect of predictions regarding agency theory or information signaling theory on the special behavior of dividends at the industry level. After collecting data from the Centre for Research in Security Prices (CRSP) for the time from 1926 to 2012 and applying a logistic regression, a tobit regression model, and other statistical techniques, the study finds that competing firms in a concentrated industry pursue other firms' special announcements regarding dividend payouts. The study findings affirm information signaling theory over the agency theory of dividends because special dividend announcements can be viewed as signals to transmit information to the market regarding the continual growth of earnings on an industry-wide level.

2.1.5. Clientele effects theory

In the real world, many factors influence the investors' preferences toward the level of cash dividends a particular firm can produce. For example, investors in a high tax bracket would most likely favor a low level of cash dividends, and vice versa. Clientele effects theory assumes that investors' income preference and goals can have an impact on the stock market price. Livoreka et al. (2014) state that clientele effect theory introduces the concept that each company has its clientele of stockholders who own company stocks specifically due to its dividend policy.

In order to examine the clientele effects with respect to changes in the taxation of corporate dividends, Korkeamäki, Liljeblom, and Pasternack (2010) analyze the effect of Finland's major tax revision that took place in 2004. By collecting data from all the listed companies in the Helsinki Stock

Exchange from 2003 to 2006, and applying various statistical techniques, the study results shows that Finnish firms amended their dividend policies because of the altered tax incentive of their major shareholders. Moreover, the study results show that Finnish firms' ownership structure also changed around the year of the tax revision.

2.1.6. Bird-in-the-hand theory

According to the bird in the hand theory of dividends that was introduced by John Lintner in 1962 and Myron Goldon in 1963, investors prefer dividends as a reward for investing and holding the company stock instead of capital gains, which is potential and subject to uncertain factors. In other words, stockholders favor the certainty associated with the payments of dividends over the potentiality of higher future capital gains. Accordingly, the payment of dividends is considered one of the main factors that increase firm value and hence its stock price from an investor point of view. The following studies were conducted to examine the effect of bird-in-the-hand theory.

In order to provide stakeholders with information regarding the factors that determines dividend policy and how it plays an important role in the company, Livoreka et al. (2014) performed a study that reviews the theories of dividend policy based upon empirical research on joint stock companies in Kosovo. The outcome of the study provides evidence to support the bird-in-the-hand theory of dividends.

In order to examine if dividends are considered to be an important determinant that effects the price of stock in the stock market, Pontoh (2015) conducted a study based on data collected for a sample of 373 listed firms in the Indonesia Stock Exchange from 2010 to 2012. By applying the independent sample t-test and analyzing the variance of the study model

and the covariate model, the study shows that dividends have a significant impact on the stock price.

Priya and Mohanasundari (2016) conducted a study that reviewed the theories and explanations of dividend policy, including bird-in-the-hand theory. The study outcomes support the concept of bird-in-the-hand theory: there is a positive relationship between dividend payouts and the value of the firm, as it states that the dividend is considered an important motivating factor for a particular investor in deciding whether or not to invest in the company shares.

Khanal and Mishra (2017) examined the effect of dividend announcements on the stock price. By applying event analysis on data obtained from the Center for Research for Security Prices (CRSP) for the years from 2006 to 2012, the study concluded that stock prices reacted significantly to dividend announcements.

2.1.7. Pecking order theory of dividends

In general, a particular company has three sources of financing: internal funds, debt, and the issuing of new equity or, in some cases, resale of treasury stocks, which are considered to be an external source of financing. Developed initially by Donaldson in 1961 and modified by Stewart C. Myers and Nicolas Majluf in 1984, the pecking order theory of dividends assumes that a particular company prefers to use its internal resources to satisfy its financial needs instead of reaching out to external funds. According to the theory, if the company cannot satisfy its financial needs through internal financing, it will obtain the remaining funds required through debt, and then it will use equity financing as a last resort.

To investigate the determinants of dividend policy in Jordan, Al-Malkawi (2007) obtained data from 160 firms listed in the Amman Stock Exchange

from 1989 to 2000. One of the study hypotheses states that firm growth and investment opportunities are negatively associated with dividend payout. This hypothesis forms the basic predictions of pecking order theory. By applying the tobit model, the study outcomes provide evidence to support the assumption of the pecking order theory of dividends.

Yıldırım and Çelik (2021) study the soundness of the pecking order theory of dividends for manufacturing listed companies on the Borsa Istanbul at different levels of investments. After employing a quantile regression method on data collected based on a sample of 179 companies from 2000 to 2018, the study results validated the assumption of pecking order theory and that the sensitivity to both internal financing and debt rises as the level of investment increases. However, the theory is not valid in the case of companies with low and high levels of leverage. In addition, the study concluded that companies acted in accordance with the theory assumptions during the period before the financial crisis, from 2000 to 2009, but in the post-crisis period from 2010 to 2018, companies favored debt as a source for financing investments. Finally, companies specialized in the beverage, chemical, tobacco, plastic and rubber, petroleum, stone- and soil-based industrial product, and food manufacturing industries demonstrated financing behavior that is consistent with pecking order theory.

2.2. Empirical Studies

The establishment and determination of dividend policy has been an area of interest for many previous researchers. From an empirical point of view, there are various variables that can impact dividend policy.

For the purpose of this study, GCC studies related to dividend policy are reviewed first to understand their outcomes and get an overview of the factors and conditions that impact the setting of dividend policies in the

GCC, which is the geographic area of the current study. Second, studies conducted in other countries outside the GCC region are reviewed to understand the outcomes of those studies and the factors and conditions that impact the mentioned policy in those countries.

This subsection has been organized based on the geographic areas in which the selected firms under study are located:

1. Gulf Cooperation Council (GCC) countries.
2. Non- GCC countries, which includes:
 - Asian countries.
 - Oceania countries.
 - European countries.
 - The United States of America.
 - Latin American countries.
 - Other countries.

Then, a separate section sheds light on studies that examine the effect of global financial crises on dividend policy.

2.2.1. Gulf Cooperation Council (GCC) countries

Al-Kuwari (2009) explore the dividend policy determinants for listed GCC non-financial firms. The study was based on data collected for as sample of 191 firms for the period from 1999 to 2003. The results of the study random effects regression model show that firm size, government ownership, and profitability have positive significant impact on dividend policy. The results also show that leverage have negative significant impact on dividend policy.

Al-Yahyaee, Pham, and Walter (2010) investigate the dividend policy stability based on unique set of data in which firm's dividend payout ratio is almost 100 percent with high level of leverage. The study uses data imported from Share-Holding Guide of MSM Listed Companies for Omani listed non-financial firms for the time from 1989 to 2004. Based on the outcome of Tobit regression model, the study results show that Omani listed non-financial firms tend to adopt smoothed dividends policy.

A study by Al-Kuwari (2010) analyzes dividend payout decisions using a sample of panel data for 191 non-financial firms listed in the GCC stock market for the period from 1999 to 2003. A random-effects probit model was used to test the study hypotheses. The study concluded that companies listed in the GCC stock exchange pay dividends to reduce agency conflict, avoid exploiting minority shareholders, and enhance the company's reputation.

In order to investigate the constancy of dividend policy, the consequences of cash flow on the dividend policy, the characteristics of non-paying and paying firms, and the factors that influence company decision regarding the payments of cash dividends, Al-Ajmi and Abo Hussain (2011) used a sample of 54 listed firms in the KSA securities market from 1990 to 2006. By using the basic and extended version of the Lintner model and the fixed effect regresssion model, the study concluded that profitability, size, firms that paid dividends in the past, and firms that are considred to be matured with low investments opprtunities have high probablty of paying dividends. As for the factors that determine the level of dividend per share, the study found that profitability, life cycle, lagged dividend payments have postive significant impact on dividend per share. The study also found

that agency cost is not considered to be an important driver of dividend policy.

Based on data collected from 105 non-financial companies listed in the Saudi Arabic stock exchange for the period from 2004 to 2010, Alzomaia and Al-Khadhiri (2013) investigated the determinants of dividend policy for companies listed in Saudi Arabia. Based on the results of the study regression model, the study concluded that firm size, earning per share, and previous dividend per share have significant positive impact on the level of dividend per share. Moreover, the results shows that leverage have significant negative impact on the level of dividend per share.

Al-Malkawi, Bhatti, and Magableh (2014) study two issues related to dividend smoothing and signaling. First, they provide a direct test for dividend smoothing and signaling. Second, they examine the impact of the global financial crisis on dividend stability. The study estimates the Lintner model by incorporating a tobit structure using longitudinal data for 104 firms listed in the Muscat Securities Market from 2001 to 2010. The study results validate both the original and the modified Lintner model, which is consistent with the signaling hypothesis. The study results also show that the impact of the global financial crisis on dividend policy is insignificant.

Abu Manneh and Naser (2015) investigate the association between dividend policy and the characteristics of non-financial companies listed in the Abu Dhabi Securities Exchange (ADX). Based on data collected from 28 companies for the period from 2010 to 2012 and applying an ordinary least square regression model, the study concluded that company risk, size, free cash flows, industry, majority shareholders, and profitability have positive significant associations with company dividend policy, while company leverage level has a negative significant association with the policy.

Jabbouri (2016) investigate the main determinants that impact MENA emerging markets dividend policy for the study period from 2004 to 2014. The study was based on data collected from listed non-financial firms in Bahrain, Kuwait, Saudi Arabia, Oman, Qatar, United Arab Emirates, Tunisia, Egypt, Morocco, and Jordan for a total sample size of 533 firms. By applying the fixed effects regression model, the study results show that firm profitability, size, and liquidity have positive significant impact on the firm's dividend policy. The results also show that firm growth, leverage, state of economy, and free cash flow have negative impact on dividend policy.

Sahut and Teulon (2017) study the factors that determines dividend policies in emerging markets using data of 362 non-financial firms in GCC and East Asian countries. Using a panel regression model, the study examines the effects of corporate governance mechanisms and ownership structures on the determination of dividend policy and the degree of dividend policy stability during the financial crisis period. The results of the study regarding the government mechanisms show that variables such as board size, CEO duality, and board intensity have a negative impact on dividend decisions and dividend payouts. Regarding the ownership structure variables, the study finds that managerial ownership has a significant negative effect on dividend decisions and dividend payouts.

In order to examine the factors that determines dividend policy for companies listed in the Saudi stock exchange, Alber and Alhabtour (2017) used data collected from a sample of 67 companies listed in the stock exchange for the period from 2006 to 2014. After applying the logistics and linear regression models, the study results show that, for non-financial companies, company age, previous year dividend, size, and profitability have positive significant effects on dividend policy. In addition to that, the

results show that firms investment opportunity and leverage have significant negative impact on the ratio of dividend payment. As for financial companies, the results show that company age, size, and previous year dividend have positive significant effects on the ratio of dividend payment, while firm's leverage has a negative significant effect on the policy.

2.2.2. Non-GCC countries

I. Asian countries

To investigate the determinants of dividend policy in Jordan, Al-Malkawi (2007) obtained data related to 160 companies listed in the Amman Stock Exchange for the period from 1989 to 2000. By applying the tobit model, the study results show that government ownership, firm's age, profitability, and size have positive significant impact on dividend policy. Moreover, the study found that leverage as well as the amount of shares controlled by insiders have negative significant impact on dividend policy.

Ahmed and Javid (2009) examined the factors that impact dividend policy in Pakistan based on data collected from 320 listed non-financial firms in Karachi Stock Exchange for the period from 2001 to 2006. After applying the lintner (1956) and its extended versions in addition to panel regression, the study results show that liquidity, profitability, and ownership concentration have positive significant impact on dividend policy. The results also show that leverage, investment opportunities, and size have negative significant impact on the dividend policy.

To examine the relationship among a company's financial leverage and dividend policy, Asif, Rasool, and Kamal (2011) collected data from a sample of 403 listed companies in the Karachi Stock Exchange for the

years from 2002 to 2008. After employing the extended model of Linter (1956), the study results show that financial leverage has a significant negative impact on dividend policy.

Rizqia, Aisjah, and Sumiati (2013) study the impact of financial leverage, profitability, managerial ownership, investment opportunity, and firm size on dividend policy. Based on data obtained from manufacturing companies that were listed during the period from 2006 to 2011, the study regression model results show that investment opportunity and managerial ownership have significant negative impact on the firm dividend policy.

To study the determinants of dividend policy for listed companies in Bursa Malaysia, Yusof and Ismail (2016) collected data from a sample of 147 listed companies for the years from 2006 to 2010. After applying the pooled least squares, fixed, and random effects models, the study concluded that company size, earnings, and investments have a significant positive effect on dividend policy, while company debt and largest shareholder have a significant negative effect on the policy.

In order to study the impact of factors related to agency cost and maturity on the initiation of dividend policy and the impact on the sustainability of dividend, Hitten et al. (2019) uses data obtained from a sample of 93 non-financial companies that had an initial public offering from the Indonesia Stock Exchange (IDX) for the years from 2005 to 2017. By using structural equation modeling with SmartPLS software, the outcome of the study shows that capital structure as well as maturity both have positive significant effects on dividend policy initiation. The study also indicates that the dividend initiation factor itself has a positive significant effect on dividend sustainability.

Dewasiri et al. (2019) investigated the factors that determine a firm's dividend policy in emerging and developing markets based on data collected from 191 Sri Lankan firms listed on the Colombo Stock Exchange (CSE) from 2010 to 2016. Using binary logistics and fixed effect panel regression models, the study concluded that earnings, profitability, investment opportunities, past dividend decisions, corporate governance, size, free cash flow (FCF), and industry influence are the main factors that determine the propensity to pay dividends. Moreover, investment opportunities, past dividends, dividend premiums, and profitability are factors that determine dividend payout.

II. Oceania countries

In order to investigate the influence of the board of directors' structure on a firm's dividend policy, Yarram and Dollery (2015) applied a casual analysis of data collected from a sample of 413 non-financial firms included in the Australia All Ordinaries Index from 2004 to 2009. The study concluded that board independence, profitability, and firm size have a positive significant influence on the firm's dividend policy, while growth opportunities and current losses are considered to have negative significant influences on the policy.

III. European countries

Adaoglu (2000) examine the level of stability in the dividend policy of companies listed in the Istanbul Stock Exchange (ISE). The study was based on data collected from all the industrial and commercial corporations listed in the ISE from 1985 to 1994. By applying the Lintner equation and a pooled regression model, the study concluded that these companies' dividend policies are unstable and that the earnings of the company is considered to be the primary variable that determines the level of

dividends. In other words, a company's earnings variability is directly reflected in the level of dividends.

Patra et al. (2012) study the corporate dividend policy factors for public firms in Greece for the study period from 1993 to 2007. After applying the Generalized Method of Moments (GMM), the results shows that profitability, size, and liquidity have positive significant impact on the firm's likelihood to pay dividends, while financial leverage, business risk, and investment opportunities have a significant negative impact on the firm's probability to pay dividends.

Brunzell, Liljeblom, Löflund, and Vaihekoski (2014) examine the dividend policy of all Nordic listed firms based on a survey result that was distributed between 2007 and 2008 and a study hypothesis that was tested using a probit model with robust standard errors. The study concludes that 72% of the Nordic firms have a specific dividend policy. Larger and more profitable firms have a high likelihood of having a defined dividend policy. The dividend policy is mainly impacted by factors related to capital structure and expectations of future earnings. In addition, the study finds that a firm with a clear and specified dividend policy is positively correlated to ownership concentration and to the presence of large long-term private or industrial owners. The study outcomes support the implementation of defined dividend policies for agency or monitoring purposes, rather than for a signaling purpose.

Kuzucu (2015) investigate the firm-level factors that have an impact on the emerging markets firms' decisions regarding dividends based on data collected from Turkish stock market for the period from 2006 to 2013. After applying the regression model, the results shows that financial leverage, age, growth rate, profitability, and family control have a negative

significant impact on dividends, while age, size, and P/E ratio have a positive significant impact on dividends.

In order to investigate the impact of manager views on dividend policy for firms listed in the Borsa Istanbul (BIST), Baker, Kilincarslan, and Aarsal (2018) conducted a survey during 2015, which was distributed to a sample of 126 non-financial and non-utilities firms listed in the BIST. Several statistical analyses were used in order to test the hypotheses of the study. The outcomes provide evidence to support Lintner's partial adjustment model, signaling theory, catering, firm life cycle, and bird-in-hand hypotheses for justifying cash dividends. The findings suggest that managers of those firms follow identical dividend policy factors and patterns of dividend policy as managers of firms in more developed countries.

In order to examine the long-term persistence of dividend policy, Moortgat, Annaert, and Deloof (2020) collected data from all firms that were listed in the Brussels Stock Exchange (BSE) from 1824 to 2018. After applying various regression models, the study results show that the companies' initial dividend policy, which is measured at a company's first listing, affects its future dividend policy.

Barros et al. (2020) investigate the firm characteristics that drive dividend policy using a mixed methods approach with a quantitative econometric perspective and a qualitative perspective using fsQCA. The study was based on a sample of 83 non-financial firms from the Euronext 100 index for the years from 2000 to 2017. The findings reveal that factors such as analyst coverage, operating margins, and shares in free float have significant effects on the firm's dividend policy. Furthermore, the size of the firm is a critical factor of the dynamics of the dividend policy.

IV. The United States of America

Bildik, Fatemi, and Fooladi (2015) conduct a study that compare the behavior of dividend payout of American firms with the payout of firms located in 32 other countries. Bases on a study period from 1985 to 2011, the result of the study shows that the proportion of American firms that paid dividend is low compared to the 32 countries. The study results also shows that the proportion of dividend payers in American firms as well as the firms located in the 32 countries decreased from the period from 1985 to 2000, and then started to increase in years after.

In order to examine the relationship between the strength of corporate governance measured by contractual governance provisions and cash dividend policy, Atanassov and Mandell (2018) uses data collected from 85 Delaware master limited partnerships (MLPs) for the years from 2004 to 2016. By applying ordinary least squares (OLS) regression, the study finds that firms with weaker governance distributed higher cash dividends than better governed firms. Moreover, the study shows that the higher distribution of cash dividends made by firms with weaker governance lower the firm value in addition to lowering the value of the firm's cash holdings, indicating that they are considered by the market as cutting (extracting) resources by the general partner at the cost of limited unitholders.

Fliers (2019) study the relation between financial flexibility and dividend smoothing polices for the period from 1986 to 2013. Based on data obtained from the Center for Research in Security Prices (CRSP) and CompStat databases for a sample of 517 firms and using the measurement of the level of unused debt capacity and capital structure adjustment speed as proxies for financial flexibility, the study results show a nonlinear

relation between unused debt capacity and dividend smoothing. When it comes to firms with high levels of unused debt capacity, this relation is positive, but the relation is negative for firms with low levels of unused debt capacity. Regarding capital structure adjustment speed, the study shows a positive relation between it and dividend smoothing.

V. Latin American countries

Benavides, Berggrun, and Perafan (2016) examine the dividend payout policies for firms in six Latin American countries for the period from 1995 to 2013. The study applies the Lintner model and examines the prediction of three guiding theories: the pecking order model, the trade-off model, and the life-cycle theory of dividends. The outcome of the study shows that firm profitability has positive impact on dividend payout. Moreover, the study shows that investment opportunities and past indebtedness have negative impact on dividend payout. Additionally, the outcomes shows that country-level governance indicators have positive impact on the target dividend payout ratio. Moreover, the speed with which firms adjust their dividends with respect to changes in earnings is low in countries with high governance. In other word, firm's smooth dividends more in countries with higher governance scores. The study did not find evidence supporting the life-cycle theory nor illiquidity effects on dividend levels.

Eije, Goyal, and Muckley (2017) examine the flexibility in firm-level dividend payout behavior in Latin America based on data collected from a sample of 757 industrial firms in seven Latin American countries from 1994 to 2014. By using the Lintner equation and a specified habit formation, the study results show that there is significant flexibility in the dividend payout policy in Latin America.

VI. Other countries

To examine the impact of creditor rights on the probability of paying dividends and the number of dividends, Brockman and Unlu (2009) collect data from an international sample of 120,507 firms from 52 countries for the period from 1990 to 2006. By using logit, tobit, and ordinary least squares (OLS), the study concludes that the level of creditor rights in the country impacts dividend policies. In countries with poor creditor rights, both the likelihood and the amount of dividend payouts are significantly low. In other words, the study finds that there is a positive and significant relation between creditor rights and the likelihood of paying dividends and the amount of dividends paid. In addition, the study finds that the agency cost of debt does a more critical role in determining dividend policies compared to the previously documented agency costs of equity.

Erkan, Fainshmidt, and Judge (2016) study the variance decomposition of the country, industry, firm, and firm-year effects on dividend policy. The study is based on a sample of 8,903 firms from different countries for the years from 2001 to 2011. By using hierarchical linear modeling, the study findings show that all four levels of analysis help explain dividend policy, but most of the variance in dividend policy was due to firm and firm-year effects.

To investigate the effect of the diversity of board gender on dividend payments in emerging economies, Saeed and Sameer (2017) collect data based on a sample size of 552 firms located in India, China, and Russia from 2007 to 2014. Using a tobit regression model, the study results show that diversity in board gender has a negative relation with the amount of cash dividends.

Booth and Zhou (2017) examine comparative and international studies of dividend policy. Their study is based on a selective survey of various studies and analysis of different type of models related to dividend policy. The study concludes that institutional structure, including the country's financial system, institutions, culture, and industrial organization, are vital in the determination of dividend policy.

He, Ng, and Zhang (2017) study the relationship between dividend policy and earning management. More specifically, the study aims to examine whether dividend policy has a relationship with earning management and if the relationship fluctuates over countries with a broad range of institutional strength and transparency. By using data collected from a sample of 23,429 corporations from 29 countries for the period from 1990 to 2010, the result of the study concludes that when dividend payers issue equity subsequent to dividend payments, then those dividend payers would have less tendency to manage earnings, and that this outcome is highly noticeable in countries with weak institutions and low transparency.

Tran (2020) study the impact of corruption on dividend decisions considering agency theory. By applying both logit and tobit models on data collected from a sample of 205,316 firms from 47 countries from 2002 to 2015, the results show that corruption is positively related to both the decision to pay dividends and the dividend payout ratio.

2.2.3. The effect of the financial crisis on dividend policy

Hauser (2013) examine if company dividend policy amended during the period of financial crisis for the time from 2006 to 2009. After applying the panel logistics regression, the outcome of the study shows that during 2008 and 2009 the likelihood of dividend payout decreased. Moreover, the result shows that the mentioned policy shifted during the mentioned period.

Lepak and Consler (2016) perform a study with the aim of detailing and comparing the mean reaction for chosen financial variables for three groups of dividends payers during past and post the 2008 financial crisis. Based on Quarterly CRSP collected data for the study period from 2000 to 2012 and after applying a random effect regression model, the results show that dividend paying firms increased during the 2008 financial crisis.

Mili, Jean-Michel, and Frédéric (2017) examine the impact of the board governance on dividend policy during the period of financial crisis. Based on data collected from 362 non-financial public firms from Gulf Cooperation Council (GCC) and East Asian countries for the study period from 2003 to 2011 and after applying the panel regression approach, the study outcomes show that during the period of financial crisis, dividend decision is oppositely associated to the size of the board, frequency of board meeting, and CEO duality.

Rhee and Park (2018) conduct study to examine the changes in dividends smoothing for Korean firms after the 2008 financial crisis in addition to analyzing the factors that had an influence on those changes. Based on the results of the regression analysis, the results show that there was an increase in the firm's speed of adjustment after the financial crisis period compared to pre-crisis level, which shows that firms concentrated more on investments and the suitable amount of cash for the increased corporate risk.

To study the impact of the 2008 global financial crisis, Kilincarslan (2021) examines cash dividends based on data collected from 1,178 firms traded in the London Stock Exchange (LSE) from 2008 to 2017 to verify if they follow a stable dividend policy and how the 2008 global financial crisis affected the stability of dividends in the UK. By using a modified version of Lintner's 1956 partial adjustment model, the result of the study shows

that LSE firms have a long-term payout ratio and slowly adjust their cash dividends to their target, as suggested by Linter. In addition, the study detects a negative impact of the financial crisis on dividend payments and a tendency to adjust dividends immediately in response to changes in earnings in the first five-year period of the financial crisis from 2008 to 2012.

2.2.4. Concluding Remarks on Review of Literature

Theoretically, dividend policy is considered as one of the most controversial topics in the financial arena. It has drawn the attention of many scholars throughout the research history due to the fact that the outcomes of the conducted related studies have produced different theories and conclusions.

In this chapter, a critical review of various strands of literature is conducted in order to understand the main theories as well as factors that can have impact on firm's dividend policy.

Based on the critical review of many empirical studies, it can be observed that there are several factors that can have significant effect on firms' dividend policy globally and specifically on dividends policy of GCC listed firms. Based on the results of those studies, the most common factors that have significant positive impact on dividend policy are firm size, profitability, liquidity, and earnings (Al-Kuwari, 2009; Al-Ajmi and Abo Hussain, 2011; Alzomaia and Al-Khadhiri, 2013; Abu Manneh and Naser, 2015; Jabbouri, 2016; Alber and Alhabtour, 2017). Moreover, most of those studies found that leverage and investment opportunities have significant negative impact on the firm's dividend policy (Al-Kuwari, 2009; Al-Ajmi and Abo Hussain, 2011; Jabbouri, 2016; Alber and Alhabtour, 2017).

Many other studies investigated the factors that determine the dividend policy in other emerging and advanced economies. In general, these studies found similar determinants of GCC dividend policy (Adaoglu, 2000; Al-Malkawi, 2007; Ahmed and Javid, 2009; Patra et al., 2012; Rizqia et al., 2013; Kuzucu, 2015; Yarram and Dollery, 2015; Yusof and Ismail, 2016; Eije, Goyal, and Muckley, 2017; Dewasiri et al., 2019; Barros et al., 2020).

Regarding the impact of the financial crisis period, most studies found that there is an adverse impact of the crisis dummy on the firm's dividend policy (Hauser, 2013; Kilincarslan 2021).

Based on the reviewed studies mentioned above and to our best knowledge, no study has ever been conducted to investigate the existence of dividend policy persistence after IPO date in the GCC countries, which is the gap that the current study address.

Chapter Three

Methods and Procedures

Chapter content:

- 1) Data Collection, Hypotheses, and Theoretical Framework
- 2) Study tools
- 3) Methodology

Chapter Three

3. Methods and Procedures

Chapter 3 outlines important aspects regarding the study's methods and procedures, including specifying and defining the source of data and the various statistical tools used to generate the results.

This study is classified under the definition of a secondary study. A secondary study is a study that is conducted based on existing study material and data that have already been gathered and made available by a particular source. The first subsection discusses the data collection, hypothesis, and theoretical framework. The second subsection discusses the study tools. The third subsection discusses the methodology.

3.1. Data Collection, Hypotheses, and Theoretical Framework

This subsection outlines the data collected, the hypotheses developed, and the study's theoretical framework.

3.1.1. Data collection

This study investigates the existence of dividend policy persistence using data collected from the Thomson Reuters Datastream for non-financial public firms from the GCC region from 2000 to 2019. The initial cross-sectional units were all firms that had their initial public offering between 2000 to 2016, which consisted of 256 firms. The following tables demonstrate the classification and number of initial and final firms on both the levels of the industry and the country.

Table 3.1: Listed public firms according to industry

Industry	Number of firms
Manufacturing	79
Real Estate and Rental and Leasing	44
Construction	22
Accommodation and Food Services	16
Information	16
Retail Trade	14
Utilities	12
Transportation and Warehousing	11
Mining, Quarrying, and Oil and Gas Extraction	9
Health Care and Social Assistance	8
Wholesale Trade	8
Professional, Scientific, and Technical Services	5
Arts, Entertainment, and Recreation	4
Administrative and Support and Waste Management and Remediation Services	3
Educational Services	3
Agriculture, Forestry, Fishing and Hunting	2
Total	256

Source: Thomson Reuters Datastream.

Table 3.2: Listed public firms according to country

Country	Final number of firms
Saudi Arabia	75
Kuwait	69
United Arab Emirates	62
Oman	23
Qatar	18
Bahrain	9
Total	256

Source: Thomson Reuters Datastream.

The data are classified as unbalanced panel data. According to Gujarati, Porter, and Pal (2021), the data are unbalanced if the number of observations for each firm is not equal for each cross sectional-unit, which

is the case of the study data since each firm is examined for the period from the date of its initial public offering to 2019. In other words, the number of observations for the firms included in the study is not the same for each firm.

As for the panel data, it is a terminology used to express any type of pool data in which the same cross-sectional unit (firm) is inspected during a specific period (firm IPO date to 2019).

3.1.2. Variable specifications and hypotheses

Based on the studies mentioned in chapter two, the following paragraphs specify the dependent variables and independent variables chosen to examine their impact on the persistence of dividend policy along with the related developed hypothesis.

Dividend per share

In line with Al-Yahyaee, Pham, and Walter (2010), Al-Ajmi and Abo Hussain (2011), Alzomaia and Al-Khadhiri (2013), and Al-Malkawi, Bhatti, and Magableh (2014), the study specifies dividend per share as the dependent variable and as a proxy for the firm's dividend policy.

Dividend per share at the year of the firm's initial public offering

Hitten et al. (2019), and Moortgat et al. (2020) showed that the firm dividend per share at the year of the firm's initial public offering is one of the key factors that positively impact dividend policy. This is mainly due to the fact that, if the firm decided to decrease the level of dividends paid, it might send negative information to both existing and potential investors, which in turn would have an adverse effect on the firm's reputation and its value. Accordingly, the study hypothesizes that dividend per share at the

year of the firm's initial public offering has a positive impact on dividend policy:

H1. Dividend per share at the year of the firm's initial public offering has a positive impact on dividend policy.

Earnings

Lintner (1956), Ahmed and Javid (2009), Al-Ajmi and Abo Hussain (2011), Alzomaia and Al-Khadhiri (2013), Kuzucu (2015), Yusof and Ismail (2016), and Dewasiri, et al. (2019) identified earnings as a key determinant of a firm's dividend policy. Except for Kuzucu (2015), these studies showed that earnings had a positive impact on dividend policy. The mentioned positive impact was mainly due to the fact that profitable firms would normally pay a high level of dividends, as firms doing well in terms of performance would be able to reward their shareholders with higher levels of dividends. In addition, the mentioned impact supports the signaling theory of dividends, by which higher level of dividends is paid when there is an increase in earnings, signaling great firm performance. On that basis, this study hypothesizes that earnings have a positive impact on a firm's dividend policy:

H2. Earnings have a positive impact on dividend policy.

Earnings per share has been chosen as a proxy for earnings.

Leverage

According to Agrawal and Jayaraman (1994), Ahmed and Javid (2009), Alzomaia and Al-Khadhiri (2013), Yusof and Ismail (2016), Abu Manneh and Naser (2015), Jabbouri (2016), and Alber and Alhabtour (2017), leverage is one of the key determinants of firm dividend policy. These studies showed that leverage had a negative impact on firm dividend

policy. One of the main reasons is that a firm with a low leverage level would seek to increase its level of dividend in order to reduce the agency cost that is caused by its free cash flow. Moreover, firms with higher levels of leverage have higher commitment in terms of honoring debt payments and the associated cost of borrowing, such that payments and costs would reduce the amount of cash available to be distributed as dividends. Accordingly, the study hypothesizes that leverage has a negative impact on a firm's dividend policy:

H3. Leverage has a negative impact on dividend policy.

The study defines leverage as the percentage of total debt to total assets.

Firm size

Al-Kuwari (2009), Alzomaia and Al-Khadhiri (2013), Yarram and Dollery (2015), Abu Manneh and Naser (2015), Jabbouri (2016), and Alber and Alhabtour (2017) show that firm size is one of the significant factors that positively impacts dividend policy. In contrast, Ahmed and Javid (2009) identified firm size as one of the main factors that negatively impacts a firm's dividend policy. One of the main reasons that contributes to the mentioned positive impact is that the larger the size of a particular firm, the higher its agency cost, which would lead such firms to increase their level of dividends in order to reduce the mentioned cost. Another reason is the fact that larger firms can access capital markets and obtain external funds at a lower cost, which would increase the amount of funds available to be distributed as dividends. Consequently, the study hypothesizes that firm size has a positive impact on a firm's dividend policy:

H4. Firm size has a positive impact on dividend policy.

The study uses the natural logarithm of total asset as a proxy for defining the firm size.

Profitability

Al-Kuwari (2009), Abu Manneh and Naser (2015), Alber and Alhabtour (2017), Jabbouri (2016), and Dewasiri et al. (2019) recognized firm profitability as one of the main determinants that positively impact dividend policy. One of the main reasons for this is that a particular firm might increase its dividends in response to an increase in its profitability in order to communicate its profitable status to its existing and potential investors, a practice that is in line with signaling theory. Accordingly, the study hypothesizes that profitability has a positive impact on a firm's dividend policy:

H5. Profitability has a positive impact on dividend policy.

The study defines profitability as the ratio of a firm's net income to total assets.

Liquidity

According to Ahmed and Javid (2009), Patra et al. (2012), and Jabbouri (2016), firm liquidity is one of the main factors that positively impacts dividend policy. The higher the liquidity of a particular firm, the higher its available funds that can satisfy its current obligation, which in turn would allow for a higher amount of excess funds that can be distributed as dividends. Hence, the study hypothesizes that liquidity has a positive impact on a firm's dividend policy:

H6. Liquidity has a positive impact on dividend policy.

The study uses the ratio of current asset to current liabilities as a proxy for defining the firm liquidity.

Investment opportunities

Ahmed and Javid (2009), Al-Ajmi and Abo Hussain (2011), Patra et al. (2012), Rizqia, et al. (2013), Alber and Alhabtour (2017), and Dewasiri, et al. (2019) found that a firm's investment opportunities is one of the key factors that negatively impacts its dividend policy. In contrast, Al-Malkawi (2007) identified investment opportunities as one of the main factors that positively impacts a firm's dividend policy. One reason for the mentioned negative impact is that firms with higher investment opportunities prefer to use their internal resources to satisfy their financial needs instead of reaching out to external funds, which would reduce the amount of available funds that can be distributed as dividends, a practice that is in line with the pecking order theory of dividends. On that basis, the study hypothesizes that investment opportunities have a negative impact on a firm's dividend policy:

H7. Investment opportunities have a negative impact on dividend policy.

The study defines investment opportunities as the ratio of a firm's market value to book value.

Moreover, the study analyzes and discusses the effect of the international economic conditions specified in equations 5 and 6 of the current chapter, as well as in section 3.3.4.

The following table summarizes the study variables:

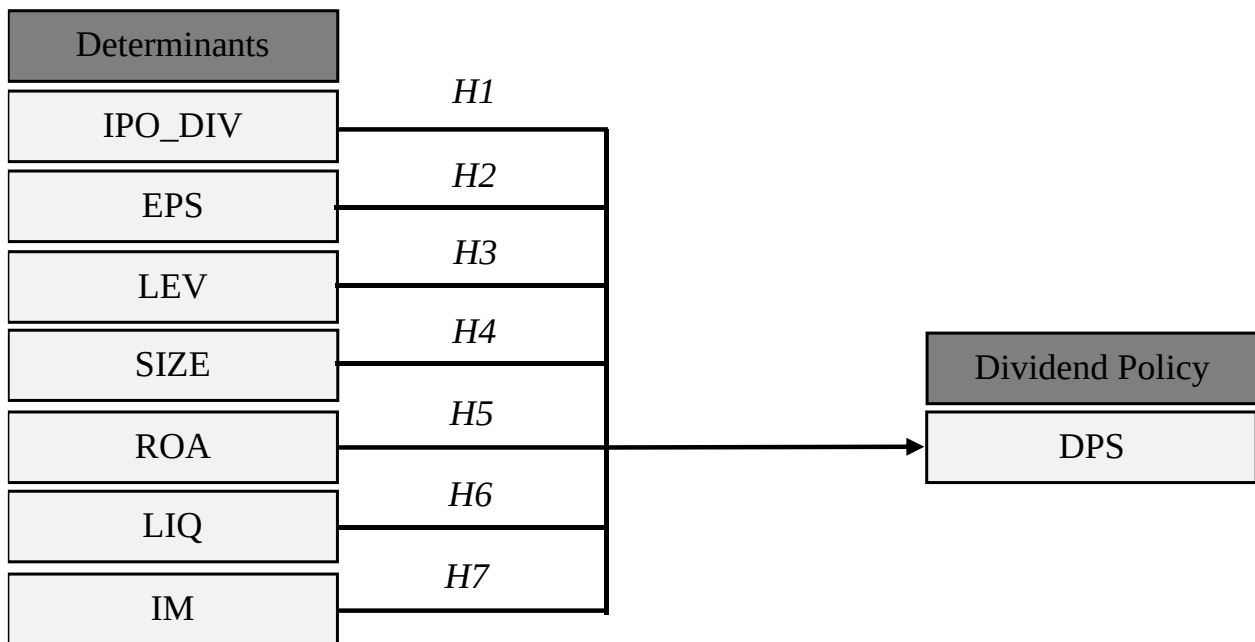
Table 3.3: Description of variables

Dependent Variable		Proxy
DPS	Dividend per share	Dividend policy
Independent Variables		
IPO_DIV	Dividend per share at IPO year	IPO year dividend
EPS	Earnings per share	Earnings
LEV	Leverage = Total debt to total assets	Leverage
SIZE	Measured as a natural logarithm of total assets	Firm size
ROA	Return on assets = Net income divided by total assets	Profitability
LIQ	Liquidity = Current assets / Current liabilities	Liquidity
IM	Investment opportunities = Market value / Book value	Investment opportunities
Dummy variables		
COUN_CODE	Country dummy	
IND_CODE	Industry dummy	
CRI_DUM	A dummy variable takes the value of “1” on years 2008 and 2009 and “0” otherwise	
OIL_DUM	A dummy variable takes the value of “1” on year 2015 and “0” otherwise	
SIZE_DUM	A dummy variable that takes the value of “1” for the firms with above median size and “0” for firms below the median size	
ROA_DUM	A dummy variable that takes the value of “1” for the firms with above median profitability and “0” for firms below the median profitability	
Interaction variable		
INTE_CRI	Financial crisis dummy variable x IPO year dividend per share	
INTE_OIL	Fall in oil price dummy variable x IPO year dividend per share	
INTE_SIZE	Firm size dummy variable x IPO year dividend per share	
INTE_ROA	Firm profitability dummy variable x IPO year dividend per share	

3.1.3. Theoretical framework

The following diagram depicts the study's theoretical framework.

Figure 3.1: The study's theoretical framework



3.2. Study Tools

This section specifies the econometrics and statistical tools used to apply the study methodology using the dependent and independent variables specified in section 3.1. Specifically, this section will outline the following: the study's econometrics models and the use of econometrics software.

3.2.1 Designation of the general econometrics model

According to Gujarati et al. (2021), any pooled econometric regression model is specified according to the following equation:

$$Y_{it} = \beta_0 + \beta_1\chi_{1it} + \beta_2\chi_{2it} \dots \beta_n\chi_{nit} + \varepsilon_{it}$$

where:

Y_{it} : *Dependent variable*

t : *Time series (in current study, the time period spans over 2000 – 2019)*

i : *Cross section (in current study, the cross sections are non – financila firms)*

β_0 : *Intercept*

β_{it} : *Slope*

χ_{it} : *Independent variable*

ε_{it} : *Error term*

Accordingly, the current study uses this equation to develop the regression models specified in the following subsections.

3.2.2. Designation of the study basic econometrics model

One of the main objectives of this study is to investigate the existence of dividend policy persistence after the IPO date for listed non-financial firms located in the GCC countries. Hence, the current study follows Moortgat et al. (2020) and estimate the regression model as follows:

$$DPS_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 COUN_CODE + \beta_9 IND_CODE + \varepsilon_{it}$$

Eq.1

3.2.3. Designation of the robustness check econometrics model

The following regression models are used to implement the robustness check:

I. Lag regression by one year analysis is as follows:

$$DPS_{it} = \beta_0 + \beta_1 EPS_{it-1} + \beta_2 LEV_{it-1} + \beta_3 SIZE_{it-1} + \beta_4 ROA_{it-1} + \beta_5 LIQ_{it-1} + \beta_6 IM_{it-1} + \beta_7 IPO_DIV_i + \beta_8 COUN_CODE + \beta_9 IND_CODE + \varepsilon_{it}$$

Eq.2

II. Changing the regression dependent variable to dividend pay-out ratio is as follows:

$$DIV_PAY_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 COUN_CODE + \beta_9 IND_CODE + \varepsilon_{it}$$

Eq.3

III. Changing the dependent variable to firms' decision regarding the payment of dividends is as follows:

$$DIV_DEC_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 COUN_CODE + \beta_9 IND_CODE + \varepsilon_{it}$$

Eq.4

IV. Taking the first differences of the independent variables is as follows:

$$\Delta DPS_{it} = \beta_0 + \beta_1 \Delta EPS_{it} + \beta_2 \Delta LEV_{it} + \beta_3 \Delta SIZE_{it} + \beta_4 \Delta ROA_{it} + \beta_5 \Delta LIQ_{it} + \beta_6 \Delta IM_{it} + \beta_7 IPO_DIV_i + \beta_8 \Delta COUN_CODE + \beta_9 \Delta IND_CODE + \Delta \varepsilon_{it}$$

Eq.5

As for the period-wise regression analysis robustness check, the same regression model specified in Eq.1 in subsection 3.2.2 will be used. The only exception is that it is applied by using intervals of five, three, and two years starting from the firm initial public offering date.

3.2.4. Designation of the interaction variables: an analysis of the firm heterogeneity and international economic conditions using the interaction variables

The following regression models are used to apply the interaction variables based on firm heterogeneity and international economic conditions.

- i. Firm heterogeneity 1: The interaction effect of the firm size with the dividend per share at the year of the firm initial public offering is as follows:

$$DPS_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 (SIZE_DUM \times IPO_DIV_i) + \beta_9 SIZE_DUM + \beta_{10} COUN_CODE + \beta_{11} IND_CODE + \varepsilon_{it}$$

Eq.6

- II. Firm heterogeneity 2: the interaction effect of the firm profitability with the dividend per share at the year of the firm's initial public offering is as follows:

$$DPS_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 (ROA_DUM * IPO_DIV_i) + \beta_9 ROA_DUM + \beta_{10} COUN_CODE + \beta_{11} IND_CODE + \varepsilon_{it}$$

Eq.7

- III. International economic conditions 1: interaction effect of the period of financial crisis with the dividend per share at the year of the firm's initial public offering is as follows:

$$DPS_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 (CRI_DUM \times IPO_DIV_i) + \beta_9 CRI_DUM + \beta_{10} COUN_CODE + \beta_{11} IND_CODE + \varepsilon_{it}$$

Eq.8

- IV. International economic conditions 2: The interaction effect of the period in which oil prices fell with the dividend per share at the year of the firm's initial public offering is as follows:

$$DPS_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 LEV_{it} + \beta_3 SIZE_{it} + \beta_4 ROA_{it} + \beta_5 LIQ_{it} + \beta_6 IM_{it} + \beta_7 IPO_DIV_i + \beta_8 (OIL_DUM \times IPO_DIV_i) + \beta_9 OIL_DUM + \beta_{10} COUN_CODE + \beta_{11} IND_CODE + \varepsilon_{it}$$

Eq.9

3.2.5. The use of Econometrics Software

The study utilized the features available in the EViews software to apply the specified econometrics models in addition to the diagnostic tests, except for the firm's heterogeneity analysis econometrics model in which Stata SE 17 software has been used.

3.3. Methodology

This subsection describes the models used in generating and analyzing the study results.

3.3.1. Diagnostic tests

According to DeBenedictis and Giles (1996), the outcomes of model mis-designation in any regression examination can be cruel in terms of unfavorable impacts on the properties of the study sampling for both the tests and the estimators.

As a result, it is not surprising that many studies have given considerable attention to applying various diagnostic tests as the first step before using the econometrics model.

Accordingly, this study applied the following diagnostic tests along with the related test hypothesis (if any):

- *Multicollinearity*: According to Al-Kuwari (2009), multicollinearity is defined as an incident of high intercorrelation between two or more independent variables. The study applied the Pearson correlation matrix in addition to using the Variance Inflation Factor (VIF) to detect if there is any multicollinearity between the independent variables.
- *Heteroskedasticity*: According to Gujarati et al. (2021), heteroskedasticity, known as unequal spread or variance, is a situation where the conditional variance of the dependent variable (Y) increases as the independent variable increases (X), which is the

opposite of homoskedasticity. It is based on the following hypothesis:

H_0 . There is no heteroskedasticity in the study data.

H_a . There is heteroskedasticity in the study data.

The study accounts for heteroskedasticity by using White standard errors in all the models applied.

- *Autocorrelation*: According to Gujarati et al. (2021), autocorrelation is a correlation among members of a series of observation ordered in a cross-sectional or time series data. Accordingly, the study utilized the Durbin–Watson d statistic to detect autocorrelation.
- *Data normality*: To determine whether the distribution pattern of the study observations is normally distributed or not, the study will apply the Jarque–Bera test to determine whether the data is normally distributed. The Jarque–Bera test is based on the following hypothesis:

H_0 . The data is normally distributed.

H_a . The data is not normally distributed.

- *Panel data unit root test*: The unit root test is conducted in order to examine whether the study's independent variable data are stationary or non-stationary. According to Gujarati et al. (2021), the study variable data are considered to be stationary if the variance and mean are stable crosswise time. The study applied two types of

Fisher panel unit root test: Phillips–Perron (Fisher–PP) and Dickey–Fuller (Fisher–ADF).

Accordingly, chapter 4 provides further details about these tests, their hypotheses, application, and results.

3.3.2. Regression analysis

The study applied the pooled least squares model and, based on the outcome of the Hausman test, the study determined whether to use the fixed effect regression model (FEM) or the random effect regression model (REM). This method is in line with previous studies that aimed to investigate dividend policy behaviors. Specifically, this method has been used by Alzomaia and Al-Khadhiri (2013), Abu Manneh and Naser (2015), Yusof and Ismail (2016), and Dewasiri et al. (2019).

3.3.3. Robustness checks

According to Lu and White (2014), researchers use robustness checks to test how a specific core of a particular regression coefficient estimates functions when the regression specification is altered by adding or withdrawing regressors.

For the purpose of testing the robustness of the outcome of the regression analysis, five robustness tests were conducted:

- *Period regression analysis*: The main regression model is applied on three different intervals in order to analyze the strength of the regression outcome during different time intervals. For the purpose of this study, time intervals of five, three, and two years were used, starting from the date of the initial public offering.

- *Lag regression by one year analysis:* The outcome of the independent variable X_t was analyzed based on a regression model that uses the values of the independent variables before one year from the value of the dependent variable, which is specified as X_{t-1} . This test is widely known in various studies as the pairwise Granger causality test. According to Dewasiri et al. (2019), this test is performed in order to examine potential short-term lead-lag associations between the dependent variable and the independent variables.
- *Changing the regression dependent variable to dividend pay-out ratio:* The main regression model is applied using dividend pay-out ratio instead of dividend per share.
- *Changing the regression dependent variable to dividend decision:* The main regression model is applied using dividend decision instead of dividend per share. Dividend decision is defined as a dummy variable that takes the value of “1” if the firm paid dividends and “0” otherwise.
- *Taking the first differences of the independent variables:* Except for the dividend per share at IPO year variable, the independent variables of the main regression model are modified in terms of taking the first differences, which are defined as the sequence of changes from one time period to the next ($X_{it}-X_{it-1}$, where X_{it} is the value X_i at period t).

3.3.4. The use of interaction variables: effects of firm heterogeneity and international economic conditions

In general, the interaction variable is used for a more in-depth analysis of the regression model. According to Allen (2017), interaction variables state

the interaction of two or more independent variables and its impact on the dependent variable.

For the purpose of this study, four interaction variables were developed based on firm heterogeneity and international economic conditions, which has been included in a modified version of the main regression model, specifically in equations 6,7,8, and 9, in order to test their impact on the dependent variable.

I. Firm heterogeneity

According to Zhao, Wei, Xi, and Wang (2020), firm heterogeneity has been defined as important organizational characteristics that differentiate a particular firm from its counterparts' firms. Accordingly, this study examines the impact of two important firm characteristics on the persistence of dividend policy after the IPO year namely, firm size and firm profitability. The mentioned firm characteristics has been chosen based on the results of previous studies that documents their impact in the firm's dividend policy (Al-Kuwari, 2009; Alzomaia and Al-Khadhiri, 2013; Abu Manneh and Naser, 2015; Yarram and Dollery, 2015; Jabbouri, 2016; Alber and Alhabtour, 2017; Dewasiri et al., 2019). The study uses the following firm's heterogeneity interaction variables:

- The interaction effect of the firm size with the dividend per share at the year of the firm's initial public offering:

= Firm size dummy variable x Dividend per share at IPO year variable

where, firm size dummy variable takes the value of “1” for the firms with above median size and “0” for firms below the median size.

- The interaction effect of the firm profitability with the dividend per share at the year of the firm’s initial public offering:

= Firm profitability dummy variable x Dividend per share at IPO year variable

where, firm Profitability dummy variable takes the value of “1” for the firms with above median profitability and “0” for firms below the median profitability.

As mentioned in table (3.3) above, the study defines firm size and profitability as the natural logarithm of total assets and return on assets, respectively.

II. International economic conditions

The study uses two main important international economic conditions to develop the related study interaction variables:

- The interaction effect of the period of financial crisis is used as a dummy variable with the dividend per share at the year of the firm’s initial public offering:

= Financial crisis period dummy variable x Dividend per share at IPO year variable

- The interaction effect of the period when oil prices fell is used as a dummy variable with the dividend per share at the year of the firm's initial public offering:

$$= \text{Fall in oil price period dummy} \times \text{Dividend per share at IPO year}$$

Two important facts about the international economic conditions used to develop the interaction variables are worth mentioning.

First, the period of global financial crisis was chosen due to its adverse impact on the global economy in general, which in turn impacted firm's dividend policy. According to Hauser (2013), the financial crisis period had a horrible impact on investors who were pursuing dividends as income. Hauser (2013) defined the period of financial crisis as 2008 to 2009.

Accordingly, the financial crisis period dummy variable takes the value of "1" for years 2008 and 2009 and "0" otherwise.

Second, the period in which oil prices fell was chosen based on the material impact of the fluctuation of oil prices on the economies of GCC countries, which is due to the fact that producing and selling oil-based products constitute a major part of the GCC countries' income.

The following table shows GCC oil dependency as a percentage of GDPs, exports, and government revenues for the period from 2000 to 2017.

Table 3.4: GCC oil dependency from 2000 to 2017

Year	% Oil Sector GDP	% Oil Export	% Gov. Oil Revenue
2000	37	92	82
2001	33	89	79
2002	32	88	78
2003	35	89	78
2004	38	89	83
2005	44	90	87
2006	45	90	87
2007	44	88	84
2008	49	89	83
2009	36	84	75
2010	41	84	82
2011	48	86	86
2012	48	84	85
2013	45	84	81
2014	42	82	77
2015	27	72	72
2016	23	70	58
2017	26	73	62

Source: GCC-STAT (2018)

The study defined 2015 as the year that had the highest drop in oil price, which can be clearly noticed by observing OPEC crude oil prices for the period from 2000 to 2019.

Table 3.5: Crude oil price for the period from 2000 to 2019

Year	Price (\$)	Growth
2000	27.6	N/A
2001	23.12	-16%
2002	24.36	5%
2003	28.1	15%
2004	36.05	28%
2005	50.59	40%
2006	61	21%
2007	69.04	13%
2008	94.1	36%
2009	60.86	-35%
2010	77.38	27%
2011	107.46	39%
2012	109.45	2%
2013	105.87	-3%
2014	96.29	-9%
2015	49.49	-49%
2016	40.76	-18%
2017	52.51	29%
2018	69.78	33%
2019	64.04	-8%

Source: OPEC oil price annually 1960-2021 (2021)

The fall in oil price dummy variable takes the value of “1” for year 2015 and “0” otherwise.

Two important facts about these interaction variables and equations 6, 7, 8, and 9 are worth highlighting. First, dividend per share at the year of the firm’s initial public offering variable is chosen to develop the interaction

variables. This is due to the fact that the mentioned variable is considered to be the study's main independent variable. Second, the dummy variables used to develop the interaction variables are actually included in the regression model applied. According to Balli and Sorensen (2010), if a regression model includes interaction variables, the model itself should include the variables used to develop the interaction variable; otherwise, the interaction effect may mislead the outcome of the regression model due to a left-out variable bias.

Chapter Four

Results, Analysis, and Discussion

Chapter content:

- 1) Descriptive Statistics
- 2) Diagnostic Tests
- 3) Regression Analysis
- 4) Robustness Checks
- 5) The Effect of the international economic conditions

Chapter Four

4. Results, Analysis, and Discussion

Chapter 4 demonstrates the outcomes of the various models used to investigate the objectives of the study.

4.1 Descriptive Statistics

Table (4.1) presents the main descriptive statistics that shed light on the characteristics of the dependent and independent variables in terms of value range, mean, and measurement of how diverse the variables observations from the variable mean are, which is shown by the outcome of the variable's standard deviation. One of the main benefits of descriptive statistics is to deduct if there are any extreme values in the study's variables in terms of the reasonableness of the variable descriptive statistics values that might require additional investigation regarding the validity of the variable's observations. Generally, it can be noted that the earnings per share and liquidity variables show a large range in terms of the minimum and maximum values. Earnings per share depends on two main factors. First, it depends on the bottom line of the income statement, which is the net income. Second, earnings per share depends on the actual number of shares outstanding, which depends on the numbers of common stock outstanding as well as the number of treasury shares that the firm holds. As for liquidity, it depends on the level of current assets and liabilities; some firms might not experience a high level of current liabilities due to factors related to their operations and net working capital.

Table 4.1: Descriptive statistics

	DPS	EPS	LEV	SIZE	ROA	LIQ	IM	IPO_DIV
Mean	0.103	0.075	0.067	12.199	0.046	3.311	0.019	0.088
Median	0.014	0.047	0.000	12.754	0.047	1.298	0.011	0.000
Maximum	3.248	29.331	0.951	18.667	0.737	1337.19	60.972	1.950
Minimum	0.000	-150.980	0.000	4.394	-5.119	0.000	-41.944	0.000
Std. Dev.	0.253	3.153	0.143	3.432	0.170	32.495	1.322	0.236
Observations	3248	3248	3248	3248	3248	3248	3248	3248

Source: Thomson Reuters Data stream

4.2 Diagnostic Tests

Five different tests were performed in order to diagnose the study variables: multicollinearity, heteroskedasticity test, autocorrelation test, normality test, and panel data unit root test.

4.2.1 Multicollinearity

The purpose of the correlation matrix shown in Table (4.2) is to have an overview of the linear association between the study variables. By using Pearson correlations, we can determine the significance of the linear relationship. Moreover, the correlation matrix allows us to observe the possibility of multicollinearity between the independent variables. In Table (4.2), the correlation value has been mentioned for each variable with respect to its relationship with the other variables, and the value of the t-statistics has been mentioned below it. In addition, it is worth mentioning that the correlation coefficient was assigned between one to three stars based on the level of its significance, which is mentioned in the note below

Table (4.2). This level of significance is used mainly to indicate the strength of the linear relationship.

Table 4.2: Correlation matrix

Correlation								
t-statistic	DPS	EPS	LEV	SIZE	ROA	LIQ	IM	IPO_DIV
DPS	1							

EPS	0.106*** (6.087)	1						

LEV	0.000 (0.017)	0.013 (0.756)	1					

SIZE	0.123*** (7.080)	0.020 (1.120)	0.099*** (5.667)	1				

ROA	0.218*** (12.721)	0.164*** (9.443)	0.013 (0.719)	0.144*** (8.296)	1			

LIQ	-0.013 (0.764)	0.000 (0.007)	-0.028 (1.580)	-0.005 (0.267)	-0.009 (0.536)	1		

IM	0.011 (0.638)	0.034* (1.914)	-0.002 (0.135)	-0.009 (0.506)	0.010 (0.550)	-0.002 (0.111)	1	

IPO_DIV	0.429*** (27.070)	0.033* (1.873)	-0.071*** (4.048)	0.108*** (6.176)	0.078*** (4.465)	-0.003 (0.174)	0.007 (0.388)	1

- Statistically significant at: *** p<0.01, ** p<0.05, * p<0.10
- t-statistics are reported in parentheses

Based on Table (4.2), it can be observed that earnings per share, size, return on assets, and dividend per share at the year of the firm's initial public

offering have a significant positive relationship with dividend per share. In terms of the relationship among the independent variables, there are some significant relationships among the independent variables.

As mentioned, one of the main benefits of a correlation matrix is that it allows us to observe the possibility of multicollinearity between the independent variables. According to Al-Kuwari (2009), multicollinearity is defined as an incident of high intercorrelation between two or more independent variables. If such high intercorrelation between two or more independent variables exists, it might result in incredible significances or inaccurate signs. Table (4.2) shows that the correlation coefficients were low (all < 0.5), which indicates the absence of multicollinearity between the independent variables.

To further examine if the independent variables were highly correlated, a Variance Inflation Factor (VIF) was conducted.

Table 4.3: Variance Inflation Factor (VIF) for the independent variables

Variable	VIF
EPS	1.03
LEV	1.02
SIZE	1.04
ROA	1.05
LIQ	1.00
IM	1.00
IPO_DIV	1.02
Mean VIF	1.02

The assumption underlining the VIF is that if the VIF value is lower than 10, than the study's independent variables are not materially correlated with each other, and vice versa. As can be noticed from the table, The

variables' VIF mean as well as each variable's VIF are below 10, which indicates the absence of multicollinearity.

4.2.2 Heteroskedasticity

According to Gujarati et al. (2021), heteroskedasticity, or what is known as unequal spread or variance, is a situation where the conditional variance of the dependent variable (Y) increases as the independent variable increases (X), which is the opposite to homoskedasticity. The null hypothesis of the heteroskedasticity test states that there is no heteroskedasticity in the study data, while the alternative hypothesis states that there is heteroskedasticity in the study data.

The following table demonstrates the outcome of the heteroskedasticity test done using EViews.

Table 4.4: Heteroskedasticity test

	Value	Df	Probability
Likelihood ratio	3009.123	254	0.000

Based on the outcome of Table 4.4, the p-value is less than 0.05, which indicates that the null hypothesis is rejected and there is heteroskedasticity in the study data. The study accounts for heteroskedasticity by using White standard errors in all the models.

4.2.3 Autocorrelation

According to Gujarati et al. (2021), autocorrelation is a correlation among members of a series of observation ordered in a cross-sectional or time

series data. One of the main statistical tools used to detect autocorrelation is the Durbin–Watson d statistic. Developed by James Durbin and Geoffrey Watson in 1950, the Durbin–Watson d statistic is defined by the following equation:

$$d = \frac{\sum_{t=2}^T (e_t - e_{t-1})^2}{\sum_{t=1}^T e_t^2}$$

By performing the Durbin–Watson d statistic using EViews, the outcome of the test displayed in Table 4.7. It had a value range from 0.475 to 0.995 for the different models applied, which indicates the existence of positive autocorrelation.

4.2.4 Data Normality

To determine whether the distribution pattern of the study observations is normally distributed or not, a normality test was performed, which can be seen in the following table.

Table 4.5: Data distribution

Jarque-Bera	226,537.4
Probability	0.000

Before discussing the outcome of the normality test, it is worth mentioning the null hypothesis and alternative hypothesis of the test. The null hypothesis states that the observations are normally distributed, while the alternative hypothesis states that the observations are not normally distributed. In order to decide whether to accept or reject the null hypothesis, we have to observe the value of the probability (p) of the Jarque–Bera: if it is more than 0.05 (5%), we accept the null hypothesis, and if it is less than 0.05 (5%), then we reject the null hypothesis and accept

the alternative hypothesis. The above table shows that the value of the probability (p) of the Jarque–Bera is at 0.000, which is less than 0.05 (5%); thus, the null hypothesis is rejected and the alternative hypothesis that the study observations are not normally distributed is accepted.

It is worth mentioning that financial data are not often normally distributed, especially when there is a large number of observations, which is the case in the current study.

4.2.5 Panel data unit root test

The unit root test is conducted in order to examine whether the study's independent variables data are stationary or non-stationary. According to Gujarati et al. (2021), the study variables data are considered to be stationary if the variance and mean are stable crosswise time. For the purpose of this study, two types of Fisher panel unit root test were conducted: Phillips–Perron (Fisher–PP) and Dickey–Fuller (Fisher–ADF). The null hypothesis of the unit root test states that the data variables are non-stationary, while the alternative hypothesis states that the data variables are stationary. The following table demonstrates the outcome of the panel unit root test.

Table 4.6: Panel data unit root test

Variables	Before First Difference		Result	After First Difference		Result
	Fisher-PP	Fisher-ADF		Fisher-PP	Fisher-ADF	
EPS	0.000	0.000	Stationary	0.000	0.000	Stationary
LEV	0.000	0.002	Stationary	0.000	0.000	Stationary
ROA	0.000	0.000	Stationary	0.000	0.000	Stationary
LIQ	0.000	0.000	Stationary	0.000	0.000	Stationary

Variables	Before First Difference		Result	After First Difference		Result
	Fisher-PP	Fisher-ADF		Fisher-PP	Fisher-ADF	
IM	0.000	0.000	Stationary	0.000	0.000	Stationary

Table 4.6 shows that the p-value of all variables is less than 0.01. Based on the mentioned outcome, the null hypothesis is rejected, and the study variables data are considered to be stationary.

The size and dividend per share at IPO year variables are not subject to the panel unit root test since the nature of the data itself is non-stochastic variables.

4.3 Regression Analysis

To investigate the relationships between the dependent and independent variables, a regression analysis was used.

The study used three different types of panel analytical models: pooled squares regression, fixed effect regression, and random effect regression. Then, a Hausman test was performed in order to determine which of the mentioned regression models will be used.

Table 4.7: Estimation results of Eq.1

Variable	Pooled	Fixed	Random
EPS	0.005*** (4.154)	0.003* (1.747)	0.003 (1.593)
LEV	0.037 (1.354)	-0.248*** (3.392)	-0.181*** (2.858)
SIZE	0.003** (2.678)	0.006*** (5.411)	0.005*** (5.095)
ROA	0.253*** (10.691)	0.167*** (3.164)	0.176*** (2.864)
LIQ	0.000 (0.922)	0.000 (0.371)	0.000 (0.800)
IM	0.001 (0.402)	-0.009* (1.950)	-0.008** (2.602)
IPO_DIV	0.436*** (26.018)	0.340*** (3.891)	0.377*** (4.605)
Intercept	-0.005 (0.265)	0.016 (0.926)	-0.012 (0.317)
COUN_CODE	Yes	Yes	Yes
IND_CODE	Yes	Yes	Yes
R-squared	0.230	0.643	0.111
Adjusted R-squared	0.228	0.611	0.108
F-statistic	107.767	20.506	44.893
Prob(F-statistic)	0.000	0.000	0.000
Durbin-Watson stat	0.475	0.995	0.908
No. of observations	3248	3248	3248

- Statistically significant at: *** p<0.01, ** p<0.05, * p<0.10
- t-statistics are reported in parentheses

As Table 4.7 shows and based on applying equation (1) of this study, the three regression models produced different outcomes in terms of the coefficient value as well as the level of significance. However, for the purpose of this study, the appropriate model must be determined.

The pooled squares regression is not considered to be the best regression model due to some drawbacks inherent to the model itself. First, the pooled squares regression assumptions ignore the time and firm magnitudes of the pooled data. Because of that, the pooled squares regression simply combines all of the study observations and treat them in bulk, which is not realistic given the time and firm impact of each sample unit that must be taken into consideration. Therefore, the pooled squares regression assumes equivalent slope coefficients for all of the independent variables, an assumption that will distort the true picture of the relationships between the dependent and independent variables.

Based on this assumption, the study will apply either the fixed effects regression model or the random effects regression model. Selecting which regression model to apply is considered to be a critical decision for the study, and it depends mainly on the outcome of the Hausman test. Before conducting the Hausman test, it is worth mentioning the features and drawbacks of both the fixed effects regression model and the random effects regression model.

The fixed effects regression model simply assumes that the coefficient (slope) is fixed across the sample firms; at the same time, it assumes that each firm has different intercept. The random effects model (REM), also known as the error components model (ECM), assumes that the study sample is being chosen from a much larger universe which is the study population, and that its intercept has a common mean value. It also assumes

that the intercept differences in each unit of the study sample are reflected in the error term of the random effects model.

Thus, it can be concluded that the fixed effects regression model assumes that each unit of the study sample has its own intercept value, whereas the random effects regression model takes into consideration the value of the intercept mean of the study population and the deviation of the intercept value of each unit of the study sample. As mentioned earlier, the selection of the regression model is based on the outcome of the Hausman test.

4.3.1. Hausman test

The Hausman test is based on the null hypothesis that the random effects regression model is appropriate and the alternative hypothesis that the fixed effects regression model is appropriate. If the outcome of the Hausman test's probability value is greater than 0.05, then the null hypothesis is accepted and the appropriate regression model to use is the random effects regression model. If the Hausman test's probability value is less than 0.05, then the null hypothesis is rejected and the appropriate regression model to use is the fixed effects regression model. The following table demonstrates the outcomes of the study's Hausman test.

Table 4.8: Hausman test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000	9	1

Based on the outcome of the Hausman test, which has a probability value of more than 0.05, the null hypothesis is accepted. The appropriate regression model used for the study is the random effects regression model.

4.3.2. Estimation results and discussion

Table 4.7 shows that the level of dividend per share at the year of the firm's initial public offering has a statistically significant positive impact on the firm's level of dividend per share at a significance level of 0.001 (1%), which indicates that the firm's dividend policy from the year of its initial public offering is considered to be persistent and impacts the dividend policy in subsequent years. This result is in line with Hitten et al. (2019), and Moortgat et al. (2020). The main reason that drives firms to maintain their dividend policy and dividend level from the year of its initial public offering is to avoid conveying negative information to shareholders that might harm the reputation of the firm and its management from an investor's point of view. If, for example, a particular firm decided to increase its level of dividend per share, the firm will face the challenge of maintaining the new high level of dividend per share during its upcoming financial years, as well as meeting the stockholder's expectation, as an increase in the level of dividend per share might indicate that a firm's management has a positive prospect regarding future performance. Another reason that might force a firm to maintain its dividend policy at a particular level is due to the fact that, if the firm decided to reduce its level of dividend per share, it will lower the satisfaction of its current investors, as this will simply mean that their reward for investing their funds in the firm will be reduced. Moreover, by reducing the level of its dividend, the firm share will become less attractive to potential investors. Additionally, lowering the level of dividend per share might indicate that the firm's management has a negative prospect regarding the firm's future performance. All of these factors will lead to a reduction in the value of the firm, as dissatisfied investors will start offering their current shares in the

firm to potential investors who are less attracted to the new reduced level of dividend per share.

When it comes to leverage, it has a statistically significant negative impact on the level of dividend per share at a significance level of 0.001 (1%), which indicates that the higher the level of leverage, the lower the level of dividend per share, and vice versa. This result is in line with Agrawal and Jayaraman (1994), Ahmed and Javid (2009), Alzomaia and Al-Khadhiri (2013), Abu Manneh and Naser (2015), Yusof and Ismail (2016), Jabbouri (2016), and Alber and Alhabtour (2017), which is generally an expected outcome since firms that are experiencing a high percentage of leverage in their capital structure will be incurring a high fixed cost of debt, and the higher is the percentage of leverage in the firm capital structure the higher is the fixed cost of debt. This high level of fixed cost will increase the risk of bankruptcy in case the firm is unable to satisfy the cost of debt. So, in order to satisfy the liquidity requirements of the fixed cost of debt, firms in the GCC will reduce their level of dividend per share; the higher the percentage of leverage in the firm, the lower the level of dividend per share will be. Also, some GCC firms might be experiencing what is known as debt covenants that the lenders exercise in order to reduce the default risk, which will also allow a particular firm to lower their cost of debt, as the debtors will require a lower interest rate if such a covenant is incorporated into the debt contract agreements. One of the main debt covenants that might be imposed on a particular firm is to restrict the level of dividends paid, which in turn will reduce the dividend paid to the firm stockholders. Additionally, the statistically significant negative impact on the level of dividend per share is due to the fact that a firm with a low leverage level would seek to increase its level of dividend in order to reduce the agency cost that is caused by its free cash flow.

Regarding the size of the firm variable, Table 4.7 shows that there is a statistically significant positive impact on the firm level of dividend per share at a significance level of 0.001 (1%), which indicates that the larger the firm in terms of its size in the GCC, the higher the level of dividend per share. This result is in line with, Al-Kuwari (2009), Alzomaia and Al-Khadhiri (2013), Yarram and Dollery (2015), Abu Manneh and Naser (2015), Jabbouri (2016), and Alber and Alhabtour (2017). Several factors contribute to this relationship. First, the bigger the size of a firm, the higher is its profits, due to its ability to invest considerable amounts in projects that will generate a positive cash inflow, which will allow the firm to pay a high level of dividend per share. Second, larger firms are able to enter into debt agreements with favorable interest rates due to their ability to use their assets as a collateral for their debt. The favorable lower interest rate will allow a firm to produce higher profit from its investment due to the lower interest rate expense, which will eventually increase the level of dividend paid. Third, the bigger the firm, the higher the agency cost as a result of ownership dispersion, complexity of a firm's operations and transactions, and the lack of closely and regularly monitoring firm's operation. As a result, large firms will pursue a high level of dividend payout as a means to reduce the agency cost. Fourth, when it comes to raising funds externally, larger firms have a better ability in terms of accessing capital markets and have a better cost advantage in terms of obtaining the required funds at a lower cost compared to small firms. Therefore, the bigger the size of a particular firm, the lower the amount of cost paid for funds obtained, which will in turn increase the amount of funds available to be distributed as dividend to the firm's stockholders.

The return on assets variable has a positive significant impact on the level of dividend per share at a significance level of 0.001 (1%). That is, the

higher the firm returns on assets percentage, the higher its level of dividend per share. This result is in line with Al-Kuwari (2009), Abu Manneh and Naser (2015), Jabbouri (2016), Alber and Alhabtour (2017), and Dewasiri et al. (2019). This relationship is due to the fact that the higher the firm's profit, the higher its ability to generate cash inflow, which will allow the firm to increase the level of dividend per share. In addition, according to the signaling theory of dividends, dividends are viewed as a means to convey information to external shareholders about the profitability of the firm. Therefore, a particular firm with a high rate of return on its assets will increase its level of dividend paid in order to communicate its profitable status to existing and potential external stockholders.

The firm investment opportunities variable has a statistically significant negative impact on the level of GCC firms' dividend per share at a significance level of 0.05 (5%). This result is in line with Ahmed and Javid (2009), Al-Ajmi and Abo Hussain (2011), Patra et al. (2012), Rizqia, et al. (2013), Alber and Alhabtour (2017), and Dewasiri, et al. (2019). The main reason behind such impact is that a firm that is facing a high level of investment opportunity would prefer to finance its investments internally to satisfy the required investments in terms of liquidity by retaining earnings instead of borrowing the required investment fund externally, thereby reducing the cost of debt. This practice is widely known as the pecking order theory. By increasing the amount of earnings retained to finance its investment opportunities, the amount of earnings available to be distributed as dividends will decrease, which would decrease the level of dividends paid. In the opposite situation, if the firm have low investment opportunities, it might be exposed to the agency cost related to the available unutilized financial resources, which will lead the firm to increase the level of dividend per share.

Both earnings per share and the liquidity variables have shown a positive impact on the level of dividend per share but at a statistically insignificant level. The mentioned outcome for liquidity is in line with Alber and Alhabtour (2017).

As for the weighted statistics of the random effects regression model, the Durbin Watson statistic shows a value of 0.908 (90%), which indicates a positive autocorrelation between the independent variables and the dependent variable. In order to value the explanatory power of the independent variables in relation to the dependent variable, the study used a statistical tool known as R-squared. Considered as one of the primary statistical tools used in any research, R-squared indicates the percentage of variation in the dividend per share that is explained by the variation in the study's independent variables. Based on the weighted statistics outcomes, the value of R-squared indicates that 0.111 (11.1%) of the variation in the dividend per share is explained by the variation in the independent variables. In order to provide a more precise view of the correlation between the study's dependent variable and the independent variables, the adjusted R-squared is used. Adjusted R-squared is the modified version of the R-squared that has been adjusted for the numbers of predictable variables in the study regression model. One of the main benefits of the adjusted R-squared is that, unlike the R-squared, the adjusted R-squared increases when a new powerful independent variable is added to the model and decreases when new useless independent variable is added to the model. By observing the outcome of the weighted statistics of the regression model, the adjusted R-squared shows a value of 0.108 (10.8%).

When it comes to the significance level of the random effects regression model, the F-statistics mentioned in the weighted statistics outcome of model indicate that the joint impact of the study's independent variables

on the dependent variable is considered statistically significant at a level of 0.01 (1%).

The following two subsection will provide an in-depth analysis on the level of the country and the industry.

4.3.3. Analysis according to country

The following table shows the outcomes of the regression analysis according to country for each of the GCC countries.

Table 4.9: Analysis results according to country

Variable	Bahrain	Saudi Arabia	Kuwait	Oman	Qatar	United Arab Emirates
EPS	0.065** (2.154)	0.050*** (3.673)	0.150*** (4.159)	0.172** (1.945)	0.584*** (28.543)	-0.001* -1.663
LEV	-0.043 (1.629)	-0.138 (1.398)	0.012 (1.100)	-0.319*** (2.804)	-0.006 (0.260)	-0.046*** -2.739
SIZE	0.000 (0.566)	0.012*** (5.366)	0.001* (1.863)	0.01*** (2.696)	0.000 (0.246)	0.002*** 5.077
ROA	0.031 (0.829)	0.112** (2.104)	0.172*** (3.634)	0.136 (0.492)	-0.193*** (4.252)	0.263*** 4.208
LIQ	0.000 (0.470)	0.003 (1.312)	0.000 (0.894)	0.027 (1.474)	0.000 (0.768)	0.000*** -2.482
IM	2.368*** (5.251)	-0.096*** (3.120)	0.002 (0.710)	-0.004 (1.459)	0.000 (0.310)	0.028 0.590
IPO_DIV	0.345*** (2.488)	0.356*** (4.378)	0.132* (1.778)	0.734*** (5.917)	1.312*** (6.808)	0.384*** (4.439)
Intercept	-0.017*** (3.685)	-0.013 (0.180)	0.010 (1.435)	0.187* (1.737)	0.006 (0.339)	-0.006 (0.341)
IND_CODE	YES	YES	YES	YES	YES	YES
R-squared	0.547	0.158	0.235	0.344	0.780	0.200
Adjusted R-squared	0.513	0.150	0.228	0.325	0.772	0.193
F-statistic	15.992	19.449	35.287	17.715	106.607	25.873
Prob(F-statistic)	0.000	0.000	0.000	0.000	0.000	0.000
Durbin-Watson stat	0.800	0.923	0.853	1.074	1.421	1.029
No. of observations	115	840	929	279	250	835

– Statistically significant at: *** p<0.01, ** p<0.05, * p<0.10

– t-statistics are reported in parentheses

Table 4.9 presents the results of each of the GCC countries, which is based on applying equation (1) of this study. Dividend per share at the year of the firm's initial public offering has a statistically positive significant impact on dividend per share in all of the GCC countries. In fact, it is worth mentioning that the magnitude of this impact is considered statistically significant at a level of 0.001 (1%) in all the GCC countries except for Kuwait, where it is considered to be statistically significant at a level of 0.10 (10%). This result is in line with the results in Table 4.7.

Earnings per share has a statistically positive significant impact on the level of dividend per share in all of the GCC countries aside from the United Arab Emirates, with a significance level of 0.01 (1%) in Saudi Arabia, Kuwait, and Qatar and a significance level of 0.05 (5%) in Bahrain and Oman. For United Arab Emirates, earnings per share is considered to have a statistically negative significant impact on the level of dividend per share at a significance level of 0.10 (10%). The positive significant impact of the earnings per share on the level of dividend per share is in line with Lintner (1956), Ahmed and Javid (2009), Al-Ajmi and Abo Hussain (2011), Alzomaia and Al-Khadhiri (2013), Yusof and Ismail (2016), and Dewasiri et al (2019). This is mainly due to the fact that profitable firms would normally pay high level of dividends, as firms that are doing well in terms of performance would be able to reward their shareholders with higher levels of dividends. In addition, this impact supports the signaling theory of dividends, by which higher levels of dividends are paid when there is an increase in earnings, signaling great firm performance. The result for the United Arab Emirates is in line with Kuzucu (2015). This might indicate that United Arab Emirates firms depend heavily on internal financing of its investments and activity to avoid the external cost of finance that is represented by either the cost of debt that is associated with borrowing or

the reduction in the firm's fair market value that is caused by issuing additional shares in the market. This not the case with the other GCC countries as they tend to reward their investors with the achieved level of earnings per share.

The size of the firm has a statistically positive significant impact on the level of dividend per share across firms in Saudi Arabia, Kuwait, Oman, and the United Arab Emirates, but not for Bahrain and Qatar. This impact significance level is 0.01 (1%) in all the mentioned countries except for Kuwait, where the significance level is 0.10 (10%). This indicates that the larger the firm size in the mentioned countries, the greater the tendency to pay higher levels of dividend per share, and vice versa. This result is in line with the results in Table 4.7.

By taking into consideration the return on assets as a measure of profitability, the mentioned variable has a statistically significant impact on the level of dividend per share in all of the GCC countries except for Bahrain and Oman. As for the direction of the impact, the mentioned variable has a positive impact in firms in Kuwait and the United Arab Emirates at a significance level of 0.01 (1%), while in Saudi Arabia the mentioned positive impact level is 0.05 (5%). The mentioned significance positive impact is in line with the results in table 4.7. For Qatar, the impact is negative at a significance level of 0.01 (1%).

With respect to leverage, only Oman and United Arab Emirates showed that leverage has a statistically negative significant impact on the level of dividend per share at a significance level of 0.01 (1%), which is in line with the results in Table 4.7.

When it comes to investment opportunities, only Bahrain and Saudi Arabia have indicated that investment opportunities have a statistically significant

impact on dividend per share; however, the direction of the impact is not the same in these two countries. Firms in Bahrain leans to change their level of dividend per share in a positive direction in response to the level of investment opportunities, which is in line with the result of Al-Malkawi (2007). This might indicate the presence of dividend signaling, which means that firms in Bahrain change the level of dividend per share as an indication of the expected cash inflow to be generated from their investment opportunities. However, the same cannot be said to firms in Saudi Arabia, in which dividend per share tends to vary in an opposite way based on the firm's response to their investment opportunities, which in line with the results in Table 4.7. As for the significance level of the mentioned impacts, it is founded to be at 0.01 (1%).

As for liquidity, the model points out that only in the United Arab Emirates is liquidity considered to have a statistically positive significant impact on the level of dividend per share at a significance level of 0.01 (1%), which is in line with Ahmed and Javid (2009), Patra et al. (2012) and Jabbouri (2016). This is due to the fact that firms in the United Arab Emirates tend to pay higher dividends to utilize excess cash, and vice versa. Moreover, the mentioned impact is due to the fact that the higher the liquidity of a particular firm, the higher its available funds that can satisfy its current obligation, which in turn would allow for a higher amount of excess funds that can be distributed as dividends. Additionally, the firms in the United Arab Emirates might use dividends as an effective tool for reducing the agency cost resulting from management not utilizing an available liquidity for the best interest of the firm shareholders (Al-Kuwari, 2010).

4.3.4. Analysis according to industry

According to the CEO of Awad Capital, there are five industry sectors that are maintaining the GCC position globally: energy and power, transport and logistics, healthcare, retail, and real estate (Ziad, 2018).

This section is designated to demonstrate the outcome of the analysis according to industry to confirm the earlier results of the persistence of dividend per share in GCC firms. Nine out of sixteen industries were chosen for the analysis based on the above-mentioned statement of Ziad (2018) as well as the top industries in terms of the number of firms included, which can be observed in the following table:

Table 4.10: Industries selected for the industry-wise analysis

Industry	Number of firms	Number of observations
Manufacturing	79	1014
Real Estate and Rental and Leasing	44	537
Construction	22	291
Accommodation and Food Services	16	228
Information	16	201
Retail Trade	14	172
Utilities	12	138
Transportation and Warehousing	11	146
Mining, Quarrying, and Oil and Gas Extraction	9	134
Sample total	223	2,861
All-industries total	256	3,248
Percentage covered	87%	88%

Source: Thomson Reuters DataStream.

With regard to the healthcare that was mentioned in Ziad (2018) above statement, it was excluded from the analysis due to its low number of observation as it contains only 69 observations.

Table 4.11: Analysis according to industry

Variable	Manufacturing	Real Estate and Rental and Leasing	Accommodation and Food Services	Construction	Information	Retail Trade	Transportation and Warehousing	Utilities	Mining, Quarrying, and Oil and Gas Extraction
EPS	0.225*** (6.346)	0.204*** (4.443)	0.320*** (3.115)	0.295*** (5.082)	-0.005*** (2.567)	0.675*** (14.565)	-0.002*** (4.089)	0.216 (1.375)	0.359 (1.408)
LEV	-0.001 (0.061)	-0.028 (1.225)	-0.656** (2.075)	0.006 (0.313)	-0.294 (1.207)	0.523** (2.359)	-0.026 (1.011)	-0.051 (1.089)	0.190 (1.522)
SIZE	0.001* (1.714)	0.001 (1.055)	0.007 (1.514)	0.000 (0.799)	0.008*** (3.370)	-0.006 (1.117)	0.002* (1.902)	-0.010*** (3.052)	-0.003 (0.924)
ROA	0.147** (2.142)	-0.043 (1.080)	0.297 (0.687)	-0.198*** (2.951)	0.824*** (3.618)	-0.848*** (3.516)	0.171** (2.214)	0.238 (0.496)	-0.037 (0.124)
LIQ	0.001** (2.160)	0.000 (1.551)	0.000*** (2.590)	0.001 (0.392)	-0.008 (0.924)	-0.001 (0.128)	0.000 (0.642)	0.029** (2.346)	0.000 (0.294)
IM	1.370** (2.011)	0.002 (0.899)	-1.133 (0.865)	-0.084*** (5.124)	-0.002 (0.810)	0.489 (0.729)	0.000*** (2.980)	0.001*** (2.541)	-1.417 (1.072)

Variable	Manufacturing	Real Estate and Rental and Leasing	Accommodation and Food Services	Construction	Information	Retail Trade	Transportation and Warehousing	Utilities	Mining, Quarrying, and Oil and Gas Extraction
IPO_DIV	0.343*** (4.057)	0.185 (1.381)	0.347*** (5.014)	0.193*** (2.879)	0.826*** (3.057)	0.338*** (7.106)	0.004 (0.144)	0.581*** (7.083)	0.047 (0.565)
Intercept	-0.011 (1.360)	-0.005 (0.448)	-0.035 (0.556)	0.005 (0.436)	-0.146** (2.176)	0.192*** (2.462)	0.027 (1.022)	0.172 (2.782)	0.070 (1.378)
COUN_CODE	YES	YES	YES	YES	YES	YES	YES	YES	YES
R-squared	0.506	0.294	0.353	0.521	0.246	0.815	0.073	0.684979	0.222
Adjusted R-squared	0.502	0.283	0.329	0.508	0.215	0.806	0.019	0.665443	0.172
F-statistic	128.602	27.425	14.904	38.415	7.851	89.703	1.358	35.0621	4.450
Prob(F-statistic)	0.000	0.000	0.000	0.000	0.000	0.000	0.221	0.000	0.000
Durbin-Watson stat	1.075	1.65	0.768	1.667	1.029	1.286	1.631	0.752	1.184
No. of observations	1014	537	228	291	201	172	146	138	134

- Statistically significant at: *** p<0.01, ** p<0.05, * p<0.10
- t-statistics are reported in parentheses

Based the results of table 4.11 above and by applying equation (1) of this study, it can be noted that earnings per share variable, except for utilities and mining, quarrying, and oil and gas extraction industries, it has a statistically significant impact on the level of dividend per share in all the industries mentioned in the table. The direction of the impact is considered to be positive at a significance level of 0.01 (1%) in manufacturing, real estate and rental and leasing, accommodation and food services, construction, and retail trade industries. As for the information industry and transportation and warehousing industry, the mentioned impact is considered to be negative at a significance level of 0.01 (1%). The justification of this significant impact is mentioned in section 4.3.3.

With regard to dividend per share at the year of the firm initial public offering variable, it can notice that the variable has a statistical positive significant impact on the level of dividend per share in manufacturing, accommodation and food services, construction, information, retail Trade, and utilities industries at a significance level of 0.01 (1%). This indicates that the dividend policy for the firms in the mentioned industries tend to be persistent for the study period. This outcome is in line with the results of Table 4.7.

The firm size variable has a statistically positive significant impact on the level of dividend per share in information industry at a significance level of 0.01 (1%). The same statement applies to the manufacturing industry as well as transportation and warehousing industry but at a significance level of 0.10 (10%). The bigger the firm size in the mentioned industries, the higher the level of dividend per share, and vice versa. This result is in line with the results in table 4.7. When it comes to the Utilities industry, it can be noticed that the mentioned variable has a statistically negative significant impact on the level of dividend per share at a significance level

of 0.01 (1%), a result that is in line with Ahmed and Javid (2009). This indicate that since the larger is the size of the firms the larger is its operations, firms in the utilities industry tend to utilize their available and generated cash from earnings in order to meet the financial requirement of their operations. In other words, firms in the mentioned industry tend to invest available funds in their assets instead of distributing it as dividends.

With respect to the investment opportunities variable, it can be noticed that for the transportation and warehousing industry and utilities industry the mentioned variable has a statistical positive significant impact on the level of dividend per share at a significance level of 0.01 or 1%, while the Manufacturing industry have shown the same result but at a significance level of 0.05 or 5%. This result is in line with the analysis outcome for Bahrain in table 4.9 for the same mentioned variable. As for the construction industry, the impact of the mentioned variable on the level of dividend per share is also statistically significant but negative at a significance level of 0.01 or 1%. This outcome is in line with results in table 4.7 above.

With regard to liquidity variable, it can be observed that it has a statistical positive significant impact on the level of dividend per share at a significance level of 0.01 (1%) for the accommodation and food services industry, while the same mentioned impact can also be observed in the manufacturing industry and utilities industry at a significance level of 0.05 or (5%). This result is consistent with the results of the analysis for the United Arab Emirates in table 4.9 for the same mentioned variable.

When it comes to return on asset variable, it can be observed that in both the construction and the retail trade industry the mentioned variable has a statistically negative significant impact on the level of dividend per share at a significance level of 0.01 (1%). This result is in line with the analysis

outcome for Qatar in table 4.9 for the same mentioned variable. However, for firms in the information industry, the mentioned variable has a statistically significant positive impact at a significance level of 0.01 (1%). The same significant positive outcome can be stated for the manufacturing as well as for the transportation and warehousing industry, however the significance level of the impact is at 0.05 (5%) for the mentioned industries. This outcome is in line with the results in table 4.7.

Concerning leverage variable, it can be observed that in the accommodation and food services industry the specified variable has a statistically negative significant impact on the level of dividend per share at a significance level of 0.05 (5%), which is in line with the results in table 4.7. As for the retail trade industry, the mentioned variable has the same significance level of 0.05 (5%), however the impact on the level of dividend per share is considered to be positive which contradict the results mentioned in table 4.7 in terms of the direction of the impact. This might indicate that firms in the mentioned industry tend to reward their investors with a high level of dividend per share for the risk associated with high level of leverage.

4.3.5. Analysis of the effect of firm heterogeneity

In this section, we examine the effect of firm heterogeneity on the persistence of dividend policy after the IPO date. Two firm characteristics that are being considered for the analysis of this effect namely, firm size and firm profitability. The mentioned firm characteristics has been chosen based on the results of previous studies that documents their significant impact in the firm's dividend policy (Al-Kuwari, 2009; Alzomaia and Al-Khadhiri, 2013; Abu Manneh and Naser, 2015; Yarram and Dollery, 2015; Jabbouri, 2016; Alber and Alhabetour, 2017; Dewasiri et al., 2019).

The interaction variable in the first regression model includes the interaction effect of the firm size dummy variable with the dividend per share at the year of the firm initial public offering. Firm size dummy variable takes the value of “1” for the firms with above median size and “0” for below the median size.

The interaction variable in the second regression model includes the interaction effect of the firm profitability dummy variable with the dividend per share at the year of the firm initial public offering. Firm profitability dummy variable takes the value of “1” for the firms with above median profitability and “0” for below the median profitability.

As mentioned in table 3.3, the study defines firm size and profitability as the natural logarithm of total assets and return on assets, respectively.

The following table exhibit the results of the mentioned firm characteristics regression models:

Table 4.12: Firm heterogeneity analysis

Variable	Firm size	Firm profitability
EPS	0.003*** (2.971)	0.002** (2.401)
LEV	-0.216*** (5.493)	-0.183*** (4.945)
SIZE	-0.001 (0.100)	0.007* (1.668)
ROA	0.168*** (7.814)	0.064*** (2.899)
LIQ	0.000 (0.125)	0.000 (0.000)
IM	-0.007*** (2.942)	-0.006*** (2.653)
IPO_DIV	0.242*** (8.253)	0.157*** (5.638)
INTE_SIZE	0.317*** (9.285)	
INTE_ROA		0.450*** (15.621)
Intercept	0.085 (1.035)	-0.022 (0.330)
COUN_CODE	YES	YES
IND_CODE	YES	YES
SIZE_DUM	YES	

Variable	Firm size	Firm profitability
ROA_DUM		YES
R-squared	0.302	0.386
Adjusted R-squared	0.282	0.369
F-statistic	552.66	928.32
Prob(F-statistic)	0.000	0.000
No. of observations	3,060	3,060

– Statistically significant at: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$
 – t-statistics are reported in parentheses

Based on the results of table 4.12 and by applying equation (6) and (7) of this study, it can be observed that when it comes to the heterogeneity effect of the firm size as well as firm profitability, the level of dividend per share at the year of the firm initial public offering have a statistically significant positive impact on the firm's level of dividend per share at a significance level of 0.01 (1%), which is similar to the results in table 4.7.

The interaction term between firm size dummy variable and the level of dividend per share at the year of the firm initial public offering is considered to be positive and statistically significant at level of 0.01 (1%), indicating that large firms are more likely to keep their dividend policy persistent post-IPO than small firms.

The same mentioned statement applies to the interaction term between firm profitability dummy variable and the level of dividend per share at the year of the firm initial public offering, which shows that firms with higher profitability tend to have a more persistent dividend policy after the IPO compared to firms with lower profitability.

4.4 Robustness Checks

In this section, a series of robustness checks are performed to confirm the earlier results.

According to Lu and White (2014), researchers use robustness check to test how a specific core of a particular regression coefficient estimate functions when the regression specification is altered by adding or withdrawing regressors.

For the purpose of this study, five robustness checks were conducted to test the strength of the study assumptions: period regression analysis, lag regression by one year analysis, changing the regression dependent variable to dividend pay-out ratio, changing the regression dependent variable to dividend decision, and taking the first differences of the independent variables.

4.4.1 Period regression analysis

The period regression analysis tests the robustness of the study model for three time intervals: five years, three years, and two years. The time interval refers to the period that starts from the date of the firm's IPO. The objective of this analysis is to examine whether the effect of the IPO is limited or stronger in a shorter time interval.

The following table demonstrates the outcome of the study's regression model for the mentioned time intervals.

Table 4.13: Period regression analysis

Variable	5Y	3Y	2Y
EPS	0.002 (1.346)	0.001 (0.944)	0.016* (1.879)
LEV	0.002 (0.016)	0.078 (0.690)	0.062 (0.487)
SIZE	0.004*** (3.584)	0.004*** (4.046)	0.004*** (3.235)
ROA	0.097** (2.317)	0.077* (1.794)	0.079 (1.539)
LIQ	0.000** (2.275)	0.000*** (2.914)	0.000*** (3.115)
IM	0.000 (0.959)	0.001* (1.768)	-0.505 (1.608)
IPO_DIV	0.425*** (3.705)	0.541*** (4.718)	0.533*** (4.301)
Intercept	-0.026 (0.676)	-0.026 (0.807)	-0.014 (0.397)
COUNTRY_CODE	YES	YES	YES
INDUSTRY_CODE	YES	YES	YES
R-squared	0.147	0.209	0.218
Adjusted R-squared	0.142	0.202	0.209
F-statistic	27.513	29.530	23.276
Prob(F-statistic)	0.000	0.000	0.000

Variable	5Y	3Y	2Y
Durbin-Watson stat	1.374	1.438	1.505
No. of observations	1446	1016	762

- Statistically significant at: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$
- t-statistics are reported in parentheses

Based on the results of table 4.13 and by adjusting equation (1) of this study to reflect the chosen time intervals, it can be noticed that dividend per share at the year of the firm's initial public offering has a statistically significant positive impact on the level of dividend per share for all three time intervals. Moreover, the level of significance for all three time intervals is considered to be very high, at a level of 0.01 (1%). This clearly indicates the persistence of dividend policy during all three time intervals.

For the size and liquidity variables, all three time intervals indicate that they have a statistically significant positive impact on the level of dividend per share.

The return on assets variable has a statistically significant positive impact on the level of dividend per share during both the three-year and five-year time intervals.

The earnings per share have a statistically significant positive impact on the level of dividend per share only for the two-year time interval. The same can be said for the investment opportunities variable, as it has a statistically significant positive impact on the level of dividend per share for only the three-year time interval.

With regard to leverage, no statistically significant impact was found in relation to the level of dividend per share for all three time intervals.

4.4.2. Lag regression by one year analysis

A one-year time interval lag was used to conduct the robustness check on all the independent variables except for dividend per share at the year of the firm's initial public offering. The outcome of the regression model is demonstrated in Table 4.14 below which is based on applying equation (2) of this study.

Table 4.14: Lag regression by one year analysis

Variable	Coefficient
EPS _{t-1}	0.001 (0.516)
LEV _{t-1}	-0.194*** (2.708)
SIZE _{t-1}	0.004*** (3.093)
ROA _{t-1}	0.131*** (3.052)
LIQ _{t-1}	0.000 (1.178)
IM _{t-1}	0.004 (1.103)
IPO_DIV _t	0.417*** (4.173)
Intercept	0.007 (0.189)

Variable	Coefficient
COUN_CODE	YES
IND_CODE	YES
R-squared	0.092
Adjusted R-squared	0.089
F-statistic	33.588
Prob(F-statistic)	0.000
Durbin-Watson stat	0.956
No. of observations	2994

- Statistically significant at: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$
- t-statistics are reported in parentheses

The dividend per share at the year of the firm's initial public offering variable has a statistically significant positive impact on the level of dividend per share, at a significance level of 0.001 (1%).

The same statement can be made about the leverage, size, and return on asset variables with respect to their impact on the level of dividends per share, except the impact of leverage is considered to be negative.

4.4.3 Changing the regression dependent variable to dividend pay-out ratio and dividend decision

The following table, which is based on applying equation (3) and (4) of this study, outlines the results of two regression models based on changing the dependent variable to dividend payout ratio and firms' decisions regarding the payment of dividends.

Table 4.15: Dividend pay-out ratio and Dividend decision

Variable	DIV_PAY	DIV_DEC
EPS	0.002 (1.052)	0.003 (1.055)
LEV	-0.076 (0.416)	-0.107 (1.178)
SIZE	0.023*** (9.430)	0.034*** (9.533)
ROA	0.371*** (2.935)	0.613*** (2.946)
LIQ	0.000 (1.424)	0.000*** (3.251)
IM	0.018*** (5.431)	0.009*** (2.690)
IPO_DIV	0.521** (2.246)	0.169*** (3.631)
Intercept	-0.079 (0.916)	-0.019 (0.233)
COUN_CODE	YES	YES
IND_CODE	YES	YES
R-squared	0.015	0.115
Adjusted R-squared	0.012	0.113
F-statistic	5.320	46.820
Prob(F-statistic)	0.000	0.000

Variable	DIV_PAY	DIV_DEC
Durbin-Watson stat	1.849	1.164
No. of observations	3248	3248

- Statistically significant at: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$
- t-statistics are reported in parentheses

Table 4.15 shows that the firm size, return on assets, investment opportunities, and dividend per share at the year of the firm's initial public offering variables have a statistically significant positive impact on both the percentage of dividend pay-out and dividend decision.

When it comes to liquidity, the variable is considered to have a statistically significant positive impact on the firm's dividend decision only.

4.4.4 Taking the first differences of the independent variables

The following table, which is based on equation (5) of this study, outlines the results of the robustness check by taking the first differences of all the independent variables except for dividend per share at the year of the firm's initial public offering in the regression model.

Table 4.16: Random effect model before and after the first differences

Variable	Before First Difference	After First Difference
EPS	0.003 (1.593)	0.001*** (3.027)
LEV	-0.181*** (2.858)	0.071 (1.236)
SIZE	0.005*** (5.095)	0.001 (0.329)
ROA	0.176*** (2.864)	0.018 (1.173)

Variable	Before First Difference	After First Difference
LIQ	0.000 (0.800)	0.000 (0.499)
IM	-0.008** (2.602)	-0.005*** (2.957)
IPO_DIV	0.377*** (4.605)	0.415*** (4.081)
Intercept	-0.012 (0.317)	0.036 (0.984)
COUN_CODE	Yes	Yes
IND_CODE	Yes	Yes
R-squared	0.111	0.072
Adjusted R-squared	0.108	0.069
F-statistic	44.893	25.796
Prob(F-statistic)	0.000	0.000
Durbin-Watson stat	0.908	0.913
No. of observations	3248	2994

- Statistically significant at: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$
- t-statistics are reported in parentheses

The table 4.16 shows that both dividend per share at the year of the firm's initial public offering and earnings per share have a statistically significant positive impact on the level of dividend per share at a significance level of 0.001 (1%).

The same statement can be said about the firm's investment opportunities; however, the impact is considered to be negative on the level of dividend per share.

After performing the robustness checks and based on the above results, we confirm the strength of the earlier results using various specifications and models.

4.5 The Effects of the international economic conditions

This section examines the effect of international economic conditions on the persistence of dividends per share after the IPO date. Due to the impact of the global financial crisis and the materiality of the oil-based income that constitute a major part of the GCC income, this section discusses the impact of interaction variables created by the two mentioned international economic conditions on the outcomes of the regression model.

The financial crisis period consists of the years 2008 and 2009, which was defined as such by Hauser (2013).

The interaction variable in the first regression model will include the interaction effect of the period of financial crisis as a dummy variable with the dividend per share at the year of the firm initial public offering.

The financial crisis period dummy variable takes the value of “1” for years 2008 and 2009 and “0” otherwise.

With regard to the period of fall in oil price, it is considered to be 2015 as it had the greatest's fall in the price of oil by 49% according to OPEC crude oil prices for the period from 2000 to 2019.

The second regression model includes the interaction effect of the period in which the oil price fell as a dummy variable with the dividend per share at the year of the firm's initial public offering.

The fall in oil price dummy variable takes the value of “1” for year 2015 and “0” otherwise.

The following table displays the results of both international economic conditions regression models.

Table 4.17: Effects of international economic conditions

Variable	Financial crisis period	Fall in oil price
EPS	0.003 (1.593)	0.003 (1.592)
LEV	-0.177*** (2.745)	-0.179*** (2.836)
SIZE	0.005*** (5.202)	0.005*** (5.094)
ROA	0.175*** (2.857)	0.176*** (2.863)
LIQ	0.000 (0.566)	0.000 (0.733)
IM	-0.008*** (2.576)	-0.008*** (2.595)
IPO_DIV	0.383*** (4.631)	0.366*** (4.488)
INTE_CRI	-0.188*** (3.363)	-
INTE_OIL	-	0.121*** (2.721)
Intercept	-0.010 (0.268)	-0.011 (0.309)
COUN_CODE	YES	YES
IND_CODE	YES	YES
CRI_DUM	YES	-
OIL_DUM	-	YES
R-squared	0.117	0.114
Adjusted R-squared	0.114	0.111
F-statistic	38.989	37.785
Prob(F-statistic)	0.000	0.000
Durbin-Watson stat	0.919	0.908
No. of observations	3248	3248

- Statistically significant at: *** p<0.01, ** p<0.05, * p<0.10
- t-statistics are reported in parentheses

Based in table 4.17 above and after applying equation (8) and (9) of this study, it can be observed that the results of both regression models are relatively identical to the outcomes of the random effects regression model (Table 4.7) for the independent variables on the level of dividend per share in terms of both the significant level and the direction of impact.

As for the newly introduced interaction variables, the financial crisis period interaction variable has a negative significant impact on the level of dividend per share. This result is in line with Hauser (2013) and Kilincarslan (2021). The mentioned outcome indicates the tendency of the GCC firms to change their dividend policy in a reverse direction compared to their dividend policy in the year of initial public offering during the global financial crisis period. This might be due to the negative impact of the financial crisis on the firm's ability to pay dividends and the tendency for the cash management policy to change and increase the level of retained earnings to reduce the risks associated with satisfying the firm's current and future obligations.

When it comes to the impact of oil price period interaction variable, the outcomes of the regression model indicates that the mentioned variable has a positive significant impact on the level of dividend per share. This is possibly because of the late lagged effect of the decrease of oil prices on the firm's dividend per share. According to the descriptive statistics, it has been observed that there was a decrease trend in the dependent variable in 2016, i.e., after one year lag. This indicates that the increase and the decrease of oil prices may not affect the dividend per share immediately but only after some time. It is worth to mention that although both of the discussed international economic conditions might have a negative impact on the GCC countries GDP, firms still valued the importance of maintaining a persistence dividend policy.

Chapter Five

Conclusions and Recommendations

Chapter content:

- 1) Conclusions
- 2) Recommendations

Chapter Five

5. Conclusions and Recommendations

5.1. Conclusions

The purpose of the study is to investigate the existence of dividend policy persistence after IPO date for listed non-financial Gulf Cooperation Council (GCC) firms between the period 2000 and 2019 using the data of firms that had an initial public offering (IPO) date between 2000 and 2016. The scope of the study is extended to investigate the existence of dividend policy persistence after IPO date at the levels of the country and industry wise level. When it comes to firm's heterogeneity, the study examines the effect of firm heterogeneity on the persistence of dividend policy after the IPO date. Two firm characteristics that are being considered for the analysis of this effect namely, firm size and firm profitability. Taking into consideration the effect of the financial crisis and fall in oil prices periods as important international economic conditions, the study also examines the impact of those conditions on dividend policy persistence.

By analyzing the results of the regression models, the study provides evidence for the existence of dividend policy persistence after the IPO date for public non-financial GCC firms. This indicates that public non-financial firms in the GCC region value the importance of setting up and maintaining a dividend policy after the IPO date to satisfy their existing investors and attract potential investors when it comes to the reward received for investing in the firm. The study found that the main reason that drives firms to maintain their dividend policy and dividend level from their IPO date is to avoid conveying negative information to shareholders that might harm the reputation of the firm and its management from an

investor's point of view. If, for example, a particular firm decided to increase its level of dividend per share, the firm will face the challenge of maintaining the new high level of dividend per share during its upcoming financial years, as well as meeting the stockholders' expectations, as an increase in the level of dividend per share might indicate that a firm's management has a positive prospect regarding future performance. Another reason that might force a firm to maintain its dividend policy at a particular level is that, if the firm decided to reduce its level of dividend per share, it will lower the satisfaction of its current investors, as this means that the reward they used to get for investing their funds in the firm will be reduced. Moreover, by reducing the level of its dividend, the firm share will become less attractive to its potential investors. Additionally, lowering the level of dividend per share might indicate that the firm's management has a negative prospect regarding the firm's future performance. All of these factors lead to a reduction in the value of the firm, as dissatisfied investors will start offering their current shares in the firm to a potential investor who are less attracted to the new reduced level of dividend per share.

On the level of the country, the findings show that public non-financial firms located in all of the GCC countries tend to maintain their dividend policy after IPO date, which shows a strong validation for the study's main outcome as discussed above. As for the level of the industry, the study found that firms within the manufacturing, accommodation and food services, construction, information, retail trade, and utilities industries tend to maintain their dividend policy after the IPO date.

As for the effect of firm heterogeneity, the study results show that when it comes to the firm size, large firms are more likely to keep their dividend policy persistent post-IPO year than small firms. Regarding profitability,

the results shows that firms with higher profitability tend to have a more persistent dividend policy after the IPO compared to firms with lower profitability.

Regarding the effect of the financial crisis period and the fall in oil price period as international economic conditions, the study found that the dividend policy of public non-financial firms in the GCC region was persistence during both periods. This indicates how well the firms value the importance of maintaining their dividend policy even during critical periods of time.

5.2. Recommendations

This section highlights the limitation of this study, which can be taken into consideration for future studies. Additionally, this section provides a recommendation for the regulatory bodies with respect to dividend policy persistence.

With respect to the sample, as previously mentioned, this study was conducted on non-financial firms. A future study can be conducted on financial firms to investigate the existence of dividend policy persistence in those kinds of firms, and the outcomes of such a study can be compared with the outcome of the current study.

Furthermore, this study was conducted on public non-financial GCC firms. Future studies can be conducted in other emerging markets to investigate if such persistence in dividend policy exists in those markets. The outcome of such a study can also be used for comparative purposes, and it will allow us to gain a better understanding of whether dividend persistence after IPO is a region-based phenomenon or if it can exist in other markets as well.

Moreover, the study did not include variables related to corporate governance due to data limitations. These variables might affect the firm's dividend policy.

As for the study's time period from 2000 to 2019, this can be classified as the pre-COVID period. Future studies might expand this period to include the COVID-19 pandemic period, as well as the post-COVID period, to understand how the global pandemic impacted the persistence of dividend policy during these periods. This would also allow us to examine how severe the effect of the global pandemic is on the persistence of dividend policy by comparing the results to the international economic conditions examined in the current study, which included the effect of the financial crisis period and the fall in oil price period.

Finally, as a recommendation for regulatory bodies, it is recommended that a firm should disclose in its annual reports the fact that it were able to establish and maintain a persistence dividend policy and how the firm overcomes the business and industry obstacles that impacted its operations and profit but still managed to have their dividend policy persist.

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Appendices

Appendix 1: List of non-financial GCC firms

Country	Industry	Firm Name
Bahrain	Accommodation and Food Services	Banader Hotels Co BSC
Bahrain	Accommodation and Food Services	Gulf Hotel Group BSC
Bahrain	Construction	Nass Corporation BSC
Bahrain	Information	Zain Bahrain BSC
Bahrain	Manufacturing	Aluminium Bahrain BSC
Bahrain	Manufacturing	United Gulf Investment Corporation BSC
Bahrain	Manufacturing	United Paper Industries BSCC
Bahrain	Real Estate and Rental and Leasing	Seef Properties BSC
Bahrain	Retail Trade	BAHRAIN DUTY FREE
Kuwait	Accommodation and Food Services	Ajwan Gulf Real Estate Company KSCP
Kuwait	Accommodation and Food Services	Gulf Franchising Holding Co KSCP
Kuwait	Accommodation and Food Services	Kuwait Resorts Company KPSC
Kuwait	Accommodation and Food Services	Sokouk Holding Co KSCP
Kuwait	Administrative and Support and Waste Management and Remediation Services	Credit Rating and Collection Company KSCP
Kuwait	Administrative and Support and Waste Management and Remediation Services	Kuwait Syrian Holding Co KSCP
Kuwait	Agriculture, Forestry, Fishing and Hunting	Palms Agro Production Co KSCP
Kuwait	Arts, Entertainment, and Recreation	Future Kid Entertainment and Real Estate Company KSCP
Kuwait	Arts, Entertainment, and Recreation	National Shooting Company KPSC
Kuwait	Construction	Al Masaken international Real Estate

Country	Industry	Firm Name
Kuwait	Construction	Combined Group Contracting Company KSCP
Kuwait	Construction	Equipment Holding Co KSCP
Kuwait	Construction	Injazzat Real Estate Development Company KPSC
Kuwait	Construction	Kuwait Company for Process Plant Construction and Contracting KPSC
Kuwait	Construction	Sanam Real Estate Company KSCP
Kuwait	Educational Services	Human Soft Holding Company KSCP
Kuwait	Health Care and Social Assistance	Al-Maidan Clinic for Oral Health Services Company KSCP
Kuwait	Information	AAN Digital Services Co KSCP
Kuwait	Information	Alrai Media Group Co KSCP
Kuwait	Information	Kuwait Cable Vision Company KPSC
Kuwait	Information	Kuwait Telecommunications Company KSCP
Kuwait	Manufacturing	Al Kout Industrial Projects Company KPSC
Kuwait	Manufacturing	Hayat Communications Co KSCP
Kuwait	Manufacturing	Mezzan Holding Company KSCP
Kuwait	Manufacturing	National Consumer Holding Company KSCP
Kuwait	Manufacturing	National Industries Company KPSC
Kuwait	Manufacturing	Qurain Petrochemical Industries Company KSCP
Kuwait	Mining, Quarrying, and Oil and Gas Extraction	Burgan for Well Drilling Trading and Maintenance KSCP
Kuwait	Mining, Quarrying, and Oil and Gas Extraction	Energy House Holding Company KSCP
Kuwait	Mining, Quarrying, and Oil and Gas Extraction	Gulf Petroleum Investment Company KSCP
Kuwait	Mining, Quarrying, and Oil and Gas Extraction	National Petroleum Services Company KSCP
Kuwait	Mining, Quarrying, and Oil and Gas Extraction	Salbookh Trading Co KSCP
Kuwait	Professional, Scientific, and Technical Services	Automated Systems Company KPSC
Kuwait	Real Estate and Rental and Leasing	Aayan Real Estate Company KSCP

Country	Industry	Firm Name
Kuwait	Real Estate and Rental and Leasing	Abyaar Real Estate Development Company KSCP
Kuwait	Real Estate and Rental and Leasing	ALARGAN International Real Estate Company KSCP
Kuwait	Real Estate and Rental and Leasing	Al Madina for Finance and Investment Co KSCP
Kuwait	Real Estate and Rental and Leasing	Al Mudon International Real Estate Co KSCP
Kuwait	Real Estate and Rental and Leasing	Aqar Real Estate Investments Co KSCP
Kuwait	Real Estate and Rental and Leasing	Arkan Al Kuwait Real Estate Company KSCP
Kuwait	Real Estate and Rental and Leasing	Commercial Real Estate Co KPSC
Kuwait	Real Estate and Rental and Leasing	Dalqan Real Estate Company KSCP
Kuwait	Real Estate and Rental and Leasing	Dar Al Thuraya Real Estate Co KPSC
Kuwait	Real Estate and Rental and Leasing	Effect Real Estate Company KPSC
Kuwait	Real Estate and Rental and Leasing	First Dubai for Real Estate Development Co KSCP
Kuwait	Real Estate and Rental and Leasing	Human Soft Holding Company KSCP
Kuwait	Real Estate and Rental and Leasing	IFA Hotels and Resorts Co KSCP
Kuwait	Real Estate and Rental and Leasing	Kuwait Business Town Real Estate Co KSCP
Kuwait	Real Estate and Rental and Leasing	Kuwait Real Estate Holding Co KPSC
Kuwait	Real Estate and Rental and Leasing	Kuwait Remal Real Estate Co KPSC
Kuwait	Real Estate and Rental and Leasing	Manazel Holding Company KPSC
Kuwait	Real Estate and Rental and Leasing	Mashaer Holding Co KSCP
Kuwait	Real Estate and Rental and Leasing	MENA Real Estate Company KSCP
Kuwait	Real Estate and Rental and Leasing	Munshaat Real Estate Projects Co KSCP
Kuwait	Real Estate and Rental and Leasing	Osos Holding Group Company KSCP

Country	Industry	Firm Name
Kuwait	Real Estate and Rental and Leasing	Real Estate Trade Centers Company KPSC
Kuwait	Real Estate and Rental and Leasing	Ream Real Estate Company KSCP
Kuwait	Real Estate and Rental and Leasing	Taameer Real Estate Investment Co KSCP
Kuwait	Real Estate and Rental and Leasing	Tijara and Realestate Investment Company KSCP
Kuwait	Retail Trade	Al Soor Fuel Marketing Company KSCP
Kuwait	Retail Trade	Oula Fuel Marketing Co KSCP
Kuwait	Transportation and Warehousing	Jazeera Airways Co KSCP
Kuwait	Transportation and Warehousing	KGL Logistics Company KPSC
Kuwait	Transportation and Warehousing	Kuwait and Gulf Link Transport Company KPSC
Kuwait	Transportation and Warehousing	United Projects for Aviation Services Co KSCP
Kuwait	Wholesale Trade	Advanced Technology Co KSCP
Kuwait	Wholesale Trade	Al Eid Food Company KSCP
Kuwait	Wholesale Trade	Specialities Group Holding Company KPSC
Kuwait	Wholesale Trade	Yiaco Medical Company KPSC
Oman	Accommodation and Food Services	Al Buraimi Hotel Company SAOG
Oman	Accommodation and Food Services	Hotels Management Co International SAOG
Oman	Accommodation and Food Services	Sahara Hospitality Co SAOG
Oman	Construction	Galfar Engineering and Contracting SAOG
Oman	Information	Oman Telecommunications Company SAOG
Oman	Information	Omani Qatari Telecommunications Company SAOG
Oman	Manufacturing	Al Maha Ceramics Co SAOG
Oman	Manufacturing	ASaffa Foods SAOG
Oman	Manufacturing	Omani Packaging Company SAOG
Oman	Manufacturing	Sweets of Oman SAOG
Oman	Manufacturing	Voltamp Energy SAOG
Oman	Mining, Quarrying, and Oil and Gas Extraction	Renaissance Services SAOG
Oman	Utilities	ACWA Power Barka SAOG
Oman	Utilities	Al Batinah Power Company SAOC

Country	Industry	Firm Name
Oman	Utilities	Al Kamil Power Company SAOG
Oman	Utilities	Al Suwadi Power Company SAOC
Oman	Utilities	Phoenix Power Co SAOG
Oman	Utilities	Sembcorp Salalah Power and Water Company SAOG
Oman	Utilities	Sharqiyah Desalination Company SAOG
Oman	Utilities	SMN Power Holding SAOG
Oman	Utilities	Sohar Power Company SAOG
Oman	Wholesale Trade	Al Maha Petroleum Products Marketing Company SAOG
Oman	Manufacturing	MUSCAT GASES COMPANY
Qatar	Accommodation and Food Services	Gulf International Services QPSC
Qatar	Construction	Alijarah Holding Co QPSC
Qatar	Construction	United Development Company QPSC
Qatar	Information	Mannai Corporation QPSC
Qatar	Information	Vodafone Qatar PQSC
Qatar	Manufacturing	Aamal Company QPSC
Qatar	Manufacturing	Industries Qatar QPSC
Qatar	Manufacturing	Mesaieed Petrochemical Holding Co QSC
Qatar	Manufacturing	Qatari German Company for Medical Devices QPSC
Qatar	Manufacturing	Qatari Investors Group QPSC
Qatar	Manufacturing	Widam Food Company QPSC
Qatar	Real Estate and Rental and Leasing	Barwa Real Estate Company QPSC
Qatar	Real Estate and Rental and Leasing	Ezdan Holding Group QPSC
Qatar	Real Estate and Rental and Leasing	Mazaya Real Estate Development QPSC
Qatar	Retail Trade	Al Meera Consumer Goods Company QPSC
Qatar	Transportation and Warehousing	Gulf Warehousing Co QPSC
Qatar	Transportation and Warehousing	Qatar Gas Transport kilat Co Ltd QPSC
Qatar	Wholesale Trade	Qatar Fuel Company QPSC
Saudi Arabia	Accommodation and Food Services	Herfy Food Services Company SJSC
Saudi Arabia	Accommodation and Food Services	Jabal Omar Development Company SJSC
Saudi Arabia	Accommodation and Food Services	Saudi Airlines Catering Company SJSC

Country	Industry	Firm Name
Saudi Arabia	Administrative and Support and Waste Management and Remediation Services	Seera Group Holding
Saudi Arabia	Arts, Entertainment, and Recreation	Abdulmohsen Al Hokair Group for Tourism and Development Company CJSC
Saudi Arabia	Construction	Abdullah Abdul Mohsin Al-Khodari Sons Company SJSC
Saudi Arabia	Construction	Al Babbain Power and Telecommunication Company SJSC
Saudi Arabia	Construction	Al-Andalus Property Company SJSC
Saudi Arabia	Construction	Dar Al Arkan Real Estate Development Company SJSC
Saudi Arabia	Construction	Emaar The Economic City SJSC
Saudi Arabia	Educational Services	Al Khaleej Training and Education Company SJSC
Saudi Arabia	Health Care and Social Assistance	Al Hammadi Company for Development and Investment SJSC
Saudi Arabia	Health Care and Social Assistance	Dallah Healthcare Company SJSC
Saudi Arabia	Health Care and Social Assistance	Middle East Healthcare Company CJSC
Saudi Arabia	Health Care and Social Assistance	Mouwasat Medical Services Company SJSC
Saudi Arabia	Health Care and Social Assistance	National Medical Care Company JSC
Saudi Arabia	Information	Etihad Atheeb Telecommunication Company SJSC
Saudi Arabia	Information	Etihad Etisalat Company SJSC
Saudi Arabia	Information	Mobile Telecommunications Company Saudi Arabia SJSC
Saudi Arabia	Information	Saudi Telecom Company SJSC
Saudi Arabia	Manufacturing	Advanced Petrochemical Co SJSC
Saudi Arabia	Manufacturing	Al Abdullatif Industrial Investment Company SJSC
Saudi Arabia	Manufacturing	Al Hassan Ghazi Ibrahim Shaker Company SJSC
Saudi Arabia	Manufacturing	Al Jouf Cement Company SJSC
Saudi Arabia	Manufacturing	Al Yamamah Steel Industries Company CJSC
Saudi Arabia	Manufacturing	Almarai Company SJSC
Saudi Arabia	Manufacturing	Arabian Cement Company SJSC
Saudi Arabia	Manufacturing	Arabian Pipes Company SJSC
Saudi Arabia	Manufacturing	Astra Industrial Group SJSC
Saudi Arabia	Manufacturing	Basic Chemical Industries Company SJSC

Country	Industry	Firm Name
Saudi Arabia	Manufacturing	Bawan Company SJSC
Saudi Arabia	Manufacturing	City Cement Company CJSC
Saudi Arabia	Manufacturing	Electrical Industries Company JSC
Saudi Arabia	Manufacturing	Hail Cement Co SJSC
Saudi Arabia	Manufacturing	Halwani Brothers Company JSC
Saudi Arabia	Manufacturing	Lazurde Company for Jewelry SCJC
Saudi Arabia	Manufacturing	Methanol Chemicals Company SJSC
Saudi Arabia	Manufacturing	Middle East Company for Manufacturing and Producing Paper SJSC
Saudi Arabia	Manufacturing	Middle East Specialized Cables Company SJSC
Saudi Arabia	Manufacturing	Najran Cement Company SJSC
Saudi Arabia	Manufacturing	Naseej International Trading Co
Saudi Arabia	Manufacturing	National Metal Manufacturing and Casting Company SJSC
Saudi Arabia	Manufacturing	National Petrochemical Company SJSC
Saudi Arabia	Manufacturing	Northern Region Cement Company SJSC
Saudi Arabia	Manufacturing	Rabigh Refining and Petrochemical Company SJSC
Saudi Arabia	Manufacturing	Sahara International Petrochemical Company SJSC
Saudi Arabia	Manufacturing	Saudi Industrial Investment Group SJSC
Saudi Arabia	Manufacturing	Saudi Kayan Petrochemical Company SJSC
Saudi Arabia	Manufacturing	Saudi Paper Manufacturing Company SJSC
Saudi Arabia	Manufacturing	Saudi Printing and Packaging Company SJSC
Saudi Arabia	Manufacturing	Saudi Research and Marketing Group SJSC
Saudi Arabia	Manufacturing	Saudi Steel Pipe Company SJSC
Saudi Arabia	Manufacturing	Saudi Vitrified Clay Pipe Company SJSC
Saudi Arabia	Manufacturing	Saudia Dairy and Foodstuff Company SJSC
Saudi Arabia	Manufacturing	Takween Advanced Industries SJSC
Saudi Arabia	Manufacturing	Umm Al Qura Cement Company SJSC
Saudi Arabia	Manufacturing	United Wire Factories Company JSC
Saudi Arabia	Manufacturing	Yanbu national Petrochemicals Company SJSC
Saudi Arabia	Manufacturing	Zamil Industrial Investment Co SJSC
Saudi Arabia	Mining, Quarrying, and Oil and Gas Extraction	Saudi Arabian Mining Company SJSC
Saudi Arabia	Real Estate and Rental and Leasing	Knowledge Economic City Company SJSC
Saudi Arabia	Real Estate and Rental and Leasing	Red Sea International Company

Country	Industry	Firm Name
Saudi Arabia	Real Estate and Rental and Leasing	Riyad REIT
Saudi Arabia	Real Estate and Rental and Leasing	United International Transportation Company SJSC
Saudi Arabia	Retail Trade	Abdullah Al Othaim Markets CompanySJSC
Saudi Arabia	Retail Trade	Aldrees Petroleum and Transport Services Company SJSC
Saudi Arabia	Retail Trade	Fawaz Abdulaziz Alhokair Company SJSC
Saudi Arabia	Retail Trade	Fitaihi Holding Group SJSC
Saudi Arabia	Retail Trade	Jarir Marketing Company SJSC
Saudi Arabia	Retail Trade	Saudi Chemical Company SJSC
Saudi Arabia	Retail Trade	Saudi Company for Hardware SJSC
Saudi Arabia	Retail Trade	Saudi Marketing Company SJSC
Saudi Arabia	Retail Trade	United Electronics Company JSC
Saudi Arabia	Transportation and Warehousing	Saudi Ground Services Co
Saudi Arabia	Utilities	Saudi Electricity Company SJSC
United Arab Emirates	Accommodation and Food Services	Abu Dhabi National Hotels PJSC
United Arab Emirates	Accommodation and Food Services	Al Firdous Holdings PJSC
United Arab Emirates	Accommodation and Food Services	National Corp for Tourism and Hotels
United Arab Emirates	Agriculture, Forestry, Fishing and Hunting	Ras Al Khaimah Poultry and Feeding Co
United Arab Emirates	Arts, Entertainment, and Recreation	DXB Entertainments PJSC
United Arab Emirates	Construction	Arabtec Holding PJSC
United Arab Emirates	Construction	Damac Properties Dubai PJSC Co
United Arab Emirates	Construction	Drake and Scull International PJSC
United Arab Emirates	Construction	Manazel Real Estate PJSC
United Arab Emirates	Construction	National Marine Dredging PSC
United Arab Emirates	Construction	Orascom Construction PLC
United Arab Emirates	Construction	Union Properties PJSC
United Arab Emirates	Educational Services	Emirates Driving Company PJSC

Country	Industry	Firm Name
United Arab Emirates	Health Care and Social Assistance	Amanat Holdings PJSC
United Arab Emirates	Health Care and Social Assistance	Gulf Medical Projects Co PSC
United Arab Emirates	Information	Argentum 47 Inc
United Arab Emirates	Information	Emirates Integrated Telecommunications Company PJSC
United Arab Emirates	Information	Emirates Telecommunications Group Co PJSC
United Arab Emirates	Manufacturing	Abu Dhabi National Company for Building Materials Co PJSC
United Arab Emirates	Manufacturing	Abu Dhabi Ship Building PJSC
United Arab Emirates	Manufacturing	Agthia Group PJSC
United Arab Emirates	Manufacturing	Arkan Building Materials Company PJSC
United Arab Emirates	Manufacturing	Dubai Refreshment Pjsc
United Arab Emirates	Manufacturing	Emirates Refreshments PSC
United Arab Emirates	Manufacturing	Fujairah Building Industries Co PSC
United Arab Emirates	Manufacturing	Fujairah Cement Industries Co PSC
United Arab Emirates	Manufacturing	Gulf Cement Co PSC
United Arab Emirates	Manufacturing	Gulf Pharmaceutical Industries PSC
United Arab Emirates	Manufacturing	Gulfa Mineral Water and Processing Industries Co PLC
United Arab Emirates	Manufacturing	International Holdings Company PJSC
United Arab Emirates	Manufacturing	National Cement Co PSC
United Arab Emirates	Manufacturing	RAK Ceramics PJSC
United Arab Emirates	Manufacturing	Ras Al Khaimah Cement Company PSC
United Arab Emirates	Manufacturing	Ras Al Khaimah for White Cement and Construction Materials Co PSC
United Arab Emirates	Manufacturing	Sharjah Cement and Industrial Development CompanyPSC
United Arab Emirates	Manufacturing	Unikai Foods PJSC
United Arab Emirates	Manufacturing	United Foods Co PSC

Country	Industry	Firm Name
United Arab Emirates	Mining, Quarrying, and Oil and Gas Extraction	Dana Gas PJSC
United Arab Emirates	Mining, Quarrying, and Oil and Gas Extraction	Lamprell Plc
United Arab Emirates	Professional, Scientific, and Technical Services	Aramex PJSC
United Arab Emirates	Professional, Scientific, and Technical Services	Credit Rating and Collection Company KSCP
United Arab Emirates	Professional, Scientific, and Technical Services	Depa Plc
United Arab Emirates	Professional, Scientific, and Technical Services	Polarcus Ltd
United Arab Emirates	Real Estate and Rental and Leasing	Al Khaleej Investment Company PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Al Ramz Corporation Investment and Development PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Aldar Properties PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Deyaar Development PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Emaar Malls PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Emaar Properties PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Emirates REIT CEIC PLC
United Arab Emirates	Real Estate and Rental and Leasing	Eshraq Investments PJSC
United Arab Emirates	Real Estate and Rental and Leasing	RAK Properties PJSC
United Arab Emirates	Real Estate and Rental and Leasing	Sharjah Group Company PSC
United Arab Emirates	Retail Trade	Marka PJSC
United Arab Emirates	Transportation and Warehousing	Abu Dhabi Aviation
United Arab Emirates	Transportation and Warehousing	Air Arabia PJSC
United Arab Emirates	Transportation and Warehousing	Gulf navigation Holding PJSC

Country	Industry	Firm Name
United Arab Emirates	Transportation and Warehousing	Gulf Marine Services PLC
United Arab Emirates	Utilities	Abu Dhabi national Energy Company PJSC
United Arab Emirates	Utilities	National Central Cooling Co PJSC
United Arab Emirates	Wholesale Trade	Amira nature Foods Ltd
United Arab Emirates	Wholesale Trade	FOODCO Holding PJSC

الملخص

تميزت سياسة توزيع الأرباح بكونها الموضوع الرئيسي في العديد من الأبحاث على مر السنين. كما يعتبر وضع سياسة توزيع أرباح الشركة أحد أهم القرارات الاستراتيجية التي من الممكن أن تؤثر على الشركة على المدى القصير والطويل أيضًا، نظرًا لعواقبها التي تقع على هيكل رأس مال الشركة والفعالية المالية والقيمة والجوانب المهمة الأخرى من منظور المساهمين الحاليين والمحتملين على حد سواء؛ ويمثل توزيع الأرباح المكافأة التي يحصلون عليها مقابل استثمارهم في الشركة وينطوي على قبول أي مخاطر مرتبطة باستثماراتهم.

يُكْمُن الهدف الحالي من هذه الدراسة في التحقق من مدى ثبات سياسة توزيع الأرباح بعد تاريخ الاكتتاب العام للشركات غير المالية المدرجة الموجودة في دول مجلس التعاون الخليجي من 2000 إلى 2019، بناءً على عينة من الشركات التي كان لها تاريخ اكتتاب عام بين عامي 2000 و2016. بالإضافة إلى ذلك، تبحث الدراسة في مدى ثبات سياسة توزيع الأرباح بعد تاريخ الاكتتاب العام على مستوى الدولة والصناعة. كما تم القيام بتحليل تأثير عدم تجانس الشركات على مدى ثبات سياسة توزيع الأرباح. وأخيرًا، تبحث الدراسة في تأثير الأوضاع الاقتصادية الكلية على ثبات سياسة توزيعات الأرباح للسهم بعد تاريخ الاكتتاب العام خلال فترات الأزمة المالية وهبوط أسعار النفط.

تألّف حجم عينة الدراسة من 256 شركة غير مالية مدرجة في دول مجلس التعاون الخليجي، تم اختيارها بناءً على توافر البيانات. كما استوردت الدراسة بيانات الشركة باستخدام قاعدة بيانات طومسون رويترز. وتم تطبيق نموذج الانحدار العشوائي بناءً على نتيجة اختبار هوسمان.

واستندت المتغيرات المختارة في الدراسة إلى مراجعة نقدية للدراسات السابقة التي حددتها على أنها عوامل مهمة تؤثر على سياسة توزيع أرباح شركة معينة.

وتحمل نتيجة الدراسة دليلاً قوياً على وجود سياسة ثابتة لتوزيع الأرباح بعد تاريخ الاكتتاب العام لشركات مجلس التعاون الخليجي العامة غير المالية. وجاء دعم نتيجة الدراسة من خلال نتائج التحليلات المختلفة التي أجريت للتحقق من متانة نتائج الدراسة. على وجه التحديد، طبقت تلك الدراسة الانحدار في الوقت الحالي، والانحدار في مرحلة لاحقة على مدار سنة واحدة، وتحويل المتغير التابع للانحدار إلى معدل توزيع الأرباح، وتحويل المتغير المعتمد على الانحدار إلى قرار توزيع الأرباح، واتخاذ الفروق الأولى في تحليل المتغيرات المستقلة كاختبارات متانة.

على صعيد الدولة، تظهر النتائج أن الشركات العامة غير المالية الموجودة في كافة دول مجلس التعاون الخليجي تميل إلى الحفاظ على سياسة توزيع الأرباح ثابتة بعد تاريخ الاكتتاب العام، مما يدل على صحة النتيجة الرئيسية للدراسة التي تمت مناقشتها أعلاه. أما على صعيد الصناعة، فقد أظهرت نتائج الدراسة أن الشركات العاملة في مجالات الصناعة والإقامة والخدمات الغذائية والبناء والمعلومات وتجارة التجزئة وصناعات المرافق تميل إلى الحفاظ على سياسة توزيع الأرباح بعد تاريخ الاكتتاب العام. فيما يتعلق بتحليل تأثير عدم تجانس الشركات على مدى ثبات سياسة توزيع الأرباح، تظهر نتائج الدراسة أن الشركات الكبيرة وكذلك الشركات ذات الربحية العالية تميل إلى اتباع سياسة توزيع أرباح أكثر ثباتاً بعد تاريخ الاكتتاب العام. أما بالنسبة لتأثير فترة الأزمة المالية وفترة انخفاض أسعار النفط كشرط اقتصادي كلي، فقد أظهرت نتائج الدراسة أن ثبات سياسة توزيع الأرباح للشركات العامة غير المالية في دول مجلس التعاون الخليجي كانت مستمرة خلال هاتين الفترتين.

الكلمات الرئيسية: الاكتتاب العام؛ ثبات سياسة توزيع الأرباح؛ سياسة توزيع الأرباح؛ دول مجلس
التعاون الخليجي؛ الاقتصاد الكلي؛ الأزمة المالية؛ أسعار النفط.

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كلية إدارة الأعمال



ثبات سياسة توزيع الأرباح بعد الاكتتاب العام: أدلة من دول مجلس التعاون الخليجي

أطروحة مقدمة للاستيفاء الجزئي لمتطلبات درجة الماجستير في علوم التمويل

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