

Arab American University Faculty of Graduate Studies

Determinants of Corporate Dividends Policy: An Empirical Evidence from Palestine

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Signature

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"Mohamed Sobh" Abu Shamseyeh

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Dedication

This thesis is firstly dedicated to my dear parents "Musa & Salwa" and brothers who have always offered me their infinite support, ambition, and power to peruse higher education, and to create success by my own efforts. Secondly, I dedicate my efforts to my wife "Mulook" who was and still inspiring me with unselfish manner, and will hold my success to future sons & daughters. Finally, to my dear supervisor and professors at AAU who have always enriched me with valuable knowledge and feedback.

Sincerely: "Mohamed Sobh" Abu Shamseyeh

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Sincerely: "Mohamed Sobh" Abu Shamseyeh

Abstract

This Empirical research aims at investigating the impact of factors that determine the dividends policy in non-financial companies in Palestine. For this purpose, the data was collected from the annual reports of sample companies that had a continuous financial reporting though the period between 2013 and 2016. The dividends payout ratio was used as a dependent variable to measure the dividends policy, while the following eleven independent variables were used as hypothesized determinants: Financial Leverage, Firm Size, Revenue Growth, Industry Type, ownership concentration, Profitability, free cash flows, Business Risk, Firm Age, Return on Assets, and Previous Year Dividends. The population consisted of 49 companies, two samples were tested to achieve the research purpose. Sample one included 32 companies that meet the sampling criteria, but revealed no significant variable to dividends policy, since there are 13 companies that had never paid dividends within the mentioned period, and represented outliers that confused results. Alternatively, sample two included the only 19 companies that paid dividends once at least between 2013 and 2016. The Multiple Linear Regression test at 95% confidence was used and resulted in five significant variables. The profitability, free cash flows, and business risk seemed to have a positive relationship with dividends payout, while Return on assets and revenue growth had a negative association with dividends payout... Overall, the adjusted $R^2 = 0.713$. This measure is acceptable, and reveals the resulted model interpret 71.3% of dividends policy determinants.

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Introduction

1.1.Overview

Dividends policy is one of the most researched topics tackled through the financial management literature. This topic has taken a distinctive importance in theoretical and practical fields due to its critical implications on operating, financial, and strategic positions of companies. According to Ross, Wasterfield, & Jordan (2012), some managers view the dividends policy modification as a shock absorber in cases of financial crises, others perceive this policy as a signaling factor to attract more investors and increase the value of the firm. Moreover, other managers and authors tackle dividends policy as a tool to manage the agency problem that arise through conflict of interests between management and shareholders. (Ross, Wasterfield, & Jordan, 2012).

At the end of each accounting period, public companies' boards and executives should be engaged in a critical decision. This decision is either to retain the profits, or distribute full or partial earnings in the form of cash or stock dividends. Investors often seek for the most attractive stocks to invest their money either to receive dividend, or to benefit from capital gains through stock price appreciations, while companies management seek for investment opportunities, and build financing decisions in order to achieve the ultimate goal of maximizing shareholder wealth. Accordingly, the actions made by companies' management when deciding whether to pay dividends or retain the earnings are critical in terms of investors' willingness to invest or not in such companies (Gordon & Linter, 1962). This topic is researched massively all over the world. The common purpose among different researches was to solve the puzzle of dividends policy by measuring the impact of some theoretical and empirical determinants of dividends payout. Some researchers revealed that profits is the primary determinant of dividends according to Al-Malkawi (2007). While others found that other variables may affect the policy such as company size Baker and Powell (2000), industry type in turkey Kuzucu (2015), business risk in USA Gill, Biger and Tibrewala (2010). Other variables were used as common among international researches. For example, Al-Kuwari (2009) used the ownership concentration, firm size, financial leverage, growth rates, business risk, and profitability, and tried to compare the results between the countries that belong to Gulf Cooperation Council (GCC). The main significant variables were the ownership concentration, profitability, and firm size.

Furthermore, corporate finance introduced many theories that have different view of dividends policy. According to Jensen and Meckling (1976), dividends is a mean to overcome the agency problem based on agency theory. On the other hand, Miller, M; Modigliani, F (1961) introduced the irrelevance theory, which deny that dividends affect the firm value. Instead, investors seek for companies that have growth opportunities. This claim was conflicted by (Ross W., 1995) though the signaling theory. Other theories discussed the dividends policy as detailed in chapter two (Catering theory, Pecking Order Theory, A Bird in Hand Theory).

In the Palestinian context, Aqel (2016) investigated some determinants of dividends policy in Palestinian case. A sample of 24 Palestinian listed firms was selected to his research. The most important findings were the establishment of positive impact of growth, financial risk, and profitability on dividends payout. In contrast, this impact was negative when investigating the liquidity as an independent variable. Aqel's paper has tackled the published data between 2009 and 2013. (Aqel, 2016)

Another Palestinian research was conducted by Hassoun, Tran and Quach (2016). The paper surfed the data between 2008 and 2012, and used the econometric regression models to support the findings. The main aim was to compare the Palestinian firm approach of dividends policy to those documented in international literature. Results have shown that no statistically significant difference between Palestine and other countries in such policy. In contrast to the previous study which claimed that size is not a significant factor, they concluded that size, profitability are positively related to dividends payout. While the financial leverage and assets structure are negatively related. (Hassoun, Tran, & Quach, 2016)

This research concentrated on the dividends policy in Palestinian Non-financial companies, by measuring the impact of some researched empirical variables from the annual reports of the selected companies listed on Palestinian Exchange. Current research have used available literature to examine the impact of eleven variables on the dividends payout in Palestinian non-financial companies. These variables include financial leverage, company size, revenue growth, business risk, profitability, free cash flow, ROA, firm maturity, industry type, ownership concentration, and previous year dividends. The data used from the released financial reports of sample companies between 2013 and 2016.

1.2.Problem Statement

The general problem of this research is that dividends policy has several theoretical and empirical determinants all over the world, but still no clear and definite interpretation for management behavior in dividends payment. Moreover, conflicting results were found between countries, and even within the same country in different time horizons. For example, in the Palestinian case, few empirical researches were conducted and revealed the same relationships for some variables, while results were debating in other ones. Besides, they did not use the same amount of variables, nor the same measurements methods. Those two researches were conducted by Aqel (2016) and Hassoun et al. (2016), and they are extensively discussed in chapter two.

The specific problem of current research is that only 59% of non-financial companies had paid dividends in the period between 2013 and 2016 (only 19 companies out of 32). Besides, to the best knowledge of the researcher, there are only two researches that discuss the dividends policy in almost the same time horizon, but using different variables and measures. This fact besides the findings of literature emphasizes the importance of further research in the Palestinian context to try to test their findings in new time horizon, and try to breach the gap between the conflicting findings by using as much as variables.

1.3.Research Purpose and Objectives

This quantitative research aims at investigating determinants of dividends policy in Palestine. By trying to establish a relationship between the dividends payout ratio and some numerical determinants that were tackled by other researches, and to assess their impact in the Palestinian case. The variables to be tested include: firm size, financial leverage, revenue growth, previous year dividends, industry type, firm maturity, return on assets, profitability, risk, ownership concentration, and free cash flows. By the end of this research, the main research question is answered. The questions is discussing what are the determinants of dividends policy in Palestinian listed firms?

1.4.Research Time Horizon

This research has covered the period between 2013 and 2016. The following reasons justify the researcher's decision to select this time period. First. Most studies have covered between 4-5 years to discuss the same topic. Second, in the Palestinian contexts. There are two researches that covered the period between 2008 and 2013. Thus. The researcher has decided to avoid the duplication of others' work, instead, this research has come as a continuation of previous research efforts starting from 2013, and ending with the last disclosure year up to the submission of the thesis (2016). Finally, further research is recommended at the end of this study to be applied on the whole period.

1.5.Significance of study

The research findings are expected to add value for different parties. The Palestinian companies' shareholders might benefit from findings in sustaining their knowledge of companies' financial reports to decide their optimal portfolio. Second, companies' management may consider the findings to build sound policies in order to trade-off between management and shareholders' objectives, and avoid the agency problem. Finally, the Palestinian National Authority- PNA may reflect the findings on their chart of regulations related to dividends and tax effect of Palestinian listed companies. Moreover, this study opens the doors for further research after covering the most recent years of accounting disclosures.

1.6.The Value Added of Current Research

Current study is expected to add value to the finance literature on Palestinian and international levels. There are important values of this research, and differentiate it from different studies. First, a new time horizon has been covered. While some Palestinian studies researched the period between 2008 and 2013, current research continues their efforts between 2013 and 2016. Second, a larger number of variables has been used. While most of studies used 5-7 variables, current research 11 variables that were significant in most of researches.

This issue create stronger argument of findings against previous researches, which expected to the applicable theories in finance in the Palestinian case. Finally, a larger number of selected companies were included in two samples based on a clear criteria. Sample one includes all non-financial firms with continuous reporting between 2013 and 2016, while sample two includes only companies that had paid dividends in the same period.

1.7.Limitation of the study

This research is limited to the audited financial statement of publicly listed companies in Palestine. A sample of 32 public non-financial companies that have a continuous reporting are be tested using current research model. However, the findings of this research are not applicable to the financial institutions like Banks, insurance, and other similar ones due to their special characteristics.

Moreover, this research is limited to secondary numeric data derived from the financial reports of selected sample companies. In other words, the research measures internally created factors that might determine the dividends policy, while the external factors such as investor preferences, governmental regulations, and other external environment factors are beyond the scope of this research, excluding the business risk that was possible to be included.

1.8. Palestinian Corporations Act 2008 and Palestinian Context

Palestinian listed companies is controlled by the Palestinian Capital Market Authority-PCMA. These companies must report quarterly according to the authority regulations. In this section, the researcher addressed some facts that are imposed by the above act in order to understand the business environment in Palestine. (Palestine Capital Market Authority, 2008)

- Stock Split is prohibited by law. This issue may reflect less ownership dispersion, and more concentration. In other words, more power for shareholders to ask for dividends.
- Shareholders can convert their shares into debts investment or preferred stocks. This issue results in dynamic changes in the capital structure, and consequently affect the dividends policy.
- Corporations can buy treasure stocks for re-sale purposes. This issue has the same impact of the above change of capital structure.
- Corporations must deduct 10% of each year's earning for statutory reserve before any distribution of dividends. This issue arises question about the impact of profitability on management decision to pay dividends.
- Shareholders can vote for distribution of excess statutory reserve. This reserve must not exceed 25% of the total capital.

Chapter Two

Literature Review

2.1. Introduction

This chapter tackles the most common theories that interpret the behavior of listed companies in their decisions regarding dividends policy. Moreover, a comprehensive surfing of previous studies and literature is conducted in order to develop the needed research hypothesis.

2.2. Dividends Policy

Dividends are the return that companies pay for current investors, and to attract potential ones. verna (1994) has defined the role of dividends as to solve the agency problem between management and investors. Therefore, wise management design an appropriate dividends policy in order to match between investment needs and investors satisfaction.

According to Kivali (2013), characteristics of dividends' policy could be summarized in four manners. First, fixed amount per share regardless of changes in earnings. Second, constant payout ratio of each year profits (e.g. 15% of net income). Third, a mix of the above two policies could be used. For example, the company can pay the adopted fixed amount plus a payout ratio in good conditions. Finally, the residual dividends policy can be adopted through payment out of the left earnings after investment opportunities are financed.

In order to investigate the impact of different variables on dividends payment, we have first to be aware of ratios used in literature to measure the dividends payment. One measure is the dividends payout ratio (DPO) which measures the amount of earnings that were distributed to shareholders. It's calculated by dividing the dividends per share by the earnings per share according to Damodaran (2010). Another measurement of dividends is dividends yield that considers the share price as an external factor in such calculation. It's calculated by dividing the dividends per share by the share price according to (Damodaran, 2010)

In the current study, the researcher see that dividend pay-out ratio is a more informative measurement of the firms' dividend since it is limited to internal factors, which will be more reliable. DPO was used by most of the previous studies such as (Rozeff, 1982), and (Hellstrom & Inagambaev, 2012).

2.3. Dividends Policy and Strategic Financial Planning

This part of study discusses the strategic dimension of dividends policy among companies. It tackles the factors that companies consider in their financial plans, and implications of such decision on the strategic position of the company.

The Strategic Financial Planning is defined as the formulation of ways and alternatives that company will follow in order to achieve its financial and strategic goals, to avoid the future uncertainty, and align to the overall corporate strategy. According to Ross, Wasterfield and Jordan (2012), the time horizon of strategic planning is often classified in to short run (12 months or less) or Long-run (strategic Level). The Process of long-term Financial Planning involves setting a growth plan, and assessing the financial needs and sources of money to finance such a plan. Since financing alternatives include external and internal funding, the payment of dividends is considered a strategic decision. Based on empirical studies, growth will lead to retain dividends in order to create an internal financing for such growth. In contrast, if company has no opportunities for growth, then retained earnings will create an idle cash that will aggravate the agency problem between investors and management. (Ross, Wasterfield, & Jordan, 2012).

2.3.1. Dividend Policy and strategic thinking

The process of strategic financial planning results in one conclusive question. Does the company need an external financing or not. If yes, what form of financing, debt or equity? Once the company has such strategic information, management starts assessment for availability, affordability, and accessibility of financing alternatives. The main implication of choosing such alternative is the impact on capital structure, and consequently on the weighted average cost of capital WACC. (Afza & Mizra, 2011).

To sum up, the above debate has tackled the dividends policy as a part of strategic financial planning factors. Companies will decide to pay dividends or not based on the signaling effect, which could be summarized in management comfort and ability to pay dividends in future. Moreover, dividends could be retained to create as sustainable internal growth in case of lacking the ability of external financing. On the other hand, perusing the external debt financing represents a positive signal, since it reflects that company was exposed to valuation of financial health. This issue will increase the degree of financial leverage, and change the WACC. (Ross et al 2012).

Figure.1 summarizes how managers involves dividends policy in their strategic plans. (Ross, Wasterfield, & Jordan, 2012)



Figure (1): Strategic Thinking of Dividends Policy (Ross, Wasterfield, & Jordan) Fundementals of Corporate Finance 2012

This figure suggest the importance of dividends policy as a component of strategic planning. According to Ross et al (2012), the company that seek for growth plan, will start thinking how to finance the intended plan, the internal financing will lead to retain profits and delay the payment of dividends. This will affect current investors' behavior who seek for immediate returns. On the other hand, if the company decided to finance the growth in the form of external equity (new shares issuance), management must consider potential investors' perspectives toward dividends. (Ross et al 2012).

2.4. Dividends Theories

The corporate finance literature has given interest to research the drivers for distributing dividends. Still, there is no clear formula to figure out how dividends should be distributed. Even though, this section lists a set of theories that better picture on factors that affect such decisions.

2.4.1. The Agency Theory

This theory was developed by Michael C. Jensen and William H. Meckling in 1976. It entails the agency problem that could be summarized in the conflict of interests between stockholders who invest their money in a certain company, and other stakeholders (managers, creditors, governments...etc.) who might look for self-interest. Company CEO and other management levels are agents who are employed by the board to maximize the shareholders' wealth. Here, the agency problems arises due to the above conflict (Jensen & Meckling, 1976).

According to Jensen and Meckling (1976), dividends should be paid to shrink the underinvestment problem, to leave managers with less funds (free cash flows), and so, they will strive to seek for additional funding opportunities. This fact might force managers for debt financing to create growths which results in higher financial leverage. (Jensen & Meckling, 1976)

2.4.2. Irrelevance Theory

In 1961, Franco Modigliani and Merton Miller proved that dividends do not affect the share price or cost of capital, but firms increase their values through investment. According to Miller & Modigliani (1961), this theory acts in the perfect market where information is completely available, no costs for transactions, no taxes nor floatation costs. Therefore, firms are not forced to pay divedends, but increase growth through investment. As a resul, this theory can be related to this study –under perfect market- since it affects the size and growth opportunities as independent vairables for dividends policy.

2.4.3. The Signaling Theory

According to Ross (1995), the signaling is used to portray current and future performance when managers release information through disclosures to affect investors' decisions. Ross concluded through empirical tests that if firms incease dividends, then share price will increase, and vice versa. Therefore, this theory is releveant to this contexts since it encourages mamangers to pay dividends, and so, build a positive image that enable it to access debt financing as a growth financing vehicle. As a result, the financial leverage, growth and size increase. Here we can note a reversing implication of dividends on the mentioned factors rather than being affected by them. Still, these factors will re-affect the divedends policy according to (Ross W., 1995).

2.4.4. The Bird in the Hand Theory

This theory was developed by Gordon and Linter in 1962, as a conflict with MM irrelevance theory. Gordon and Linter (1962) established that shareholders prefer current dividends rather than future due to uncertainty factor. They claimed that dividends are relevant under uncertainty cases since investors are rational and risk averse, in contrast with MM. Again, this theory is relevant to this research since rational investors put their money in firms that expedite declaration of dividends, which in turn increases the need for debt, and so, higher leverage.

As a comparisong to other theories, Baker & Powell (2000) studied the different theories regarding dividend payments. They investigated corporate managers' view on the relationship of dividends to value, in lights of Signalling, Bird-in-hand, and Agency theory. Results revealed that 77% see dividends as a factor of the firm's value which agrees with the Bird-in-hand theory.

Moreover, results show that managers believe that the dividend policy was an effective method of signalling information to shareholders. However, results support Fisher Blacks (1976) statement that dividend is a puzzle.

2.4.5 Pecking order Theory

This theory was first established by Donaldson in 1961. According to (Donaldson, 1961), firms prefer the internal funds, then debts, then equity in their financing preference due to scrutiny effects when they need debt. This theory is considered relevant to current study since is strives mangers to seek for additional funds to finance growth, and then use the internal funds to pay dividends. Later, Myers and Majlouf (1984) have modified that safe debt is preferred for risky investment, and concluded that reduction in dividends payment should be accompanied by reduction in using debts since managers in such case see internal financing is less costly and risky than debt for high growth opportunities.

2.4.6. Catering Theory of Dividends

This theory states that managers build their decision to pay dividends based on demand tendency of investors. In other words, they cater investors who have paid stock price premium by paying dividends. Baker and Wurgler (2004) have empirically tested this hypothesis through four sets of time series data. The main findings inform that nonpayers companies tend to initiate dividends in conditions of high demand and vice versa, while payers tend to omit dividends when investors demand is low.

According to those researchers, catering theory interprets dividends policy better that other ones. However, Tsuji (2010) empirically found that no evidence for that theory impact on dividends policy in such sector.

2.4.7. Lifecycle Theory

The life cycle theory was proposed by Mueller (1972). He stated that each firm has a welldefined life cycle, and the dividends are paid according to the LC stage. In other words, mature firms have less investment opportunities, and so, much of retained earnings which cause them to pay more dividends to avoid agency costs. In contrasts, young firms have more growth opportunities and need to build reserves of profit to finance its growth opportunities that result in less dividend payment (Mueller, 1972).

2.4.8. Clientele Effect

In 1970s, the literature tackled Tax as a new variable to determinants of dividends. The rationale was that create a tax disadvantage for investors since they pay higher tax rate than capital gains, reducing the net rate of return. DeAngelo, Skinner, & Douglas (2009) Argued that investors with a preference for stocks that pay dividends based on their own attitudes. This preference is considered clientele effect that was first suggested by Miller & Modigliani (1961), who proposed that each investor chooses the company that will invest in according to their needs and views. Investors' preferences depend on the tax brackets in which they are in; investors in low tax brackets prefer high dividends.

2.5. Determinants of Corporate Dividends Policy

This section entails the most common variables that have an impact of dividends policy as tackled in previous researches, and they will be essential in analyzing this impact in the Palestinian case. These variables include: Financial Leverage, revenue growth, firm size, business risk, free cash flow, profitability, firm maturity, industry type, ownership concentration, return on assets, and previous year (DPO). The chapter of methodology clarifies the quantifying formulas for each of them.

In the Palestinian context, Aqel (2016) had researched the Palestinian case through by selecting seven independent variables. These variables are liquidity, financial leverage, firm size, risk, profitability, growth, and cash flow. Accordingly, he conducted the regression test on 24 nonfinancial Palestinian companies between 2009 and 2013. His research concluded that growth, risk, and profitability explanatory variables have positive and statistically significant association with dividends payout ratio, while, the firm size and leverage ratio factors were not significant relationship with dividends payout ratio, and Liquidity appeared to have a negative effect (Aqel, 2016).

(Hassoun et al. (2016) have also tackled the period between 2008 and 2012 in Palestine. Researchers had selected 21 companies of companies that distributed dividends for continuous five years. The tested variables are profitability, leverage, assets structure, business risk, liquidity, free cash flow, growth, firm size, and ownership dispersion. The empirical test found that profitability and firm size are positively significant to the dividends payout, while leverage and assets structure are negatively related. While other variables seemed to be insignificant. Moreover, they found no significant difference between the Palestinian case and other countries. (Hassoun et al. 2016).

The rest of this section depict the mostly researched variables through related literature locally and internationally. The selected variables below are the cornerstone for current research as eleven hypothesized determinants.

2.5.1. Financial Leverage

The capital structure decision is one of the crucial ones made by financial management. The financial leverage is the extent to which the firm utilize debt as financing vehicle for its operations and investment opportunities. According to Litzenberger & Karus (1973), the optimal capital structure is one that balance the benefits and pitfalls of debt. In other words, tax savings, reduction of agency cost, versus the costs associated with such a debt. Moreover, the degree of financial leverage (DFL) is a measure of efficiency and financial risk. One point is that DFL enable the firm owners to control greater amount of assets to generate much of earnings and growth, while the financial risk increased in case of higher obligations. The most common formulas to measure the leverage (gearing level) are debt/equity ratio, or % change in EPS/ % change in EBIT.

Afza & Mizra (2011) have established a negative relationship between leverage and dividends payout ratio. This is because of the high transaction costs and interests that increase profitability, and reduce the firm ability to distribute dividends. Asif et al. (2010) have also concluded the negative association between the leverage and payment of dividends. Alonso & Sanz (2005) also concluded that the capital structure in Spanish companies entails a negative relationship between leverage and firm value in cases of growth opportunities. This associations turns out to be positive when generating less profits, since the firm will retain dividends to increase the firm value.

In contrast, Al-Kuwari (2009) investigated the determinants of dividend policies for firms listed on (GCC) country stock exchanges during 1999 to 2003.Researcher concludes that there are a number of factors which have impact on the dividend policy. One of the findings is that firms with the optimum capital structure are able to pay high dividends as compared to other companies. Moreover, Asad & Yousaf (2014) Concluded that financial leverage has a significant negative

impact on dividends payment in Pakistani manufacturing firms. Gupta & Banga (2010) Investigated 150 Indian companies between 2001 and 2007. By selecting six variables as follows: leverage, profitability, liquidity, growth, and ownership structure. Results showed that only the leverage level and liquidity can determine the dividends decision.

2.5.2. Revenue Growth

Even that the title impress the growth in sales, it also includes the boosting in company resources. This is achieved through much of profitable projects and investments. On the other hand, seeking for growth often creates liquidity problems for companies Susela (2011). This variable is measured as (current year revenues- previous year revenues)/ previous year revenues according to Kivali (2013) in his recent research.

The revenue growth reflect high investing opportunities, and used as a quantitative variable to measure such opportunities. Chang & Rahee (2003) found that companies that have a growth opportunities tend to retain its profits rather than distributing dividends, while much of dividends are paid in the absence of profitable investments to cub the problem of underinvestment, or investment in infeasible projects. Moreover, Rozeff (1982) established a negative relationship between growth opportunities and payment of dividends. The rationale beyond this finding is that firm which experience attractive investments opportunities tend to reduce dividends in order to avoid external financing, and to reduce the agency costs. Mohd et. al. (1995) Also concluded that slow growing companies tend to pay higher dividends to prevent managers from over investing cash, and to shrink the agency problem. These findings were also applicable in the Lebanese banking sector, as Maladjian & El Khoury (2014) concluded.

Pandy (2001) established a relationship between growth, debt financing, and dividends. He followed the trade-off theory to establish that the growing company engages in better economies of scale, then it can issue debt securities and maintain growth in retained earnings. This fact results in more liquidity to pay dividends and reducing the agency cost of shareholders.

2.5.3 Firm Size

Lloyd, Jaher, & Page (1985) were the first who considered the firm size as a determinant variable of dividends policy. They stated that larger firms tend to distribute more dividends to reduce the agency costs. Their findings supported this hypothesis based on that ownership dispersion leads to more bargaining power of investors. In addition, Sawicki (2005) illustrated that dividends distribution helps in monitoring information in large corporations. Consequently, paying dividends arises the need for external financing, which results in more transparency and monitoring by creditors and stakeholders. Kivali (2013) established a positive relationship between the firm size and payout ratio. His study sample had tackled 40 nonfinancial corporations and found that size is significantly related to the distributed dividends. On the other hand, the Palestinian context has revealed different results. For example, Aqel (2016) found that a positive relationship exists between the two variables.

2.5.4 Corporate Business Risk

Market risk is measured by beta as a measure of stock prices volatility. Many studies have argued that high-risk firms will experience more cash flow volatility Thus, the need for external financing requirement of such firms will increase, and so, manger will strive to reduce the dividend payout to avoid costly external financing (Chen & Steiner, 1999) On contrast, Mollah, Keasy, & Short (2002) Attempted to construct a relationship between business risk and dividends policy. The risk could be measured by ability to create profitability per share, or EPS. The primary hypothesis stated that higher risks will shrink corporate profits. Nevertheless, this study has rejected this argument based on findings, since many companies have paid dividend during market recessions, or when market beta is high, and vice versa. (Mollah et al. 2002).

Moreover, Wansly & Saxena (1996) established a negative relationship between dividends payout and existing financial risk of the firm. The financial risk in this case is presented by the DFL. In other words, the highly leveraged firms are keen to pay-off their debts as a priority, which in turns leave less earnings for shareholders. Bradely et al. (1998) found that systematic risk force companies to reduce the payment of dividends. By contrast, Al-Kuwari (2009) found the business risk is not a significant variable in determination of the dividends policy when she applied this study for Arab Gulf states. Svenson & Thoren (2015) also support this finding by implying the negative impact of business risk on dividends, but no significance in the free cash flow.

2.5.5. Free Cash Flow

Jensen (1986) defined free cash flow as the cash remains after the required fuds for profitable investments. When this cash increases, the agency problem arises due to the conflict between management and shareholders who strive for increasing their share values, while managers look for personal achievements and reputation. This issue was researched by Jensen and others like La Porta (2000) and Jensen (1986) who both stated that to overcome the agency problems, and to avoid the misuse of cash, more dividends must be paid.

Other studies have used the operating cash flows for the purpose of measuring the effect on dividends policy such as Gupta & Banga (2010) who found a negative relationship. However, OCF is considered less accurate than FCF in the financial literature since it does not measure the firm's excess cash for either investment or dividends.

2.5.6. Profitability

According to Fama & French (2001), firm profitability is an explanatory determinant of dividends' payout. However, there is a significant difference between developed and developing countries in such relationship. La Porta (2000) compared between countries from the legal restrictions point of view, and stated that in countries who experience poor quality for shareholders' legal protection, firms tend to pay less dividends regardless of profitability levels, while investors will accept whatever distributed.

In Jordan, Al-Malkawi (2007) Identified profitability as the primary determinant of dividends policy. Osbove & Denis (2007) Tackled dividends policy from an international view, they investigated cases from six European counties and found that all share the same results. They concluded that large, profitable, and high earning companies will pay higher dividends, which agrees with Jensen (1986) Agency theory. Researchers claimed that these results create doubts about the Signalling theory as they contradict the common knowledge that less profitable firms use dividends as a means of signalling to shareholders.

2.5.7. Firm Maturity

Grullon, Michaely, & Swaminathan (2002) established that mature companies pay out more and have greater payout ratios than growing ones. Firms that reach the maturity stage initiate to declare dividends rather than retention. This result is based on the lifecycle theory. In this study, the maturity of the firm is computed by the age of the firm as a positive determinant.

2.5.8. Industry Type

Michel (1979) Established that firm's industry affects its dividend policy. Moreover, Baker, Farrelly & Edelman (1985) examined the industry effect on dividend policy of firms. Three main industry groups: utility, manufacturing and wholesale/retail. In contrast, Rozeff (1982) results rejected that industry type explain its dividend payout ratio. In this research, Palestinian firms are classified into two groups: Manufacturing and Non-manufacturing.

2.5.9. Ownership Concentration

According to Shleifer & Vishny (1986), the Ownership structure has an impact on dividend policy. This is reasoned by large controlling shareholders, such as a family, have large voting right. Accordingly, they may adopt a dividend policy in which the firm distributes no or low dividends. In contrast, Hassoun et al.(2016) found that the concentration of ownership is insignificant. In this study, this variable is quantified through the cumulative sum of owned shares that exceeds 5%.

2.5.10. Return on Assets- ROA

Hedensted & Raaballe (2006) conducted their research on the Danish market. They established a positive relationship between Dividends payout, and Return on Assets. Moreover, Al-Kuwari (2009) Found that DPO is positively related to the ROA. According to the surfed literature, no study revealed that ROA was insignificant to the DPO.

2.5.11. Previous Year Dividends

According to Ross (1995), most companies believe in the consistent pattern of dividends payment. This is directly linked to the signaling theory that considers dividends as a positive signal to attract investors who seek for immediate return. As an empirical evidence, Kuzucu (2015) has established a positive relationship between current year dividends, and the year t-1.

The following is a general discussion of studies that were not tackled through the text. For example,

Hellström & Inagambaev (2012) investigated some factors that might have influence on DPO. Their research was conducted on the Swedish market to compare between medium vs large companies. This study included free cash flows, Growth, Leverage, Profit, Risk, and size as determinants. Consequently, they concluded a positive impact of FCF, Leverage, Growth, and Risk.

Gill et al. (2010) have empirically tested determinants of dividends policy American service and manufacturing companies in USA. The entire sample proved that dividends are a function of profit margin, sales growth, debt-to-equity ratio, and tax. While cash flows is considered insignificant.

Kuzucu (2015) has included new variables in researching the Turkish market. Her study included Liquidity, Leverage, Profitability, Growth, Size, Market Valuation, Ownership, Maturity of the firm, and type of industry as hypothesized determinants for dividends policy. The empirical findings revealed that financial leverage, growth rate and ownership concentration, and profitability, have a negative relationship, whereas a positive effect exists for size, maturity, and PE ratio. **Note:** the researcher see it in high importance to interpret selection of two variables that measure profitability, ROA, and EPS. The rationale beyond this selection is that ROA is not only a profitability measure, but also measure the company performance according to (Ross, Wasterfield, & Jordan, 2012). This fact is based on the DuPont equation that considers ROA a result of two ratios, the profit margin (Net Income / Sales) multiplied by assets turnover (Sales/ Assets). The profit margin is the part of ROA that measures profitability, while assets turnover measures the company performance. This interpretation explains the difference between the two variables used in this research, and justify the contradictory impact of each of them. (Ross, Wasterfield, & Jordan, 2012).

2.7. Research Hypothesis

To determine the factors that affect the dividends policy in Palestine, following hypothesis are developed to answer the main research questions. The following are the main null and alternate hypothesis. Table (1) in the literature summary illustrates the expected sign of the relationship if existed based on the surfed literature.

Null Hypothesis:

H0: There is No statistically significant relationship between Dividends Payout Ratio and: Financial Leverage, Revenue Growth, Firm Size, Business Risk, Free Cash Flow, Profitability, Firm Age, Industry Type, Ownership Concentration, Return on Assets, and Previous year Dividends.

Alternative Hypothesis:

.

H1: There is a statistically significant relationship between Dividends Payout Ratio and: Financial Leverage, Revenue Growth, Firm Size, Business Risk, Free Cash Flow, Profitability, Firm Age, Industry Type, Ownership Concentration, Return on Assets, and Previous year Dividends

By the end of chapter two, and after reviewing related literature and research, we are now able to develop the research design, based on surfing similar studies, and in the manner that enable us to answer the research question, to argue the developed hypothesis, and to review related theories and their applicability to Palestinian market. All these issues are discussed in chapter three.

Chapter Three

Research Methodology

3.1. Research Design & Approach

This research has used quantitative secondary data that has been derived from the audited financial statements of the selected sample companies (explained in the next section.). Basically, we have two types of research approaches to interpret the relationships between theory and research process. Deductive, and Inductive (Bryman & Bell, 2007).

In the deductive approach research often relates the research to an existing theories to create the hypotheses to be tested against empirical data. Then, the researcher either confirms or rejects the stated hypothesis based on the findings. In contrast, inductive approaches bases the research on empirical data that is used in order to create a theory.

In this case, the researcher has based the research on the related theories. Thus, deductive approach is used to test the quality of theories against research hypothesis. This process is summarized in figure 2:



Figure (2): Research Design and Approach: (Bryman A. & Bell.E) Business Research Methods , 2007

3.2. Data Collection

This quantitative research studied the listed companies in Palestine Stock Exchange (PEX). The population is consisted of 49 listed companies including financial institutions (Banks, Insurance & Securities companies). The sample is limited to the non-financial companies, and excluded companies that did not issue their financial reports continuously between 2013 and 2016. As a result, the sample size is 32 companies (see Appendix.1). Furthermore, secondary data has been derived from the audited financial statements of sample companies as of Dec.31 of the years 2013, 2014, 2015, and 2016. The reliability of data is assumed to be based on the independent auditor report upon these statements. To provide further details about the manner of data collection and factors considered, table (1) below shows that 49 listed companies have resulted in two-level samples. Sample one includes all companies that meet initial sampling criteria and equals to 32 companies. While sample two excludes the companies that did not pay dividends at all during the timeframe of current research.

Description	Number of Companies	Notes
Total Listed Companies	49	PEX Drop Down List
Less: Financial Banks	(6)	Their Financial structure has special characters
Less: Insurance Companies and other financial institutions	(8)	Their Financial structure has special characters
Total Eligible Companies	35	
Less:		
Companies with no continuous reporting or newly listed	(3)	
Result: Sample "1"	32	
Less: Companies Did not Pay dividends	(13)	
Result: Sample "2"	19	

Table (1): Sampling Criteria

3.3. Variables of the study and Research Model

This research is designed to examine the impact of some factors on dividends policy. The variables are figures, ratios, or calculations derived from the audited financial statements of the companies selected in our sample. Table (2) illustrates the measurements used to calculate each of the variables used as depended and independent variables:

No.	Variable	Measurement	Symbol
Dep.	Dividends Distribution	Cash Dividend / Net Income	DPO
1	Financial Leverage	Total Debt/ Total Equity	DFL
2	Revenue Growth	{Revenues (t) - Revenues (t-1) }/ Revenues (t-1)	Grow
3	Firm Size	Natuaral log of Total Assets Book Value	Size
4	Business Risk	Price of Share /Earning Per Share Ratio	Risk
5	Free Cash Flows	The Ratio of {OCF - Capital Expenditues}/Total Assets	FCF
6	Profitability	Net Income/ # of Outstanding Shares	EPS
7	Firm Maturity	Current Year - Year of Establsihement	Age
8	Industry Type	a Dummay of 1 = Manufacturing, 0= Non-Manufacturing	Indust.
9	Ownership Concentration	Cumulative Sume of owned shares over 5%	Own
10	Return on Assets	Net Income/ Total Assets	ROA
11	Previous DPO	Financial Statemens figue in year t-1	Prev.DPO

Table (2): Measures of Research Variables

From the table above, we conclude that:

- > **Dependent Variable:** Dividends Payout Ratio
- Independent Variables: Financial leverage, Growth Opportunities, Firm Size, Business Risk, Free Cash Flows, Profitability, Firm Maturity, Industry Type, Ownership Concentration, Return on Assets, and previous year dividends.

In order to test research hypothesis, the following Hypothesized Model was developed:

 $DPO = \beta_0 + \beta_1 (DFL) + \beta_2 (GROW) + \beta_3 (Size) + \beta_4 (Risk) + \beta_5 (FCF) + \beta_6 (EPS) + \beta_7$ $(Age) + \beta_8 (Indust) + \beta_9 (Own) + \beta_{10} (ROA) + \beta_{11} (Prev.DPO) + ei$

3.4. Test Statistics

The above relationship is tested developed based on the expected relationships results in the surfed literature. The data of the years between 2013 and 2016 are summarized, coded, and analyzed using SPSS V.23. From the surfed literature, previous researcher had used the following statistical techniques.

3.4.1. Pearson Correlation Coefficient

This techniques is widely used by researchers due to its simplicity. It determines the strength of relationship between variables. However, there are some drawbacks of such a test. One limitation is that it excludes the non-linear relationships and limit its outcomes to the linear ones. Secondly, it doesn't indicate the casualty of relationships. In other words, it doesn't show how variables are correlated. Finally, it doesn't work for data unless it is normally distributed according to Keller (2005). In chapter 4, the normality test showed that data is not normally distributed, and so, Pearson correlation is not a reliable test in this study.

3.4.2 Regression Analysis

This type of analysis enables prediction of one variable based on another. It has two types, simple and multiple regression. Since that research has more than one variable, the multiple regression is appropriate to current research. Keller (2005). The hypothesized regression equation as follows:

$$DPO = \beta_0 + \beta_1 (DFL) + \beta_2 (GROW) + \beta_3 (Size) + \beta_4 (Risk) + \beta_5 (FCF) + \beta_6 (EPS) + \beta_7$$
$$(Age) + \beta_8 (Indust) + \beta_9 (Own) + \beta_{10} (ROA) + \beta_{11} (Prev.DPO) + e_i$$

3.4.3. Tobit Model

According to Amemiya (1985), this technique is considered a type of Censored Regression. The main difference is that Tobit model considers the Censoring and Truncation factors. Censoring refers to the loss of dependent variable in any of observations while no lost occurs in the independent ones. While Truncation refers to the case when data is lost in either variables .In this research, no data is lost in the two selected samples. Therefore, no need to apply this test.

3.4.4 Summary of Test Selection

The techniques above were widely used by highly reliable researchers. Therefore, the multiple regression with standard method is used in current research, since it seems from the literature that it is reliable and valid test. In addition, the multicollinearity test is conducted to measure the association between the independent variables. This methodology was followed by many of researchers as (Aqel, 2016; Al-Malkawi, 2007; Al-Kuwari, 2009; Hassounet al. 2016), and others.

3.5. Validity of the independent Variables

According to Bryman & Bell (2007), validity is one of the most important criteria that tests the quality of independent variables to work as determinants of dependent variable. The internal validity refers to casualty of independent variables as well as accuracy of their calculation techniques. Through surfing the literature, this research has used the variables that seemed to be explanatory in one study at least. On the other hand, the external validity refers to generalization of research findings on others cases (markets). (Bryman & Bell, 2007)

3.6 Research Reliability

According to Bryman & Bell (2007), reliability is also an important factor in the research quality, since it examines the extent of relying on research findings. To justify that, the researcher derived the determinants (independent variable) from past studies where researchers had tested them. Moreover, the quantitative data used to measure such variables in the Palestinian context is obtained from audited financial statements by accredited auditors. This fact reduce the possibility of bias information that are published by companies. Finally, reliability give the reader an indication if the test is replicated, it would definitely give the same results. Though, this research can be replicated by the available and affordable used data, and so, this research is considered reliable. (Bryman & Bell, 2007)

Chapter Four

Data Analysis & Empirical Findings

4.1 Data Processing

This chapter concentrates on summarizing the data used in estimating the research model, the means of analysis, and the output given through statistical software. The manual processing of the eleven variables had been done through MS Excel and based on reliable formulas, to quantify each variable based on the measurements equations that are accepted by theory and literature, and were mentioned in Chapter 3 in table 3.

An important notation should be mentioned with regard to the procession of Size, and Profitability. These two measures have special characters in their computations for the current study. Size is the natural log of total assets, and Profitability is the EPS. The mentioned two figures are numbers rather than ratios, so that, the researcher faced a problem that some companies report their financial statements in Jordanian Dinar (JOD), while others report in USD. To resolve such a problem, the researcher have unified those two numbers in JOD by multiplying the USD figures by 0.709, which is a constant rate between the two currencies. (WWW.Xe.Com)

All variables are derived from the financial statements of the selected sample companies, and classified as scale data in SPSS v.23. The only qualitative data is the business type which was classified into two groups: manufacturing, and non-manufacturing. Where dummy variables were developed into (1) for manufacturing, and (0) for non-manufacturing companies. The variables are coded and entered into SPSS v.23, and were analyzed through multiple regression at 95% confidence level (accepted error = α = 0.05).

4.2 Descriptive Statistics

The table below provides an overall picture on the components of study variables. The table depicts the mean, standard deviation, maximum and minimum values for each category of variables after data processing based on the full sample.

Descriptive Statistics										
	N Minimum Maximum Mean Std. Deviation									
DPO	128	-9.2476	11.6618	.328268	1.3856194					
Prev.DPO	128	.0000	11.6618	.377978	1.0775968					
LEV	128	.0089	2.5834	.586445	.5574694					
GROW	128	9079	50.7308	.647174	5.0037650					
SIZE	128	14.0098	20.7443	16.916830	1.4606394					
RISK	128	-145.0000	320.0000	14.760070	59.4204141					
FCF	128	5230	.6515	.042423	.1372160					
Prof	128	2687	2.1483	.151552	.3505737					
Age	128	3.0000	71.0000	25.187500	15.9100572					
ROA	128	6219	.2611	.018149	.0974057					
OWN	128	.0000	46.6700	.961976	4.0796667					
Туре	128	.00	1.00	.5937	.49306					
Valid N (listwise)	128									

From the table, we can show a high standard deviations especially in the variables of Risk, and company Age. While slight deviation in the DPO of 1.39 as in average, companies distribute 32.82% of their earnings in the form of dividends. Otherwise, we can see a convergent nature of standard deviations. These standard deviations is discussed in the regression results upon assessing the standard error of the whole model.

4.3 Sample 1 Analysis

As mentioned previously, the data was grouped into two-level samples. Sample one includes all companies that meet the sampling criteria (paying and non-paying companies). This sample consists of 32 companies with 128 observations. The following sections discuss the obtained outputs from SPSS

4.3.1 Data Normality Test

This section tackles the issue of data normality of the dependent factor based on the obtained observations. The DPO data of sample one was analyzed on SPSS through K-Smirnove Normality test. According to Keller (2005), the data distribution is considered normal if P-value (sig) of the data was greater than α .

Based on the below table, DPO Sig is almost zero according to K-Smirnov Test. Therefore, the data is not normally distributed. This fact enable us to claim that Pearson correlation is not enough test to interpret the relationship between the researched variables, since one important criteria to use it is the normality of data (Amemiya, 1985).

			Statistic	Std. Error
DPO	Mean		.328268	.1224726
	95% Confidence Interval	Lower Bound	.085917	
	for Mean	Upper Bound	.570619	
	5% Trimmed Mean		.268083	
	Median	.000000		
	Variance	1.920		
	Std. Deviation	1.3856194		
	Minimum		-9.2476	
	Maximum		11.6618	
	Range		20.9094	
	Interquartile Range	.5914		
	Skewness	1.793	.214	
	Kurtosis		52.790	.425

Descriptives

Tests of	Normality
----------	-----------

	Kolmogorov-Smirnov ^a		Shapiro-Wilk			
	Statistic	df	Sig.	Statistic	df	Sig.
DPO	.399	128	.000	.337	128	.000

a. Lilliefors Significance Correction

		DPO
Ν		128
Normal Parameters ^{a,b}	Mean	.328268
	Std. Deviation	1.3856194
Most Extreme Differences	Absolute	.399
	Positive	.279
	Negative	399
Test Statistic		.399
Asymp. Sig. (2-tailed)		.000°

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

4.3.2 Regression Analysis for Sample 1

The following tables are obtained from SPSS when analyzing the data of Sample 1.

Model Summary								
Adjusted R Std. Error of the								
Model	R	R Square	Square	Estimate				
1	.305ª	.093	.007	1.3808500				

ANOVA								
Model		Sum of Squares	df	Mean Square	F	Sig.		
1	Regression	22.650	11	2.059	1.080	.383 ^b		
	Residual	221.183	116	1.907				
	Total	243.833	127					

From the table of model summary above, we can see that $R^2 = 0.093$. This number is called the Coefficient of Determination according to Keller (2005). This ratio concludes that only 9.3% of the variation in DPO is interpreted by the mentioned eleven variables. This is consistent with ANOVA table that shows a Sig value = 0.383 based on F-test. This figure reflects that no linear fit between the DPO and selected variables.

However, the most indicating numbers that lead to accept or reject our hypothesis is the table of constants. The following table is based on α = 0.05. Accordingly, any variable that has a Sig value > α = 0.05, then it will be statistically insignificant according to Keller (2005). From the table below, we note that no single variable seems to be significant based on Sig value. The result is interpreted by the existence of outliers in the observations through Zero value DPO.

	Coefficients								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity	Statistics	
Model		В	Std. Error	Beta	т	Sig.	Tolerance	VIF	
1	(Constant)	942	1.739		542	.589			
	Prev.DPO	016	.145	012	109	.913	.619	1.616	
	LEV	024	.276	009	085	.932	.635	1.574	
	GROW	006	.026	023	244	.808	.891	1.122	
	SIZE	.060	.102	.063	.589	.557	.681	1.467	
	RISK	.003	.002	.115	1.233	.220	.902	1.108	
	FCF	.049	.960	.005	.051	.959	.866	1.155	
	Prof	.778	.537	.197	1.449	.150	.424	2.360	
	Age	006	.009	075	740	.461	.771	1.297	
	ROA	179	1.706	013	105	.917	.544	1.839	
	OWN	003	.031	010	110	.912	.925	1.081	
	Туре	.494	.275	.176	1.797	.075	.819	1.222	

4.4 Sample 2 Analysis

The sample computation was illustrated in table (2) in chapter 3. It includes only 19 companies that used to pay dividends in the *at least once* in the period between 2013 and 2016. It also includes any year in which the dividends are paid. Based on that, we can get 59 observations that constitute an appropriate size for multiple regression according to (Bryman & Bell, 2007).

This sample could be considered more logical and indicating to our research purpose. Many researchers had included only the paying companies such as (Gill et al. 2010; Hassoun et al.2016; Al-Malkawi, 2007). While others used the whole sample as a research base like (Al-Kuwari, 2009; Aqel, 2016).

Current study considers the non-paying companies as special case and constitute outliers that provide misleading results. Consequently, the researcher conducted the complete statistical analysis by relying on this sample, starting with normality test, descriptive statistics, multicollinearity tests, and test of association through p-value comparison.

4.4.1 Normality Test

As mentioned in section 4.2.1, the K- Smirnov test is used to assess the normality of dependent variable (DPO) based on P-value. The following table enable us to conclude that our data is not normally distributed since Sig= $0.000 < \alpha = 0.05$. Again, this conclusion makes Pearson Correlation test not valid technique to assess results according to (Keller, 2005)

One-Sample Kolmogorov-Smirnov Test					
		DPO			
Ν		59			
Normal Parameters ^{a,b}	Mean	.712171			
	Std. Deviation	1.9813847			
Most Extreme Differences	Absolute	.379			
	Positive	.352			
	Negative	379			
Test Statistic		.379			
Asymp. Sig. (2-tailed)		.000 ^c			



a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Descriptives

			Statistic	Std. Error
DPO	Mean		.712175	.2579544
	95% Confidence Interval	Lower Bound	.195823	
	for Mean	Upper Bound	1.228526	
	5% Trimmed Mean		.654531	
	Median		.651700	
	Variance		3.926	
	Std. Deviation		1.9813850	
	Minimum		-9.2476	
	Maximum	11.6618		
-	Range	20.9094		
	Interquartile Range	.2691		
	Skewness		.764	.311
	Kurtosis		26.898	.613

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk			
	Statistic	df	Sig.	Statistic	df	Sig.	
DPO	.379	59	.000	.364	59	.000	

a. Lilliefors Significance Correction

4.4.2 Multicollinearity Tests

Multicollinearity situation arises when some of independent variables are dependent on each other or highly correlated according to Walker & Maddan (2009). Accordingly, a correlation above 0.7 as an absolute value indicates the presence of multicollinearity problem between two independents. This could be illustrated in the correlation matrix obtained through SPSS output as , and based on *Pearson Correlation* as shown below.

_	Correlations												
		DPO	Prev.DPO	LEV	GROW	SIZE	RISK	FCF	Prof	Age	ROA	OWN	Туре
Pearson	DPO	1.000	.057	076	173	075	.602	.042	.133	094	058	010	.205
Correlatio	Prev.DPO	.057	1.000	170	.071	063	041	179	.569	151	118	014	.132
n	LEV	076	170	1.000	001	.359	.111	156	297	341	280	.036	366
	GROW	173	.071	001	1.000	.050	.053	.367	018	033	.052	014	155
	SIZE	075	063	.359	.050	1.000	046	066	030	292	182	.237	484
	RISK	.602	041	.111	.053	046	1.000	061	064	.154	.016	.042	.224
	FCF	.042	179	156	.367	066	061	1.000	252	390	.085	107	127
	Prof	.133	.569	297	018	030	064	252	1.000	.229	.618	077	.073
	Age	094	151	341	033	292	.154	390	.229	1.000	.315	070	.247
	ROA	058	118	280	.052	182	.016	.085	.618	.315	1.000	102	.102
	OWN	010	014	.036	014	.237	.042	107	077	070	102	1.000	.070
	Туре	.205	.132	366	155	484	.224	127	.073	.247	.102	.070	1.000

From the correlation matrix, we conclude that no independent variables are correlated at higher that sig=0.7. Nevertheless, a slightly high correlation do exist between Profit and Previous DPO on one side with sig= 0.589, and Profit with ROA on the other side with sig= 0.618.

Thus, even these correlations are below 0.7, the researcher conducted another test to assess the possibility of multicollinearity that would harm the regression results. This issue is solved through another measurement obtained by SPSS, and called Variance Inflation Factor (VIF) or Tolerance. According to Walker & Maddan (2009), Tolerance= I/ VIF, as Tolerance measures how much of the variation in an independent variable is not depending on another. They have also stated that if VIF >4, or Tolerance < 0.25, then a multicollinearity do exist. After initial processing in SPSS, the following results are obtained:

Model	Collinearity Statistics		
Model	Tolerance	VIF	
1 (Constant)			
Prev.DPO	.214	4.679	
LEV	.544	1.839	
GROW	.741	1.349	
SIZE	.562	1.780	
RISK	.851	1.175	
FCF	.429	2.332	
Prof	.128	7.819	
Age	.443	2.258	
ROA	.200	4.994	
OWN	.873	1.145	
Туре	.588	1.701	

a. Dependent Variable: DPO

We can simply conclude that our doubt of results obtained through the correlation matrix has come true. Since each of Prev. DPO, Profitability, and ROA has a VIF greater than 4, or a Tolerance less than 0.25. Therefore, the researcher had to exclude one of them at least from the regression analysis to overcome the problem of multicollinearity. This is illustrated in the next section of the approved regression model.

4.4.3 Regression Analysis

Based on the previous section, the researcher tried to exclude some of correlated independent variables to overcome the problem of multicollinearity. Three different scenarios (Models) were developed. First was by excluding Prev. DPO variable, Second by excluding ROA variable, and the third scenario was developed by excluding the Profit variable. As a result, the multicollinearity problem was solved in all scenarios as follows:

This model obtained no collinearity according to the following table. While the second table shows the coefficient of determination that is used as the model selection criteria.

Madal 1	Collinearity Statistics				
	Tolerance	VIF			
(Constant)					
LEV	.606	1.651			
GROW	.950	1.052			
SIZE	.592	1.690			
RISK	.815	1.227			
FCF	.680	1.471			
Prof	.575	1.739			
Age	.572	1.747			
ROA	.565	1.769			
OWN	.887	1.128			
Туре	.610	1.640			

Model Summary								
Adjusted R Std. Error of the								
Model	R	R Square	Square	Estimate				
1	.873ª	.762	.713	1.0623064				

a. Predictors: (Constant), Type, FCF, Prof, OWN, GROW, RISK, Age, LEV, SIZE, ROAb. Dependent Variable: DPO

• Model 2: Excluding ROA, other things being constant

This model also obtained no collinearity according to the following table. While the second table

shows the coefficient of determination that is used as the model selection criteria.

Madal 2	Collinearity Statistics				
	Tolerance	VIF			
(Constant)					
LEV	.547	1.827			
GROW	.702	1.425			
SIZE	.656	1.524			
RISK	.780	1.282			
FCF	.478	2.094			
Prof	.461	2.167			
Age	.423	2.364			
Prev.DPO	.443	2.255			
OWN	.724	1.381			
Туре	.583	1.714			

Model Summary								
	Adjusted R Std. Error of the							
Model	R	R Square	Square	Estimate				
2	.741ª	.549	.455	1.4629418				

a. Predictors: (Constant), Type, OWN, Prev.DPO, FCF, RISK, GROW, LEV, SIZE, Prof, Age

b. Dependent Variable: DPO

• Model 3: Excluding Profit, other things being constant

This model also obtained no collinearity according to the following table. While the second table shows the coefficient of determination that is used as the model selection criteria.

Madal 2	Collinearity Statistics				
Model 3	Tolerance	VIF			
(Constant)					
LEV	.555	1.803			
GROW	.715	1.399			
SIZE	.657	1.523			
RISK	.773	1.294			
FCF	.467	2.140			
ROA	.713	1.402			
Age	.439	2.276			
Prev.DPO	.721	1.387			
OWN	.719	1.392			
Туре	.597	1.674			

Model Summary							
			Adjusted R	Std. Error of the			
Model	R	R Square	Square	Estimate			
3	.711ª	.505	.402	1.5320263			
a Prodictors: (Constant) Type OW/N Prov DPO ECE POA PISK							

a. Predictors: (Constant), Type, OWN, Prev.DPO, FCF, ROA, RISK,GROW, SIZE, LEV, Ageb. Dependent Variable: DPO

4.4.4 Selection of the Explanatory Model

As a result of the analysis above, we are now able to decide which model can more interpret the relationship between the selected variables, and the DPO in order to make decision concerning the research hypothesis. By looking at the table titled "Model Summary" in each model section, we simply note that the most determinant model is Model 1. Which was based on the exclusion of previous year DPO variable. This selection can be interpreted by the highest R² of 0.762

4.4.5 Regression Results

The research results are obtained through the multiple regression that was based on Model 1. The following table depicts the relationships between dependent and the independent variables based on P-value. Again, we should recall that regression was conducted in all of the above situations based on 95% level of confidence. Accordingly, any independent variable that has a Sig value below 0.05 is considered significant, and vice versa.

	Unstandar Coefficie	dized ents	Standardized Coefficients			Correlations		Collinearity Statistics		
Model	В	Std. Error	Beta	т	Sig.	Zero- order	Partial	Part	Tolerance	VIF
1 (Constant)	-1.335	2.317		576	.567					
LEV	077	.473	015	164	.871	076	024	012	.606	1.651
GROW	-1.162	.466	180	-2.494	.016	173	339	176	.950	1.052
SIZE	.060	.115	.048	.522	.604	075	.075	.037	.592	1.690
RISK	.059	.008	.594	7.616	.000	.602	.740	.536	.815	1.227
FCF	6.061	.961	.539	6.308	.000	.567	.673	.444	.680	1.471
Prof	1.648	.445	.344	3.704	.001	.133	.471	.261	.575	1.739
Age	-7.877E-05	.013	001	006	.995	094	001	.000	.572	1.747
ROA	-7.928	2.923	254	-2.712	.009	058	365	191	.565	1.769
OWN	001	.025	003	038	.970	010	006	003	.887	1.128
Туре	.233	.427	.049	.545	.588	.205	.078	.038	.610	1.640

Coefficients^a

a. Dependent Variable: DPO

From the table above, and based on P-value criteria, we conclude the following:

- Significant Variables: Growth, Risk, Free Cash Flow, Profit, and Return on Assets.
- Insignificant Variables: Financial Leverage, Size, Firm Age, Industry Type, and Ownership Concentration.
- Excluded Variables through Multicollinearity tests: Previous Year Dividends

Model Summary ^b							
Adjusted R Std. Erro							
Model	R	R Square	Square	Estimate			
1	.873ª	.762	.713	1.0623064			

a. Predictors: (Constant), Type, FCF, Prof, OWN, GROW, RISK, Age, LEV, SIZE, ROA

b. Dependent Variable: DPO

Moreover, this table provide an indication of the strength of relationship between all variables, and the DPO. R= 0.873, which is called Correlation Coefficient, indicate a strong relationship of the model since it is greater than 0.75 according to (Bryman & Bell, 2007). While $R^2 =$ 0.762 is called the Coefficient of Determination. The adjusted R² and indicates that 71.3% of the variation in DPO is determined by the 5 significant variables (Growth, Risk, FCF, Profit, and ROA). This value support the explanatory model based on F-test sig value in ANOVA table. The standard error of 1.06 is depicted in the above table is used in the final revealed model as an error instead of eI in the hypothesized model. It means that predicted values have an average distance of 1.06 % from the regression line.

ANOVA"										
Model		Sum of Squares	Df	Mean Square	F	Sig.				
1	Regression	173.534	10	17.353	15.377	.000 ^b				
	Residual	54.168	48	1.128						
	Total	227.701	58							

a. Dependent Variable: DPO

b. Predictors: (Constant), Type, FCF, Prof, OWN, GROW, RISK, Age, LEV, SIZE, ROA

Finally, the ANOVA table provides an idea about the linear fit of the regression model. When ANOVA sig $< \alpha$, then linear model is appropriate for such analysis. This conclusion is based on F-test value = 15.377 which results in sig value $< \alpha$. (see the below illustration):



Normal P-P Plot of Regression Standardized Residual

At the beginning of this research, a hypothesized model was developed to include eleven variables that other researchers found significant to DPO as follows.

$$DPO = \beta_0 + \beta_1 (DFL) + \beta_2 (GROW) + \beta_3 (Size) + \beta_4 (Risk) + \beta_5 (FCF) + \beta_6 (EPS) + \beta_7$$
$$(Age) + \beta_8 (Indust) + \beta_9 (Own) + \beta_{10} (ROA) + \beta_{11} (Prev.DPO) + \varepsilon_i$$

After analyzing the data through Model 1, following results are obtained based on coefficients table and model summary table

Coefficients ^a											
		Unstandar Coefficie	dized ents	Standardized Coefficients			Correlations		Collinearity Statistics		
Model		В	Std. Error	Beta	t	Sig.	Zero- order	Partial	Part	Tolerance	VIF
1 (Cons	stant)	-1.335	2.317		576	.567					
LEV		077	.473	015	164	.871	076	024	012	.606	1.651
GRO	Ν	-1.162	.466	180	-2.494	.016	173	339	176	.950	1.052
SIZE		.060	.115	.048	.522	.604	075	.075	.037	.592	1.690
RISK		.059	.008	.594	7.616	.000	.602	.740	.536	.815	1.227
FCF		6.061	.961	.539	6.308	.000	.567	.673	.444	.680	1.471
Prof		1.648	.445	.344	3.704	.001	.133	.471	.261	.575	1.739
Age		-7.877E-05	.013	001	006	.995	094	001	.000	.572	1.747
ROA		-7.928	2.923	254	-2.712	.009	058	365	191	.565	1.769
OWN		001	.025	003	038	.970	010	006	003	.887	1.128
Туре		.233	.427	.049	.545	.588	.205	.078	.038	.610	1.640

a. Dependent Variable: DPO

DPO = -1.335 -1.162 Grow + 0.59 Risk +6.061 FCF+ 1.648 Prof - 7.928 ROA +e (1.062)

From this model, we note a positive impact of Risk, FCF and Profit, while Growth and ROA have a negative impact. These results are be deeply discussed in chapter 5.

Chapter Five

Conclusions and Recommendations

The last chapter of study discuss the summary of research findings, conclusions, and recommendations for further research. The following sections wrap-up with previous chapters, and provide a summary of all research work.

5.1 Hypothesis Testing

This section discusses the empirical findings in terms of accepting or rejecting the research hypothesis, in addition to comparison with other researchers' conclusions regarding the included variables in this study.

1- Degree of Financial Leverage (Accept H0)

From the coefficients table, DFL seemed to be have no statically significant relationship to the DPO based on P-value = 0.871 > 0.05. This results in failing to reject the H0, but also consistent with several researches' results revealed by (Aqel, 2016; Gill et al.2010) while conflicting with (Hassoun et al.2016) results who found it to have a negative significant relationship in Palestinian market, along with other researches all over the world.

Moreover, some theories state the reversing effect of DPO on leverage rather than being determined by it. This is stated in Signaling Theory by Ross (1995), and Bird in Hand Theory by Gordon & Linter (1962). They established that company which pay dividends, will need more debt. Finally, one interpretation of this result is that Palestinian financial system is not highly engaged in long term debt as a financing vehicle.

2- Revenue Growth (Reject H0)

From the Coefficient table, we note that growth Sig 0.016 < 0.05. This indicates the significant relationship, and by looking at the constant value of -1.162, we conclude a negative relationship between revenue growth and DPO after rejecting the H0.

This conclusion is consistent with most of researched literature such as (Al-Malkawi, 2007; Aqel, 2016; Alonso & Sanz, 2005; Pandy, 2001), and others, In contrast, in the Palestinian context, Hassoun et al. (2016) found growth to be insignificant, but they used a different measurement of growth represented by the natural log of company market value.

3- Firm Size (Accept H0)

From the Coefficient table, we note that size Sig 0.604 > 0.05. This indicates that no significant relationship between size and DPO after failing to reject H0. Through surfing the literature, we conclude that current study results is consistent with Aqel (2016) while conflicting with Hassoun et al. (2016). Additionally, it worth to mention that no theory beyond this relationship, but some empirical studies that depends on the nature of financial system in each country according to Lloyd et al. (1985).

4- Business Risk (Reject H0)

From the Coefficient table, we note that Risk Sig approaches to 0.000 < 0.05. This indicates the significant relationship, and by looking at the constant variable of 0.59, we conclude a positive relationship between risk and DPO after rejecting H0. This result is consistent with Mollah et al. (2002) who established that many companies had paid dividends during market recessions. Moreover, Aqel (2016) have established the same positive relationship to the Palestinian market. In Contrast, Hassoun et al. (2016) found that no statistically significant relationship can exist along with others like (Al-Kuwari, 2009; Al-Malkawi, 2007).

5- Free Cash Flows: (Reject H0)

From the Coefficient table, we note that FCF Sig 0.000< 0.05. We conclude a significant relationship exists between the FCF and DPO based on successful rejection for H0. By looking at constant variable of 6.061, we note that DPO is positively related to free cash flows. This result is conflicting with (Hassoun et al, 2016; Al-Kuwari, 2009). While consistent with others like (Jensen & Meckling, 1976; La Porta, 2000).

6- Profitability (Reject H0)

From the Coefficient table, we note that profitability Sig 0.001 < 0.05. This indicates the significant relationship between profitability and DPO based on rejecting H0. By looking at the constant variable of 1.648, we conclude a positive impact of profitability on dividends' payment. This is consistent with most of previous researches like (Hassoun et al, 2016; Al-Kuwari, 2009; Aqel, 2016); Al-Malkawi, 2007) who found that profitability is the primary determinant of DPO.

7- Firm Maturity (Accept H0)

From the Coefficient table, we note that Age Sig 0.995 > 0.05. This indicates that no significant relationship exists between the age of the company and payments of dividends after failing to reject H0. This result is conflicting with Grullon et al. (2002) who found that mature companies use to pay more dividends that immature ones. Moreover, this indicates that the lifecycle theory does not apply for our case.

8- Industry Type (Accept H0)

From the Coefficient table, we note that Type Sig 0.588 > 0.05. This indicates the absence of significant relationship between the industry type and DPO based on failing to reject H0. This hypothesis was developed without a theoretical background, but based on previous researches that established a significant difference between economic sectors in their dividends behavior like (Baker et al. 1985; Michel, 1979). While our findings are consistent with Rozeff (1982).

9- Ownership Concentration (Accept H0)

From the Coefficient table, we note that Own Sig 0.970 > 0.05. This indicates that no significant relationship between the degree of ownership concentration and dividends policy in the company, after failing to reject H0. This is consistent with Hassoun et al. (2016) in the Palestinian context, while conflicting with Shleifer & Vishny (1986) who established a positive relationship.

10- Return on Assets (Reject H0)

From the Coefficient table, we note that ROA Sig 0.009 < 0.05. This indicates the significant relationship based on successful rejection of H0. By looking at the constant variable of -7.928, we conclude a negative relationship between the return on investment and DPO. The previous researches that investigate the ROA have established a positive relationship such as (Al-Kuwari, 2009; Hedensted & Raaballe,2006), while no study revealed an insignificant relationship of returns. In my opinion, this result is surprising based on signaling theory which provides a positive signal for investors when the company generates higher returns, while create another agency problem through the conflict between high return on the company, with no return on the investors' shares.

11- Previous Year Dividends (Accept H0)

This variable was excluded from the model one that was selected to this study. This is to solve the problem of multicollinearity as mentioned in section 4.3.3. Even though, in the initial analysis, Previous DPO found to have no significant impact on current year dividends after failing to reject H0. This is another deviation from the signaling theory that reveals an inconsistent behavior of dividends.

5.2 Summary of Hypothesis Testing

Based on the discussion in section 5.2, the main results are contrasted in comparison to the expected ones at the beginning of this research. Table (3) illustrates these results and comparisons.

Variable	Decision on H0	Actual Sign of Relationship	Expected Sign of Relationship
Degree of Financial Leverage	Accepted	NA	+
Revenue Growth	Rejected	_	_
Firm Size	Accepted	NA	+
Business Risk	Rejected	+	_
Free Cash Flow	Rejected	+	+
Profitability	Rejected	+	+
Firm Age	Accepted	NA	+
Industry Type	Accepted	NA	qualitative
Ownership Concentration	Accepted	NA	_
Return on Assets	Rejected	_	+
Previous year Dividends	Accepted	NA	+

Table (3): Summary of Hypothesis Testing

5.3. Summary of Research Conclusions

This quantitative research aimed at establishing and empirical evidence for the dividends policy applied in Palestinian Non-financial firms. The dividends policy was measured through the Dividends Payout Ratio (DPO), and hypothesized to be a function of eleven independent variables, Revenue Growth, Financial Leverage, Previous year DPO, Firm Size, Business Risk, Free Cash Flows, Firm Age, Industry Type, Profit, Ownership concentration, and ROA. The empirical multiple regression revealed five significant variables, Profit, ROA, Growth, FCF, and Business Risk. While previous DPO was excluded at the final model to solve the multicollinearity problem, the remaining variables had insignificant relationship to the DPO. Overall, results have been consistent with several local, regional, and international research as explained in each variable testing.

One important note the reader should be aware of. The EPS and ROA are considered profitability measures that are expected to have the same impact. However, this study revealed a positive impact of EPS but a negative impact of RAO. The interpretation of these two results is that ROA is not only a profitability measure, but also measure the company performance according to (Ross, Wasterfield, & Jordan, 2012).

This fact is based on the Dupont equation that considers ROA a result of two ratios, the profit margin (Net Income / Sales) multiplied by assets turnover (Sales/ Assets). The profit margin is the part of ROA that measures profitability, while assets turnover measures the company performance. This interpretation explains the difference between the two variables used in this research, and justify the contradictory impact of each of them.

5.4 Implications of Research Results

By the end of this research, the researcher established that research purpose is fulfilled through establishing a model that determines about 71.3% of variables that determine the dividends policy among Palestinian non-financial firms, and so, this is an addition to solving the dividends puzzle and so, this research has extended the previous research results over new time horizon. Accordingly, both current and potential investors can rely on these results to assess companies in terms of their behavior. For example, investors who follow the bird in hand theory look for receiving dividends rather than share price appreciation. Therefore, they should invest in low growth rate companies, or more profitable ones.

The study has also contributed to the theoretical knowledge and related literature. It added a new variable that were researched for the first time in Palestine, to be utilized and compared by other researchers around the world. Moreover, these results were severally compared with the only two studies available in the Palestinian context, that were conducted by (Aqel, 2016) and (Hassoun, Tran, & Quach, 2016). This comparison resulted in many consistent results, and some conflicting ones, which open the doors for further investigating researches.

Finally, corporates' CEOs and CFOs can utilize these results to understand the manner in which they actually pay dividends, and how things are going in the whole market. Understanding the internal financial factors along with surveying the investors' behavior will definitely enable managers to build a more workable and appropriate dividends policy. While government can also benefit from these results, and decide whether to leave companies free of regulation, and impose regulations related to dividends in favor of shareholders' interest.

5.5 Further Research and Recommendations

At the end of this research, the researcher recommends to conduct further investigation of more determinants of the dividends policy puzzle. This could be by addition of newly hypothesized variables that might be concluded through companies' management views, or by considering more CG variables (corporate Governance Variables).. Moreover, we should recall that current research has interpreted variables impact in dividends- paying companies (Sample 2- Model 1). Therefore, it is highly recommend to conduct a new study to investigate the reason beyond not paying dividends in some companies over many years. Finally, we suggest applying this research model for a longer time period, which might reveal different results.

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No	Company Name	CODE	Disclosure Currency	Establishment Year	Sample 1	Sample 2
1	Union Construction & Investment	UCI	USD	2007	Yes	Yes
2	Arab Company for Paints Products	APC	JOD	1994	Yes	Yes
3	Palestine Electric	PEC	USD	1999	Yes	Yes
4	Jerusalem Pharmaceuticals	JPH	USD	1978	Yes	Yes
5	The National Carton Industry	NCI	USD	1993	Yes	Yes
6	Arab Palestinian Investment	APIC	USD	1994	Yes	Yes
7	Palestine Development & Investment	PADICO	USD	1993	Yes	Yes
8	Palestine Telecommunications	PALTEL	JOD	1997	Yes	Yes
9	Palestine Real Estate Investment	PRICO	JOD	1994	Yes	Yes
10	Beit Jala Pharmaceuticals	BJP	JOD	1970	Yes	Yes
11	Birzeit Pharmaceuticals	BPC	USD	1979	Yes	Yes
12	Dar Al-Shifa Pharmaceuticals	PHARMACARE	USD	1986	Yes	Yes
13	Al-Shark Electrode	ELECTRODE	JOD	1972	Yes	Yes
14	Palestine Poultry	AZIZA	JOD	1997	Yes	Yes
15	Palestine Industrial Investment	PIIC	JOD	1995	Yes	Yes
16	Nablus Surgial Center	NSC	JOD	2008	Yes	Yes
17	The Vegetable Oil Industries	VOIC	JOD	1953	Yes	Yes
18	The Ramallah Summer Resorts	RSR	JOD	1945	Yes	Yes
19	National Aluminium & Profile	NAPCO	JOD	1991	Yes	Yes
20	Al-Wataniya Towers	ABRAJ	USD	1995	Yes	No
21	The Arab Hotes	AHC	JOD	1996	Yes	No
22	Al-Aqariya Trading & Investment	AQARIYA	JOD	2003	Yes	No
23	Palestine Investment & Development	PID	JOD	1993	Yes	No
24	Jerusalem Real Estate Investment	JREI	USD	1996	Yes	No
25	Arab investors	ARAB	JOD	1964	Yes	No
26	Wataniya Palestine Mobile Telecomm.	WATANIYA	USD	2010	Yes	No
27	PALAQAR for Real Estate Dev & Manag.	PALAQAR	JOD	1998	Yes	No
28	BRAVO MALL	BRAVO	JOD	2000	Yes	No
29	Jerusalem Cigarettes	JCC	JOD	1960	Yes	No
30	Palestine Plastic Industry	LADAEN	JOD	1998	Yes	No
31	Golden Wheat Mills	GMC	JOD	1995	Yes	No
32	Palestine Dist. & Logistics Services	WASSEL	USD	2005	Yes	No

Appendix 1: List of Researched Companies

ملخص

عنوان الرسالة: محددات سياسة توزيع الأرباح في الشركات المساهمة العامة: دراسة للحالة الفلسطينية

يهدف هذا البحث الذي تم اعداد لأغراض استكمال متطلبات الحصول على درجة الماجستير في التخطيط الاستراتيجي وتجنيد الأموال إلى التعرف على أهم العوامل التي تحدد قرار توزيع الأرباح في الشركات المساهمة العامة في فلسطين باستثناء المؤسسات المالية والبنوك والتأمين. يعتمد البحث على البيانات الثانوية التي تم استقاؤها من التقارير المالية المدققة لهذه الشركات للسنوات ما بين 2013 وحتى 2016 لحساب المتغيرات التي تلزم لإجراء الدراسة.

اعتمد الباحث نسبة توزيع الأرباح (DPO) كمتغير تابع، وذلك لقياس طريقة توزيع الأرباح في الشركات التي تم بحثها ضمن العينة، كما تم استخدام أحد عشر عاملا مستقلاً بافتراض تأثيرها على نسبة توزيع الأرباح، وذلك استنادا إلى ما تم استخدامه في الدراسات السابقة. وهذه المتغيرات هي: الرافعة المالية (DFL) ، حجم الشركة، نمو المبيعات، مجال عمل الشركة (صناعي أو خدماتي)، تركز الملكية، الربحة، السيولة النقدية، مخاطر الأعمال، عمر الشركة، العائد على الأصول (ROA)، وأخيراً نسبة الأرباح في الأرباح. (Year DPO

يتكون مجتمع الدراسة من 49 شركة حسب قائمة سوق فلسطين للأوراق المالية ، قام الباحث باستخدام نوعين من العينات التي تراعي معايير الاختيار أعلاه. العينة الأولى تكونت من 32 شركة وكانت النتائج غير مقبولة إحصائيا لوجود عدد كبير من الشركات التي لم تقم بتوزيع أرباح خلال فترة الدراسة وبالتالي كانت هناك انحرافات كبيرة في طبيعة البيانات التي تم تحليلها، وعليه تم استثناء هذه الشركات والاكتفاء بالعينة رقم 2 التي تتكون من 19 شركة التي قامت بتوزيع أرباح لمرة واحدة على الأقل ما بين 2013 و 2016. ولتحليل البيانات ، تم استخدام تحليل الانحدار الخطي المتعدد (Multiple Linear Regression) على درجة موثوقية البيانات ، تم استخدام تحليل الانحدار الخطي المتعدد (Multiple Linear Regression) على درجة موثوقية النقدية ، ومخاطر الأعمال) هي التي تؤثر بشكل طردي، بينما تؤثر كل من (نمو الإيرادات ، والعائد على الأصول) بشكل عكسي. وبشكل عام ، كانت نتائج التحليل داعمة لقوة البحث بحيث فسر 71.3% ما يوان ما المؤثرة حسب قراءة م