



## **The Impact of Ownership Structure on Dividend Policy: Evidence from Listed Manufacturing Companies in Sri Lanka**

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### **Abstract**

The principal-agent problem is familiar to any organisation in the world. Commonly, agency problems are related to the ownership structure. A sound corporate governance system is the most general internal mechanism that organisations use to reduce agency problems. The ownership structure is one of the main scopes of corporate governance. Based on the agency theory, this study analyses whether ownership structure dimensions are related to dividend policy by examining the impacts of ownership structure on the dividend policy of the listed manufacturing firms listed in the Colombo Stock Exchange (CSE). For this study, the sample consists of a panel of 20 manufacturing firms listed in the CSE for five years, from 2017 to 2021. The researcher uses a random sampling technique to collect data, and a Panel Least Square regression estimation model is used to analyse the data. The study's findings indicate a significantly weak positive relationship between institutional ownership and dividend per share, a significantly weak positive relationship between concentrated ownership and dividend per share, and a significantly moderate positive relationship between foreign ownership and dividend per share. Control variables such as Firm size and Growth opportunities indicate a significant association with dividend per share, but the control variable, Return on equity, has an insignificant association with dividend per share.

**Keywords:** Dividend policy, Dividend per share, Corporate governance, Ownership structure

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