OWNERSHIP STRUCTURE AND PAYOUT POLICY OF LISTED DEPOSIT MONEY BANKS IN NIGERIA

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ABSTRACT

Payout policy is return to investors and is also a mechanism used to mitigate agency problems in a company, usually through large ownership. This study examined the impact of ownership structure on the dividend policy of listed deposit money banks in Nigeria. Correlational research design is employed in a sample of thirteen (13) listed deposit money banks in Nigeria for a period of five (5) years (2009-2013). Ordinary least squares (OLS) multiple regression technique of data analysis was used in the analysis. The study found that ownership structure has significant positive impact on the dividend policy of the listed deposit money banks in Nigeria during the period covered by the study at 1% level of significance. The study in particular found that institutional shareholding and block holding have significant positive impact on the dividend policy of listed deposit money banks in Nigeria during the period under review. On the contrary, the study found that managerial shareholding has no significant impact on the dividend policy of listed deposit money banks in Nigeria. The study recommends that the existing and potential investors should encourage investment in the deposit money banks in Nigeria through corporate institution and in large volume (block holding). The study also recommends that, regulators should make the larger proportion of the equity shareholding in the deposit money banks to be institutional.

1.0 INTRODUCTION

Dividend policy is said to be one of the pivotal components of firm policies and has been viewed as an interesting issue in the literature. Dividend policy is one of the companies' decisions that are found to be influenced by ownership structure. Dividends can be used to mitigate agency problems in a company, thus substitute large ownership as monitoring tools. On the other hand, large shareholders could use their power to expropriate corporate resources for their own private consumption. This could limit the dividend payments of companies that are associated with severe agency conflicts. In view of this argument, it is essential to examine the association between large shareholders, especially the largest shareholder and dividend policy to gain better understanding of corporate dividend decisions. (Easter brook 1984, Jensen 1986, Rozeff 1982, Faccio 2001).

The study of dividend policy has captured the attention of finance scholars since the middleof the last century. They have attempted to solve several issues pertaining to dividends and formulate theories and models to explain corporate dividend behaviour.The dividend enigma has not only been an enduring issue in finance, it also remains unresolved. Almost three decades ago Black (1976) described it as a "Puzzle" and since then an enormous number of research has occurred trying to solve the dividend puzzle. Allen, Bernardo and Welch (2000, P.2499) summarized the current consensus view when they concludedthat "Although a number of theories have been put forward in the literature to explain their pervasive presence, dividends remains one of the thorniest puzzles in corporate finance".

The term dividend policy refers to "the practice that management follows in making dividend payout decisions or, in other words, the size and pattern of cash distributions over time to shareholders" (Lease et al 2000, P. 29). This issue of dividend policy is one that has engaged managers since the birth of the modern commercial corporation. Surprisingly then dividend policy remains one of the most contested issues in finance. One of these factors is corporate governance which recently received considerable attention due to the financial scandals. The reason for the attention is the interest conflicts among shareholdersin the corporate structure (Gillan& Starks 2003). Differences exist between the shareholder types and the demand for dividend (Truong and Heaney, 2007).Among shareholders types, managerial shareholders, institutional and block shareholders have a greater influence on firm policies. The relationship between a firm's dividend policy and its ownership structure is recognized on the established literature (Short et al 2002).

Dividend policy varies across countries(Laporta et al 2000) prior studies suggested significant differences in dividend policy between developed countries and developing countries (Abdulsalam et al 2008). Most studies argued that corporate governance practices including ownership structure are affected by environmental characteristics. Therefore, the relationship between ownership structure and dividend policy is expected to be different in various environments and countries. (Gillan& Starks, 1998; Claessens et al 2000). Dividend policy is an influential control vehicle to reduce the conflicting interests of the shareholders and managers because shareholders are interested in getting dividends, but managers prefer to retain earnings. Mangers want to retain earnings for maintaining higher control over the resources. Cooperate governance has received serious attention as it deals with agency problems. Jensen(1986)and Rozeff (1982) argued that for firms to alleviate the agency problems they could use dividend payout policy. According to them, if dividends are not paid to the shareholders, the managers will start using these resources for their private benefits. Dividend policy helps the firms to know that they can control the agency costs. Jensen (1986) argued that by paying dividends to the shareholders, the managerial control over the resources would reduce. Stouraitis and Wu (2004) suggested that dividends could be used to squeeze the overinvestment problems of corporations.

Dividend policy will not only assist in reducing the agency costs but will also act as a signal togive information to shareholders about the firm's valuation. The dividend payout can be influenced by the firms ownership structure. This research has linked the firm's dividend payout policies with ownership structure of deposit money banks in Nigeria by providing statistical evidence. The objective of this study is to investigate the impact of ownership structure (institutional shareholding, managerial shareholding and block holding) on the dividend policy of listed deposit money banks in Nigeria. This study has proven to be different because many research have been conducted in developed countries to find out the relationship between the ownership structure and dividend policy: but Nigeria as an emerging economy differs from those of developed countries and to the best of our knowledge, no study have been conducted in Nigeria considering similar variables used in this study. Consistent with the problem and objectives of the study, the following research hypotheses are formulated in null form;

H_{01}: Institutional shareholding has no significant impact on the dividend policy of the listed deposit money banks in Nigeria.

H_{02}: Managerial shareholding has no significant impact on the dividend policy of the listed deposit money banks in Nigeria.

H_{03}: Block holding has no significant impact on the dividend policy of the listed deposit money banks in Nigeria.

The remaining section of the paper has the following organization: section 2 reviews the previous research on ownership structure and dividend policy; section 3 describes the research methodology; section 4 reports and analyze the empirical result' section 5 summarizes and concludes.

2.0 LITERATURE REVIEW

Managerial Ownership and Dividend Policy

An important body of literature exists on how ownership structure influences dividend policies. Especially the link between managerial ownership and dividend policies has been well documented (Wiberg, 2008), Jensen's (1986) free cash flow theory suggests that managers are reluctant to payout dividends, preferring instead to retain resources under their control.

The evidence shows that dividend decreases as the increasing of the voting power of owner-managers, and is almost zero when owner-managers have absolute control, while it is always positive when firms are controlled by institutional shareholders. (Eckbo and Verna, 1994), short et al (2002) found a negative relationship between dividend payout and managerial ownership.

The analysis of Chen et al (2005) also showed a negative relationship between managerial ownership and dividend policy and it also further argued that managerial ownership is negatively associated with firm performance in the context of Hong Kong. Short et at (2002) found that there is a negative relationship between managerial ownership and dividend policy. Wen and Jia(2010) found that both managerial ownership and institutional ownership are negatively associated with dividend policy in bank holding companies.

Jensen (1986) argued that managers prefer to retain earnings instead of giving it to shareholders as dividends. Managers want to use the resources for the growth of the firm as well as for their personal benefits. Eckbo and verma, (1994) empirically showed that dividends decreases with the increasing power of managerial ownership and also argued that in the managers controlled firms where they have absolute voting power, the cash dividend is zero.

Jensen et al (1992) argued that managerial ownership has a negative impact on the dividend payout policy and the firm's debt. Mehrani, Moradi and Eskandar (2011) found the evidence in support of negative association between managerial ownership and dividend payment policy. Consequently, we found that many previous studies have found negative association between managerial ownership and dividend payout policy in different circumstances.

Koh (2003) investigated Australian firms in relation to the relationship between managerial ownership and aggressive dividend policy practice and found a positive association between them. This results is consistent with the view that high managerial ownership encourages managerial accruals discretion.

Hsu and Koh (2005) extended Koh's (2003) research by investigating the effect of both short-term and long term managerial ownership on the extent of dividend policy in Australia. They found that managerial ownership is statistically significant for all linear specifications but insignificant for the non-linear models. However, managerial ownership is positively related with dividend policy. Bergstresser and Philippon (2006) supported this by saying that the more closely a CEOs compensation is tied to the value of stock and options, the more likelyit is that dividend increases.

Teshima and Shuto (2008) examined managerial ownership effect on dividend policy and found that dividend policy is significantly positive within intermediate regions of ownership, which suggested that the entrenchment effect is dominant in these regions. Also, they found that the association between managerial ownership and dividend policy is significantly negative within low and high regions of ownership, suggesting that the alignment effect is dominant in these regions.The above studies suggested that monitoring seems to be weaker at higher managerial ownership levels.

Institutional Ownership and Dividend Policy

Institutional investors are large investors such as insurance firms, banks, pension funds, financial institutions, investment firms, and other nominee firms that are related with the mentioned categories of institutions (Koh 2003). The presence of institutional shareholdings may lead firms to change their behaviour. They have the influence on investee corporations and can affect their decision making and policies because of their substantial holdings. One of these policies is dividend policy, significant relationship between institutional ownership and dividend policy is expected. There are different theories about this relation. Two of these theories are more prevalent, agency theory and signaling theory.

Dividend is deemed to be a reward to the shareholders for their contribution in raising fund for a company and for bearing the relevant risks. In this regard, management of a company formulates a dividend policy to divide and distribute earnings among the shareholders for their capital invested. Dividend policy is having a crucial influence on the value of firm because it has to maintain an equilibrium between the firm's growth policies and the dividend payout policies. A minor mistake can lead to shareholders dissatisfaction as well as can shake the firm's growth. The dividend payout policy can be influenced by the ownership structure.

This relationship between ownership structure and dividend policy is acknowledged from the literature of Jensen and Meckling (1976). Many prior studies showed a relationship between the dividend policy and management ownership (Rozeff 1982, Jensen and Meckling 1976) but still there was need to put the institutional ownership into consideration.

Waud (1966) Fama and Babaik (1986) and Short, Zhang and Keasey (2002) suggested that there is significant relationship between dividend policy and institutional ownership. The relationship is also clearly recognized in the works of Short et al (2002) who on one hand showed the positive alliance between institutional ownership and dividend policy.

Zeckhauser and Pound (1990) Short et al (2002) after using four dividend models found a positive relationship between dividend policy and institutional ownership. Mehrani, Moradi and Eskandar (2011) found the evidence of negative association between dividend payment policy and institutional shareholders; consequently we found that if different results take place from the relationship of institutional shareholders and dividend payout policy in different circumstances, then what can be the relationship from Nigerian perspective?

Institutional investors are the large investors such as banks, pensions and other financial institutions or intermediaries who have larger sum of money and are capable of investing money in different corporations. Therefore, they are very influential in performing their corporate governance roles. Corporate governance is specifically concerned to reduce the agency cost.

Block-Holders Ownership and Dividend Policy

The larger the concentrated ownership structure, the greater the need for monitoring. According to Mitton (2005), there exists a positive association between corporate governance and dividend payout in emerging market and it is further argued that the countries having strong investor legal protection are capable of making more dividend payment.

Ramli (2010) empirically found in the study of Malaysian listed companies where ownership structure is more concentrated that as the shares of large shareholders increases, the firms will be able to make higher dividends.Block-holders ownership takes various forms including individual investors, pension funds, mutual funds, corporations, private equity firms, fund managers, banks and trusts. All these except individual investors are also known as institutional investors. (Cronqvist and Fahlenbrach, 2009).

Zhong et al (2007) considered two competing views when studying the relationship between block-holders and dividend policy. First, consistent with the agency theory perspective, small block-holders can sell their shares quickly if they are not pleased with the performance of managers, whereas large block-holders found it hard to sell a large block of stock without it having considerable impact on the firm, including lowering its stock price. Thus, large block-holders normally adopt a long-term strategy and thus they need to monitor managers to produce more benefits for their equity ownership. Block holders have the ability to monitor and voice their concerns and objections as a result of their voting rights. This, in turn, provides some monitoring over managers, which enables the block-holder to also affect the board of directors composition. (Person, 2006)

Secondly, unlike small shareholders, large block-holders can put pressure on managers to report a favourable financial performance and create another threat of intervention to perceived underperforming management (Barclay and Holdererness, 1991; Shleifer and Vishny, 1997). Consequently, the existence of large block-holders may press firms managers to engage in income-increasing dividend policy to report a favourable financial performance.

Bethel et al (1998) found that block trades have a positive association with more management turnovers and found that block-holders press the managers to take specific actions or face risk of being dismissed whenever the company performs badly. These two competing views of the effect of block-holder ownership are not necessary mutually exclusive. The dominating factor in both views is the cost and benefit of the dividend policy to the block-holders.

Zhonh et al (2007)examined the above two views on the effect of block-holders in dividend policy. The sample used was 5,475 firms that were observed between 1994 and 2003 dividend policy was measured using pooled cross-sectional data and they used the modified Jones (1991) model. The results were consistent with the second view, which indicate that block-holder ownership is positively associated with discretionary accruals.

Additionally, Klein (2002) examine the effectiveness of characteristics of the board and the composition of the audit committee, while controlling the effects of block-holders ownership. To measure the effect of block-holders on dividend policy, she looked at firms whose audit committees included representatives of block-holders with more than 5% of the equity. She found a negative relationship between 5% block-holders sitting in audit committees and dividend policy.

Theoretical Framework

Agency Theory

Jensen and Meckling (1976)argued that agency relationship takes place when the principals engage the agents to perform some of their duties on their behalf. Agency cost arises because of conflicting interests of the managers and owners, short et al (2002) argued that dividend policy performs a crucial role in reducing agency costs, which have arisen from the conflicting interests of both the parties. According to Rozeff (1982), dividend payment could create conflicts among the managers andshareholders because managers are more willing to retain resources instead of paying dividends. Managers are interested in following the growth strategies for their firms because the growth of a firm will give them more power to control these resources.

On the other hand, shareholders prefer dividends to retain earnings. If profits are not paid to the shareholders in form of dividend, the managers might change their intentions towards the benefits of the management or they can engage the resources into unprofitable projects.

Consequently, the interest conflict arises among them, which can be solved through dividend payout policy. Therefore, Rozeff (1982) called divided payment a device used to reduce agency costs. Many studies have argued on a point that institutional investors positively impact the agency problems by reducing agency costs and by influencing dividend policies. Han et al (1999) empirically showed a positive relationship between dividend payout and institutional ownership. Carvalhal-da Silva and Leal (2004) argued that agency problem between the managers and the shareholders can take place due to the fact that managers may not be maximizing the shareholder's value. By observing Japanese firms, Stouraits and Wu (2004) found that the dividend payout policy can be used to manage the over investment problems of the firm and observed that the conflicting interests between the managers (agent) and shareholders (principal) of the companies about the dividend policy vary according to the growth opportunities. This study adopts agency theory due to its relevance in resolving conflict that may arise between managers and shareholders, its empirical evidence in the studies conducted by several scholars on ownership structure and dividend policy of capital market in Nigeria and patterns of Nigeria's companies captures the key postulations of agency theory which serves as basis for the adoption.

3.0 Research Methodology

The study adopted correlation research design to examine the relationship between ownership structure (institutional shareholding, managerial shareholding and block holding) on the dividend policy of listed deposit money banks in Nigeria. The choice of correlation research design is informed by its effectiveness in studying the relationships as well as the impact of one variable on another, thus, consistent with the objective of this study.

The population of the study comprises of all the seventeen (17) deposit money banks listed on the floor of the Nigerian Stock Exchange Market as at 31st December, 2013. Deposit money banks are considered in this study because they are the most active sector of the Nigerian economy in the last two decades, therefore makes them suitable for the study of dividend policy and the structure of ownership. However, based on the data accessibility and availability within the short time frame of this study, four banks were filtered out, and the sample size of the study is 13banks.

The study used secondary data from the secondary sources (financial statements) of all the sample banks for the period of five (5) years (2009-2013). Ordinary Least Squares (OLS) multiple regression technique of data analysis was used to analyze data collected for the study. OLS technique was chosen because of its effectiveness in estimating the effects of theoretical related variables.

Variables Measurement and Model Specification

The variables of the study are the ownership structure (institutional shareholding, managerial shareholding and block holding) and dividend policy (dividend payout ratio). The measurement of the variables is presented in table 1 as follows;

Table 1: Variables Measurement

Variables	Measurements
Dividend Payout Ratio	Measured the ratioof total dividend paid to the total net income after tax.
Institutional Shareholding	Measured as the proportion of equity shares hold by corporate bodies to total ordinary share capital in issue
Managerial Shareholding	Measured as the proportion of equity shares hold by the management to total ordinary share capital in issue.
Block Holding	Measured as the proportion of all 5% equity shares holdings to total ordinary share capital in issue

The model of the study is mathematically expressed as follows;

$$DPCY_{it} = \alpha + \beta_1 INSHL_{it} + \beta_2 MGSHL_{it} + \beta_3 BHLD_{it} + \mu_{it} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots i$$

Where,

$DPCY_{it}$ =dividend policy of bank I in year t

$INSHL_{it}$ = institutional shareholding of bank I in year t

$MGSHL_{it}$ = managerial shareholding of bank I in year t

$BHLD_{it}$ = block holding of bank I in year t

Intercept = α

Residual = μ_{it}

β_1, β_2, β_3 are the coefficients

4.0 RESULTS AND DISCUSSIONS

This section presents and discusses the results obtained from the data collected; the section also presents the tests of the research hypotheses.

Descriptive Statistics

The descriptive statistics of the data collected for the study is presented and discussed here, the summary of the descriptive statistics in Table 2 as follows;

Table 2: Summary of Descriptive Statistics

VARIABLES	Mean	SD	Min	Max	N
DPCY	0.2577	0.3333	-0.7855	0.9848	65
INSHL	0.2407	0.2344	0.0000	0.8521	65
MGSHL	0.1310	0.1938	0.0000	0.9337	65
BHLD	0.2319	0.2249	0.0000	0.9041	65

Source: STATA OUTPUT (Appendix)

The descriptive statistics from table 2 shows that the dividend policy (DPCY), dividend payout ratio of the sample deposit money banks has an average value of 0.2577 with standard deviation of 0.3333, and minimum value of -0.7855 and 0.9848 as the maximum value. The mean value indicate that the sample deposit money banks have an average dividend payout ratio of 25.77%, and the standard deviation of 0.3333 signifies that the ratio deviate from the mean value from both sides by 33.33%, implying that there is a wide dispersion of the data from the mean because the standard deviation is higher than the mean value. The minimum and maximum dividend payout ratio of the sample banks are -78.55% and 98.48% respectively.

The table also indicates that the institutional shareholding (INSHL) of the sample deposit money banks has an average value of 0.2407 with standard deviation of 0.2344, and minimum value of 0 and 0.8521 as the maximum value. The standard deviation suggests that the data deviate from the mean by 23.44%, while the minimum and maximum institutional shareholdings are 0% and 85.21% respectively. The results also indicate that the average managerial shareholding (MGSHL) in the sample deposit money banks is 0.1310 with standard deviation of 0.1938, and minimum value of 0 and 0.9337 as the maximum value. This suggests that the average equity shareholding by managers of the sample banks during the period of the study is 13.10% and the deviation from the mean is 19.38%, while the minimum and maximum managerial shareholdings are 0% and 93.37% respectively.

Moreover, the results from table 2 show that the average block holding (BHLD) in the sample deposit money banks in Nigeria is 0.2319 with standard deviation of 0.2249, and minimum value of 0 and 0.9041 as the maximum value. This suggests that the average total block holding in the sample banks during the period of the study is 23.19% and the deviation from the mean is 22.49%, while the minimum and maximum block holding are 0% and 90.41% respectively.

Correlation Results

In this section, the summary of the Pearson correlation Coefficients of the variables of the study are presented in Table 3 as follows;

Table 3: Correlation Matrix

Variables	DPCY	INSHL	MGSHL	BHLD
DPCY	1			
INSHL	0.5880	1		
	(0.0000)			
MGSHL	-0.0222	-0.1301	1	
	(0.8606)	(0.3017)		
BHLD	0.8643	0.2600	0.0800	1
	(0.0000)	(0.0365)	(0.5265)	

P-Values in Parentheses

Source: STATA OUTPUT (Appendix)

Table 3 shows the Pearson correlation coefficients of the variables of ownership structure (institutional shareholding, managerial shareholding and block holding) and dividend policy (dividend payout ratio) of the listed sample deposit money banks in Nigeria. The table indicated a significant statistical positive association between dividend policy (DPCY) and institutional shareholding (INSHL) of the sample banks, from the correlation coefficient of 0.5880 which is significant at 1% level of significance (from the p-value of 0.0000). This result implies that as corporate institutions own more equity shares of the deposit money banks, the increasing dividend policy is used by the banks during the period of the study.

The table also indicates a negative relationship between dividend policy (DPCY) and managerial shareholding (MGSHL) from the correlation coefficient of -0.0222 which is not significant at all levels of significance (from the p-value of 0.8606). This result implies that as more managers own the equity shares of deposit money banks, the decreasing dividend policy is used by the banks, but the result is not statistically significant at all levels of significance. On the other hand, the table shows a significant positive relationship between dividend policy (DPCY) and block holding (BHLD) from the correlation coefficient of 0.8643 which is statistically significant at 1% level of significance (from the p-value of 0.0000). This result implies that as the equity of the banks is owned by the block holders increasing dividend policy is used.

Regression Results

This section presents and analyzes the regression results of the model of the study. The results are presented in table 4 below;

Table 4: Model Summary of OLS Regression

Variables	Statistics	P-Values
R^2	0.8897	
Adj. R^2	0.8843	
F-Statistic	164.01	0.0000

Hettest: Chi2	0.00	0.9463
Mean VIF	1.07	

Source: STATA OUTPUT (Appendix)

The results from table 4 indicate that the ownership structure variables (institutional shareholding, managerial shareholding and block holding) explained 88.43% of the total variations in the dividend policy (DPCY) of sample deposit money banks in Nigeria, from the coefficient of multiple determinations (Adj. R^2 value of 0.8843). The table also shows that the model is fitted as at 99% confidence level as indicated by the F-Statistic of 164.01 which is significant at 1% level of significance (P-value of 0.0000).

The results on the other hand show an absence of Heteroskedasticity in the results as indicated by the Breuch Pagan/Cook-Weisberg test for heteroskedasticity (Hettest) Chi2 of 0.00 with p-value of 0.9463. The table on the other hand, indicated the absence of the perfect multicolinearity among the explanatory variables, as shown by the mean VIF of 1.07. The decision criterion for the Variance Inflation Factor is that a value of 10 and above implies the presence of perfect multicollinearity. Therefore, the hypotheses of the study are tested in the following section following the fitness and overall reliability of the result.

Hypotheses Testing

In this section, the study tests the hypotheses formulated for the study, Table 5 presents the coefficients of the variables of the study from which the hypotheses are tested.

Table 5: Regression Coefficients

Variables	Coefficients	P-Values
INSHL	0.1588	0.000
MGSHL	-4.1423	0.440
BHLD	0.1061	0.000
CONSTANT	1.0966	0.000

Source: STATA OUTPUT (Appendix)

The results from table 5 indicated that institutional shareholding (INSHL) has a significant positive impact on the dividend policy (DPCY) of the sample deposit money banks, from the coefficient of 0.1588 which is statistically significant at 1% level of significance (p-value of 0.000). This suggests that, when institutional shareholding increases by 1%, dividend payout increase by 15.88k and, this implies an increasing dividend policy. Based on this, the study rejects the null hypothesis one (H_{01}) which states that, institutional shareholding has no significant impact on the dividend policy of listed deposit money banks in Nigeria. The study therefore infers that institutional shareholding has significant positive influence on the dividend policy of banks in Nigeria. Thisresult is in line with waud (1996), fama and Babiak (1968) and Zeckhauser, Han et al., (1999), Short and keasey (2002). But contravenes the results of mehrani, moradi and Eskandar (2011).

The results from the table also show that managerial shareholding (MGSHL) of the sample deposit money banks has a negative impact on the dividend policy (DPCY) of the banks, from the coefficient of -4.1423 which is not statistically significant at all levels of significance (p-value of 0.440). This suggests that, when managerial shareholding increases, the banks adopt decreasing dividend policy, but the result is not significance at all levels of significance. Based on this, the study failed to reject the null hypothesis two (H_{02}) which states that, managerial shareholding has no significant impact on the dividend policy of listed deposit money banks in Nigeria. The study therefore infers that managerial shareholding has no significant influence on the dividend policy of banks in Nigeria. This supports the findings of a study carried out by Jensen et al., (1992), Short et al. (2002), chen et al., (2005), Mehrani, moradi and Eskandar (2011). But contradicts the report of koh (2003), Teshima and shuto (2008).

Lastly, table 5 show that block holding (BHLD) of the sample deposit money banks has a significant statistical positive impact on the dividend policy (DPCY) of the banks, from the coefficient of 0.1061 which is statistically significant at 1% level of significance (p-value of 0.000). This implies that, when block holding increases, the banks adopt an increasing dividend policy, and the result is significance at 1% level of significance. Based on this, the study reject the null hypothesis three (H_{03}) which states that, block holding has no significant impact on the dividend policy of listed deposit money banks in Nigeria. The study therefore infers that block holding has significant positive influence on the dividend policy of deposit money banks in Nigeria during the period covered by the study. The findings contradicts that of Klein (2002), Person (2006), Ramli (2010) and supports the previous work of Barclay and Holderness (1991), Shleifer and Vishny (1997), Mitton (2005), Zhong et al (2007).

These findings implied that institutional shareholding and block holding in the deposit money banks could influence dividend and even the return on investments of the investors, which in return affect the market value of the banks positively. The findings also implied that if managers of the banks continue to own shares, it is likely that the dividend would not be paid.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of this study, the study concludes that ownership structure has significant positive impact on the dividend policy of the listed deposit money banks in Nigeria during the period covered by the study. The study in particular, concludes that institutional shareholding and block holding have significant positive impact on the dividend policy of listed deposit money banks in Nigeria during the period under review. On the contrary, the study concludes that managerial shareholding has no significant impact on the dividend policy of listed deposit money banks in Nigeria.

Emanating from the conclusions drawn from this study, the study recommends that the existing and potential investors should encourage investment in the deposit money banks in Nigeria through corporate institution and in large volume (block holding). The study also recommends that, regulators should make the larger proportion of the equity shareholding in the deposit money banks to be institutional.

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APPENDIX

```
. xtset id year, yearly
       panel variable:  id (strongly balanced)
        time variable:  year, 2009 to 2013
                delta:  1 year
```

. su dpcy inshl mgshl bhld

Variable	Obs	Mean	Std. Dev.	Min	Max
dpcy	65	.2576767	.3332681	-.7854745	.9848
inshl	65	.2406934	.234447	0	.8521403
mgshl	65	.1310195	.1938608	0	.9337149
bhld	65	.2318522	.2249063	0	.9041222

. pwcorr dpcy inshl mgshl bhld, star (0.05) sig

	dpcy	inshl	mgshl	bhld
dpcy	1.0000			
inshl	0.5880*	1.0000		
	0.0000			
mgshl	-0.0222	-0.1301	1.0000	
	0.8606	0.3017		
bhld	0.8643*	0.2600*	0.0800	1.0000
	0.0000	0.0365	0.5265	

. reg dpcy inshl mgshl bhld

Source	SS	df	MS
Model	162.07642	3	54.0254732
Residual	20.0936503	61	.329404103
Total	182.17007	64	2.84640734

Number of obs =	65
F(3, 61) =	164.01
Prob > F =	0.0000
R-squared =	0.8897
Adj R-squared =	0.8843
Root MSE =	.57394

dpcy	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
inshl	.158818	.0184351	8.61	0.000	.1219547	.1956814
mgshl	-4.142296	5.324486	-0.78	0.440	-14.78926	6.504673
bhld	.1060739	.0061325	17.30	0.000	.0938112	.1183367
_cons	1.09663	.1381393	7.94	0.000	.820403	1.372856

. hettest

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of dpcy

         chi2(1)      =     0.00
         Prob > chi2  =   0.9463
```

. vif

Variable	VIF	1/VIF
inshl	1.10	0.909488
bhld	1.09	0.919221
mgshl	1.03	0.969190
Mean VIF	1.07	