ASSESSMENT OF DIVIDEND POLICY PRACTICES AND THE PERFORMANCE OF FIRMS: EVIDENCE FROM LISTED NIGERIAN COMPANIES

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ABSTRACT

This study examined the effect of dividend policy on firm performance in Nigeria for the period 2015 to 2019. Ex post facto research design is used in this study. All listed consumer and service firms on the Nigerian stock exchange formed the study population. However, purposive sampling was used to sample 12 firms for the study. The secondary data was adopted in this study and the data was obtained from the annual financial report of consumer product and services sector. The measurement for firm performance is return on assets (ROA). Three measurement of dividend policy are selected to measure which include form of dividend payment (FDP) timing of dividend payment (TDP) and earning per share (EPS). Panel regression data was used for data analysis. Descriptive and correlational statistics was used to summarize the data and logistic regression was used to test the hypotheses. The findings shows that ROA has positive relationship with form of dividend payment, but negative relationships with earnings per share (EPS) and timing of dividend payment(TDP). The study concluded that there is no significant positive effect of the form of dividend payment (FDP), TDP and EPS on the performance of Nigerian companies. It was recommended that Companies have to adopt the form of dividend payment that is favourable to the growth of the organization since the form of the dividend payment is directly proportional to the growth of firms in Nigeria.

Keywords: Earnings per Share, Forms of Dividend Payment, Timing of Dividend Payment, Financial Performance, Dividend Policy**.**

INTRODUCTION

Financial markets are assumed as a core and pivotal business component (Etim & Uford, 2019), and are the primary means of communication between businesses and consumers of accounting information (Ukpong, 2012). Economic growth is helped by investors who mobilize savings and turn it into investments. This provides the economy with a stable foundation. Dividends are the rewards that investors as companies' shareholders receive, in the form of cash, shares or other medium (Ukpong, Udoh, & Essien, 2019). The dividend is decided by a company's board of directors and needs to be accepted by the shareholders. It is not a requirement to pay dividends to shareholders; however, it is traditionally a popular method of rewarding shareholders as part of the company's residual profit. Residual rewards refer to the funds that are left available after meeting other obligations such as paying creditors (The Economic Times, 2018). Dividend and how it affects the way investors evaluate stocks is a topic debated by many over a long period of time. Dividend policy is a decision by the financial manager whether the firm should distribute all profit or retain them or to distribute a portion and retain the balance (Kiuru, 2014).

Determining whether or not to pay dividends, and to what extent, is affected by several factors that influence the policy regarding dividends that companies exhibit today. Exploring these factors and what drives the decisions companies make regarding paying dividends or to reinvest capital in to the company have been of interest for decades. Management's primary goal is to maximize shareholders' wealth. This maximizes the value of the company as measured by the price of the company's common stock. This goal can only be achieved by giving the shareholders a fair payment on their investments. The main purpose of investors investing their funds in a company is to earn a reasonable income or a high rate of return. Dividend is one of the sources of such income circumstances as each company is forced to operate with high efficiency in order to maintain the quality and capability of competing to raise a net income with the best result (Velnampy, Nimalthasan & Kalaiarasi, 2014). Hence, dividend policy provides information to investors concerning the company's performance. The impact of a firm's dividend policy on firm performance is however, still unresolved.

Dividends are used to influence the shareholders financial decision towards the firms. Dividends are good explanations of company's stewardship. Good dividends are effectively communicated and initiated through effective dividend policies. There are different dividend policies adopted by different firms and some companies even apply a combination of different dividend policies. The dividend policies are; form of dividend payment, timing of dividend payment, earnings per share, price earnings ratio and dividend yield. Dividend policy is the regulations and guidelines that a company uses to decide to make dividend payments to shareholders (Foong & Malek, 2022). The dividend policy decisions of firms are the primary element of corporate policy. Dividend, which is basically the benefit of shareholders in return for their risk and investment, is determined by different factors in an organization. Basically, these factors include; financing limitations, investment chances and choices, firm size, pressure from shareholders and regulatory regimes. However, the dividend payout of firm's is not only the source of cash flow to the shareholders but it also offers information relating to firm's current and future performance. According to Thomas, Ukpong, and Usoro (2022), the financial performance of a firm is essential to sustain and increase stock price and financial returns of investors. The underlying idea in the view of Adam and Tobias (2018) is that different payout policies lead to different relationships between financial performance and stock price.

The signaling theory proposes that dividend policy can be used as a device to communicate information about a firm's future prospects to investors (Fairchild, 2010). Cash dividend announcements convey valuable information, which shareholders do not have, about management's assessment of a firm's future profitability thus, reducing information asymmetry. Investors may therefore use this information in assessing a firm's share price and performance.
Firm performance is defined by way of how good a firm is in enhances the wealth of shareholder and efficiency of a firm to generate income from the shareholder investment (Ajanthan, 2013). This is because the key goal of firm is to enhance the shareholders wealth and making profit (Foong

& Malek, 2022). It is their priorities to ensure that the shareholders receive a good compensation for their investment.

A company declares dividends when they make a profit, but they do not distribute all of the profit to the shareholders as dividends. The profit which is not distributed as the dividend is called retained earnings. The company reinvests these earnings or pays off the debt using it. The influence of dividend policy is found to be connected with ownership of the firm as well as positive outcomes. Consequently, the function of dividend policy supports the firm's activities to perform well and recognize it in the financial environment. Dividend strategy is a desirable route to effective financial results. Dividend payment may also give a signal about the value of the business for other potential investors (Foong & Malek, 2022). The decision of paying the dividend will affect the firm's earnings. Moreover, the dividend would usually be paid out of a portion of earnings after taking into account the remaining earnings. Paying out the dividend does reflect the company's ability to manage equity and debt (Mat et al., 2017). By identifying the capability of paying dividends, investors and shareholders will prefer to invest in the firm. In addition, dividend policies may be used to mitigate the expenses of the agency. Given that management's accomplishment can be calculated by the shareholder capital, management has to fully understand dividend policy (Farrukh et al., 2017).

The company usually releases the dividend at year end and would decide either to pay as a dividend or reinvested as retained earnings for the company. The dividend can pay out in the form of shares split, cash dividends, share buybacks and stock dividend. Shareholders and management have different opinion on the firm's dividend policy. The shareholders chose to distribute their profits as a dividend, while the management would prefer to allocate lower dividends to the shareholders, and to maintain a greater portion of the business for future development and investment (Foong & Malek, 2022). There are different classifications of Dividend Policy. The main forms of dividend policy are; form of dividend payment, timing of dividend payment, earnings per share, price earnings ratio and dividend yield as proxies. This research, however, studied form of dividend payment, timing of dividend payment and earnings per share.

Statement of the problem

The lack of consensus with regard to dividend policy in general, and dividend determinants in particular, is real. When the analysis of numbers and data does not add much to researchers' understanding of this area, analyzing the decision-makers' perceptions becomes important (Moradi, Salehi & Honarmand, 2010). Al-Yahyaee, Pham and Walter (2010) in their submission found that majority of the studies conducted on involved already developed market economies that have mature companies that pay dividends and also the tax regime and economical characteristics are different than in less developed or emerging market economies, there is therefore the need to investigate dividend policies and company performance in developing countries like Nigeria as well. Regardless of various researches, the previous studies have evidenced the differences about the impact of dividend policy on a firm's financial performance. Some scholars believed that dividend policy significantly and positively impact on financial performance (Ali et al. 2015). Some others reported that dividend policy impact significantly but negatively to firm performance (Onanjiri & Korankye 2014). The differences in research result are not only between research years but also inconsistent across countries (Kim & Kim 2020), and even among economic sectors in a specific country (Khan et al. 2019, Nguyen, et al, 2021).

This paper is motivated by occurrence of different research results. It aims to find the effects of dividend policy (represented by form of dividend payment, timing of dividend payment and earnings per share) on firm's financial performance.

Objectives of the study

The main objective of the study was to examine the effect of dividend policy on firm performance in Nigeria for the period 2015 to 2019. The specific objectives of the study were:

1. to analyse the effect of the form of dividend payment (FDP) on the performance of Nigerian companies;
2. to evaluate the effect of the timing of dividend payments (TDP) on the performance of Nigerian companies.
3. to investigate the effect of earnings per share (EPS) on the performance of Nigerian companies;

Research questions

Specified below were some research questions that were inherent in the completion of this research work:

1. How does the form of dividend payment impact on the performance of Nigerian companies?
2. Does the timing of dividend payments have any positive effect on the performance of Nigerian companies?
3. To what extent do earnings per share impact on the performance of Nigerian companies?

Research hypotheses

The researcher attempted to test the following hypotheses stated in null form as follows:

$H0_1$: There is no significant positive effect of the form of dividend payment (FDP) on the performance of Nigerian companies.
$H0_2$: There is no significant positive effect of the timing of dividend payments (TDP) on the performance of Nigerian companies.
$H0_3$: There is no significant positive impact of earnings per share (EPS) on the performance of Nigerian companies

LITERATURE REVIEW

Conceptual issues on dividend policy

Pandey (2011) in Emuze (2020) defined dividend as that portion of a company's net earnings hich the directors recommend to be paid to the shareholders in proportion to their shareholdings in the company. In other words, dividend is that part of the profit (after tax) of a corporation that is distributed to its shareholders. It is a reward to equity shareholders for investing in the company. Dividend could also be referred to as that part of the enterprise earning that is given to shareholders as interest on their investment. Also, it represents the return to investors who put their money at risk in the company. Company pays dividend to reward existing shareholders and encourage others that are prospective shareholders to buy new issues of the common stock at high price (Adam & Tobias, 2018).

Dividend policy is a statement guiding the payment or appropriation of profit between a firm and its residual owners. It is a statement clarifying the proportion of profit that should be paid out as dividend to shareholders taking cognizance of the organization environment and the expectations of the shareholders (Oladipupo, 2017). According to Velnampy, Nimalthasan and Kalaiarasi (2014), dividend policy can provide information to stakeholders concerning the company's performance. Emuze (2020) stated that divided policy was more commonly an instrument of wealth distribution to shareholders than it was an instrument of wealth creation to stakeholders.

Types of dividend policy

Determining whether or not to pay dividends, and to what extent, is affected by several factors that influence the policy regarding dividends that companies exhibit today. A company's payout policy regarding dividends is in general highly conservative and fixed, meaning that managers are reluctant to cut dividends or even to try and change the policy in any manner altogether (Brav et. al, 2005). There are some key reasons for this that have remained fairly unchanged since Lintner (1956) as stated in Adam and Tobias (2018), the major reason is that cutting dividends is often associated, from the market's viewpoint, with a company having financial difficulties, therefore a dividend cut would likely lead to the market assuming there is trouble and inevitably start generating uncertainty (Brav. et al, 2005).

Policies regarding dividends have remained fairly unchanged, as mentioned, for decades mainly due to its inflexibility and strong symbolic value to important stakeholders. The predominant dividend policies are Form of Dividend Payment, Timing of Dividend Payment, Earnings per Share, Price Earnings Ratio and Dividend Yield.

Forms of dividend payments

There are different forms/types of dividends that companies pay out, all depending on each firm's policy and liquidity position. They include, Cash Dividend, Bonus Shares, Stock Dividends, Share Splits, Script Dividend, Bond Dividend and Property Dividend. Some firms have at least one form of dividend payment. While some prior studies found a positive and significant correlation between the form of dividend payment and firm's financial performance (Nduta, 2016; Musyoka, 2015), others found an insignificant positive correlation linking the mode of dividend payment and firms' financial performance (Emuze, 2020). Form of dividend payment (FDP) is measured as a dummy variable: 1 if a firm paid cash as a dividend and 0 if otherwise.

Timing of Dividend Payment

Timing of Dividend Payment (TDP) measures the number of times a firm pays out dividend in a year. Some firms have more than one dividend payments in a year such as interim and final dividends (for 2 time-payments) and interim, special and final dividends (for 3-time-payments). The empirical studies of Nduta (2016) and Musyoka (2015) concluded that the timing of dividend payments (number of times which dividends are paid) had a positive and significant impact on firm performance. TDP is measured as a dummy variable: 1 if a firm paid once in a year and 0 if it paid more than once in a year.

Earnings per Share

Earnings per Share (EPS) represents the portion of a company's earnings, net of taxes and preferred stock dividends that is allocated to each share of common stocks (Arslan & Zaman, 2014). Wet (2013) in Emuze (2020) argued that though EPS was the single most well-known financial performance measure available, it was also the most controversial. Wet opined that EPS was predisposed to gross misinterpretation and erroneous interpretation. Due to pressure on

management to constantly come up with positive EPS growth, this single act greatly affects managerial behaviour. Instead of the management channeling their efforts and energies to projects that will maximize shareholders' wealth in the long term, they rather turn to all kinds of schemes to manage EPS. And because the managers' performance is often measured in terms of EPS, they will do all they can to ensure steady EPS growth or else their job remuneration in its entirety, will be on the line. Prior studies found that EPS significantly correlated with ROA, ROE and Tobin's Q (Hafeez, Shahbaz, Iftikhar & Butt, 2018; Al-Sa'eed, 2018) while Velnampy, Nimalthasan & Kalaiarasi (2014) found that EPS was not significantly positive with ROE. EPS is the company's net after-tax earnings that belong to equity shareholders divided by the number of outstanding shares), EPS was calculated thus:
EPS= Profit after Tax / Total Number of Outstanding Common Shares.

Firm financial performance
Financial performance as documented by (Copisarow, 2000) in Turakpe and Fiiwe (2017) is considered as how good is the position of a firm, and how efficiently a firm is using its assets to earn more revenues and enlarge its operations. Giang and Tuan (2016) in analyzing how dividend policy is arrived at documented that at the end of fiscal years, the results of financial management in corporations with other business activities are reflected on firms' financial statements and measured by financial indicators. Khan *et al*. (2016) noted that different techniques are used to measure the financial performance. Revenue from operational activities, total units sold and market share of a firm can be an indicator of performance (Uford & Duh, 2021).

Measurement can be done through several financial ways such as profit after tax, ratios, return on equity, and return on assets, return on investments (ROI), earnings per share and other acceptable ratios (Uford, 2017). ROA measures how profitable an asset is in generating revenue, a firm's ability to generate income from proper utilization of the resources available (Bodie, Kane & Marcus, 2011). It is a ratio of net income to its average total asset. A higher return on assets shows a firms efficiency to utilize its assets. Return on equity (ROE) measures the profitability of a firm from its ability to utilize the shareholders' investment. It's the return on shareholders' investment.

Relationship between Dividend Policy and Corporate Performance
Every decision that a business makes has financial implications, and any decision which affects the finances of a business is a corporate finance decision. Studies have shown that the financial manager has three main types of financial decisions to make and these are as summarized by Giang and Tuan (2016) - Investment decisions, Finance decisions and Profit distribution decisions which often answers the question "How much funds should be reinvested in the business and how much should be returned to the owners?". While making these decisions, corporate finance is single-minded about the ultimate objective, which is assumed to be maximizing the value of the business. Dividend decisions are important because they determine what funds flow to investors and what funds are retained by the firm for investment (Ross, Westerfield, & Jaffe, 2002 in in Turakpe & Fiiwe, 2017). More so, they provide information to stakeholders concerning the company's performance. Firm investments determine future earnings and future potential dividends, and influence the cost of capital (Foong, Zakaria, & Tan, 2007).

When a corporation earns a profit or surplus, it is able to pay a proportion of the profit as a dividend to shareholders. The remaining profit after dividend, namely retained earnings will be used to reinvest in the future. A high dividend payment means that the company is reinvesting less money back into its business. According to Khan et al. (2019) and Nguyen, et al (2021), companies with high dividend tend to attract investors who prefer the assurance of a steady stream of income to a high potential for growth in the share price. On the contrary, companies with low dividend payment reflect that those companies is reinvesting in business growth, so as to secure higher future capital gains for investors. Studies on the impact of the dividend policy on the financial performance of enterprises have been carried out by many scholars around the world. Some scholars believed that this topic is one of the most challenging research issues (Onanjiri & Korankye 2014). Some others think that dividend policy is not only business transaction, but it is firm's strategy applied to distribute income to shareholders (Gill et al. 2010).

Theoretical review

Bird in hand Theory

Bird in hand theory proposes that a relationship exists between firm value and dividend payout. It states that dividends are less risky than capital gains since they are more certain. Therefore, investors would prefer dividends to capital gains (Amidu, 2007). Because dividends are supposedly less risky than capital gains, firms should set a high dividend payout ratio and offer a high dividend yield to maximize stock price. The essence of the bird-in-the-hand theory of dividend policy (John Litner in 1962 and Myron Gordon in 1963) argues that outside shareholders prefer a higher dividend policy. Consequently, investors would value high payout firms more highly. In addition, when making dividend payouts, the firm gets a higher rating from rating agencies as compared to a firm not making any dividend payout. With a better rating, the firm will be able to raise finance more easily from capital markets since credit institutions will be willing to give loans to the firm since the payout of dividends shows that the firm has the ability to meet its obligations. In some cases, the firm will be able to borrow at preferential rates and enjoy better facilities.

Empirical review

Emuze (2020) determined the effect of dividend policy on the performance of 56 Nigerian Quoted companies. The financial statements of the companies from 1999 to 2018 were used. The dividend policy attributes used in this study were: Form of Dividend Payments (FDP), Timing of Dividend Payments (TDP), Earnings per Share (EPS), Price Earnings Ratio (PER) and Dividend Yield (DY) (known as determining factors). The dependent variable of the company (firm performance) was assessed by Return on Assets (ROA), Return on Equity (ROE) and Tobin's Q for a robustness check. Descriptive statistics, correlation matrix and panel regression analyses were conducted using the econometric analysis software E-views 9. The result revealed that FDP showed a positive but insignificant relationship with Return on Assets (3.13, p=0.1032); TDP showed a negative but significant relationship with ROA (-4.80 p=0.025); while EPS, PER and DY showed a positive and significant relationship with ROA (0.03, p= 0.00; 0.001, p=0.00; and 3.24, p=0.03). With Return on Equity, FDP, EPS and PER showed a positive and significant relationship with ROE (15.585, p=0.01; 0.044, p=0.00 and 0.004, p=0.00); TDP showed a negative but significant relationship with ROE (-18.04, p=0.003), while DY showed negative and insignificant relationship with ROE (-1.70, p=0.635). With Tobin's Q, EPS and PER showed a positive and significant relationship with Tobin's Q (0.001639, p=0.002; 0.000307, p=0.007), TDP and DY showed a negative and insignificant relationship with Tobin's Q (-0.90, p=0.41; -3.60, p=0.18) while FDP showed a positive but insignificant relationship with Tobin's Q (0.706, p=0.49).

Foong and Malek (2022) investigated the relationship between dividend policy and firm performance in Public listed company in Malaysia. The sample collected for this study covered 8 years from 2011 to 2018. This study will focus one of the subsectors from consumer product and service sector which listed in Bursa Malaysia. The total observation was 200. This study used two measurements for firm performance which are return on equity (ROE) and return on asset (ROA). The measurement of dividend policy is earning per share (EPS), dividend pay-out ratio (DPR) and price earnings ratio (PER). Based on the findings, there is significant relationship between EPS with ROE and ROA. For PER, there is an insignificant relationship with ROE but it has significant relationship with ROA. However, DPR has insignificant relationship with ROE and ROA. The result from this study will brings advantage and usefulness for investor as well as policy marker for in Malaysia because it provides better understandings and knowledge on dividend policy on firm performance for consumer product and service sector in Malaysia.

Turakpe and Fiiwe (2017) examined dividend policy and corporate performance. The study adopted multiple regression models to examine the selected companies namely Nigerian Breweries Plc, Zenith Bank Nigeria Plc. and Guaranty Trust Bank Plc. from 2011-2015. The result of the analysis showed that for Nigerian Breweries, profit after tax and return on asset are positively related to dividend while earnings per share has negative relationship with dividend. The result for Zenith Bank shows that earnings per share and return on asset are positively related to dividend while profit after tax has negative relationship with dividend. The result for Guaranty Trust Bank shows that profit after tax has positive relationship with dividend while earnings per share and return on asset are negatively related to dividend. From the findings, the study concludes by agreeing with most of the dividend relevant proponents that dividend matters to corporate performance even though with varying results that tends to support other theories such as dividend residual theory.

Nguyen et al. (2021) investigate the effects of dividend policies on a firms' financial performance. The paper explores the research gap and then builds a research model using ROA, ROE, and Tobin's Q as dependent variables, dividend rate and decision of dividend payment as independent variables. The paper collected data and financial statements of 450 firms that are listing on the stock market of Vietnam from 2008 to 2019. The analysis results indicate that the decision of dividend payment has negative impact to Vietnamese firms measured by accounting based performance but this improve market expectation on firms. In addition, the paper finds that Vietnamese firms are offering low dividend rate which has a positive impact on accounting-based performance but a negative effect on market expectation. This paper proposes some instructive recommendations based on the findings, including a more appropriate model of dividend policies, a lower dividend rate, and clear decision of dividend payment.

METHODS

Ex post facto research design is used in this study. Uford (2021) recommends it is appropriate when studying past event(s). All listed consumer and service firms on the Nigerian stock exchange formed the study population. However, purposive sampling was used to sample 10 firms for the study. The secondary data is adopted in this study which the data is obtained from the annual report of consumer product and services sector. The data used in this study is gathered from the official website of security and exchange commission and other related sources for year 2015 until 2019.

Consumer product and services sector are focused in this study. This sector is chosen as it plays an important role in world economy and act as the driving force of the other industries. Besides, it is one of the sectors that provided large sources on gross domestic product (GDP) of many countries. The data consists of detailed information for the firm.

Measurements

In this study, the measurement for firm performance is return on assets (ROA). Three measurement of dividend policy are selected to measure which include form of dividend payment (FDP) timing of dividend payment (TDP) and earning per share (EPS).

Return on assets = $Net\ income/Total\ assets$

Earnings per share = $Net\ income{-}dividend\ on\ preferred\ stock\ /Average\ common\ shares\ outstanding$

FDP= Dummy Variable: 1 if a firm paid cash as dividend and 0 if otherwise.

TDP= Dummy Variable: 1 if a firm paid once in a year and 0 if it paid more than once in a year.

Model specification

In this study, panel regression model is adopted to observe all the variable independently. This study consists of three independent variables included form of dividend payment (FDP) timing of dividend payment (TDP) and earning per share (EPS) while return on asset (ROA) is the dependent variable used to measure firm performance. A model is derived to study the relationship between dividend policy and firm performance as below:

ROA = $\beta 0$ + $\beta 1 EPSi$, + $\beta 2$FDP i, + $\beta 3$TDP i,+ $\varepsilon i,t$

Where:

ROA = Return on asset

EPS = Earnings per share

TDP = form of dividend payment

TDP = Timing of dividend payment

ε = error term

$\beta 0$,1 ,$\beta 2$,$\beta 3$ = parameter of the model

Analysis and results

Table 1:Summary of descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	60	.00	1.24	.1103	.18376
FDP	60	.00	1.00	.5515	.50015
EPS	60	.01	516.00	22.9875	73.39190
TDP	60	.00	1.00	.6167	.49030
Valid N (listwise)	60				

The summary of the descriptive statistics indicates that return on assets (ROA) has a mean value of .1103, with minimum and maximum values of .00 and 1.24. This shows that the sampled firms have companies with very high ROA and very low ROA. This is confirmed y the standard deviation value of .1837, indicating that the values are far dispersed and most firms have ROA higher than the mean value.

The FDP has a mean value that is similar to the standard deviation indicating that the firms have fairly the same form of dividend payment. However, EPS and TDP have high standard deviation scores, which reveals that the earnings per share and timing od dividend payment is different for the companies sampled.

Table 2: Summary of correlation matrix

		ROA	FDP	EPS	TDP
ROA	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	60			
FDP	Pearson Correlation	.131	1		
	Sig. (2-tailed)	.319			
	N	60	60		
EPS	Pearson Correlation	-.010	-.109	1	
	Sig. (2-tailed)	.941	.407		
	N	60	60	60	
TDP	Pearson Correlation	-.183	.110	.113	1
	Sig. (2-tailed)	.162	.402	.392	
	N	60	60	60	60

Summary of table 2 reveals that there ROA has positive relationship with form of dividend payment, but negative relationships with earnings per share (EPS) and timing of dividend payment (TDP).
$H0_1$: There is no significant positive effect of the form of dividend payment (FDP) on the performance of Nigerian companies.

Table 3: Summary of significant effect of form of dividend payment (FDP) on the performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.084	.035		2.362	.022
	FDP	.048	.048	.131	1.006	.319

R Square .017
Adjusted R Square .001
Fstat 1.012
Prob Fstat (.319)

The result shows that FDP has a positive influence on ROA. The coefficient value of .048 indicates that as FDP rises by a unit, ROA also rises by .048. The result shows an Ftsta probability value of .319, indicating that the result is not statistically significant. Thus, there is no significant positive effect of the form of dividend payment (FDP) on the performance of Nigerian companies.

$H0_2$: There is no significant positive effect of the timing of dividend payments (TDP) on the performance of Nigerian companies.

Table 3: Summary of significant effect of form of timing of dividend payments (TDP) on the performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.153	.038		4.017	.000
	TDP	-.069	.048	-.183	-1.417	.162

R Square .183
Adjusted R Square .033
Fstat 2.008
Prob Fstat (.162)

The result shows that TDP has a negative influence on ROA. The coefficient value of -.069 indicates that as EPS reduces by a unit, ROA rises by .069.This indicates an inverse relationship between ROA and TDP. The result shows an Ftsta probability value of .162, indicating that the result is not statistically significant. Thus, there is no significant positive effect of the timing of dividend payment (TDP) on the performance of Nigerian companies.

$H0_3$: There is no significant positive impact of earnings per share (EPS) on the performance of Nigerian companies

Table 4: Summary of significant effect of form of earnings per share (EPS) on the performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.111	.025		4.420	.000
	EPS	-.00024	.000	-.010	-.074	.941

R Square .010
Adjusted R Square .033
Fstat .001
Prob Fstat (.941)

The result shows that EPS has a negative influence on ROA. The coefficient value of -.00024 indicates that as EPS reduces by a unit, ROA rises by .048.This indicates an inverse relationship between ROA and EPS. The result shows an Ftstat probability value of .941, indicating that the result is not statistically significant. Thus, there is no significant positive effect of the form of earnings per share (EPS) on the performance of Nigerian companies.

DISCUSSION OF FINDINGS

ROA and form of dividend payment (FDP)

Findings of the study reveal that ROA has positive relationship with form of dividend payment. The related hypothesis test indicates that there is no significant positive effect of the form of dividend payment (FDP) on the performance of Nigerian companies. This shows that FDP has a positive but insignificant effect on financial performance of firms. This finding is corroborated by Emuze (2020) whose result revealed that FDP showed a positive but insignificant relationship with Return on Assets.

ROA and timing of dividend payment (FDP)

Result of analysis shows that ROA has a negative relationship with timing of dividend payment (TDP). The corresponding hypothesis test shows that there is no significant positive effect of the timing of dividend payment (TDP) on the performance of Nigerian companies. This result indicates that as timing of dividend payment rises, ROA decreases as TPD reduces, ROA increases. This finding agrees with Nguyen et al (2021) who found that the decision of dividend payment has negative impact to Vietnamese firms measured by accounting based performance but this improve market expectation on firms. The finding is also supported by Emuze (2020) who found that TDP showed a negative but significant relationship with ROA.

ROA and earnings per share (EPS)

Result of analysis shows that ROA has a negative relationship with earnings per share (EPS). The hypothesis test confirms that there is no significant positive effect of the form of earnings per share (EPS) on the performance of Nigerian companies. This finding is in variance with Foong and Malek (2022) who found that there is significant relationship between EPS with ROE and ROA. The result is also corroborated by Turakpe and Fiiwe (2017). The result of the analysis showed that profit after tax and return on asset are positively related to dividend while earnings per share has negative relationship with dividend, while earnings per share and return on asset are negatively related to dividend.

CONCLUSION

This study investigated the effect of dividend policies on financial performance of listed companies in Nigeria. The outcome of the study shows that form of divided payment has a positive effect of performance. however, timing of dividend payment and earnings per share shows an inverse relationship, indicating that is as TDP and EPS reduces, ROA increases and vice versa. The study concluded that there is no significant positive effect of the form of dividend payment (FDP), TDP and EPS on the performance of Nigerian companies.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made

1. Firms should invest in profitable assets that will yield higher returns in the future to enhance their financial performance and attract investments in the future.
2. The research findings revealed that there was no weighty impact of form and timing of dividend on the financial performance and hence, investors should not rely on the amount of dividends paid to ascertain the financial stability of the firms.
3. Companies have to adopt the form of dividend payment that is favourable to the growth of the organization since the form of the dividend payment is directly proportional to the growth of firms in Nigeria.
4. Firms should be familiar with the timing of dividend payments to run with the number of times that is better and favourable to pay out dividends to investors. A dividend policy pattern that is not properly checked will invariably hamper the performance of a firm.
5. Earnings per share should be increased steadily to sustain growth and investment in the organization because an increase in earnings per share is directly proportional to the robust performance of firms in Nigeria.

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