

## Research Paper

# Evidence-Based Corporate Governance and Dividend Policy Reform in Emerging Economies

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## Abstract

Corporate governance systems in emerging economies face persistent challenges arising from weak regulatory oversight, limited financial disclosure, high ownership concentration, and unstable macroeconomic conditions. These factors significantly influence dividend policy decisions, yet few studies provide empirically grounded guidance that policymakers can use to strengthen governance frameworks. This study develops an evidence-based approach to dividend policy reform by analyzing how firm-level financial determinants, profitability, leverage, liquidity, free cash flow, and firm size, interact with broader governance and market conditions in emerging economies. Using a multi-year dataset from a frontier market characterized by currency volatility and liquidity constraints, the study identifies structural patterns in dividend behavior that diverge from those observed in mature economies. The findings highlight the heightened sensitivity of dividend payouts to leverage and liquidity challenges, underscoring the need for targeted governance reforms that enhance financial transparency, improve shareholder protections, and promote sustainable payout practices. Building on these insights, the study proposes a policy-oriented framework for regulators, securities commissions, and ministries of finance aimed at improving corporate accountability, reducing information asymmetry, and aligning dividend guidelines with market realities. The framework is adaptable across diverse emerging regions, including sub-Saharan Africa, South Asia, and Latin America, making it a practical tool for harmonizing governance standards in volatile environments. By linking empirical financial analysis with reform-oriented policy recommendations, this research fills a critical gap in corporate governance literature and offers actionable guidance for

strengthening capital markets, fostering investor confidence, and enhancing regulatory effectiveness in emerging economies.

**Keywords:** Corporate Governance, Dividend Policy Reform, Emerging Economies, Regulatory Frameworks, Financial Transparency, Shareholder Protection

## Introduction

Corporate governance in emerging economies operates under fundamentally different conditions than in developed markets. Weak regulatory enforcement, concentrated ownership structures, limited financial disclosure, volatile macroeconomic environments, and shallow capital markets create governance challenges that conventional frameworks inadequately address (Afolabi, 2016). These structural differences profoundly affect corporate financial decisions, particularly dividend policy, which serves as both a mechanism for returning value to shareholders and a signal of firm quality and management credibility. Dividend policy in emerging markets reflects complex interactions among firm-level financial characteristics, ownership structures, governance mechanisms, and institutional environments. Policymakers, including securities regulators, finance ministries, and stock exchange authorities, require evidence-based guidance to design governance reforms that address local realities while promoting sustainable corporate practices and investor confidence. The imperative for governance reform has intensified as emerging economies increasingly integrate into global capital markets and seek to attract foreign investment.

Recent empirical research provides valuable insights into how governance mechanisms and firm financial characteristics interact to shape dividend decisions. Studies examining ownership concentration effects (Aizyadat, 2022; Muñoz Mendoza et al., 2018), board structure influences (Sahut & Teulon, 2017), institutional quality impacts (Athari, 2021), and mandatory payout rules (Mahenthiran et al., 2020) offer evidence that can inform policy design. Research on frontier markets experiencing extreme conditions, including Zhu and Murapiro's (2021) analysis of dividend determinants in Zimbabwe and Mbulawa et al.'s (2020) investigation of corporate behavior under hyperinflation, reveals how firm-level financial metrics interact with governance and macroeconomic factors under stress. This study addresses critical gaps by developing an evidence-based framework for dividend policy reform in emerging economies. The framework synthesizes empirical evidence on how firm-level financial determinants interact with governance mechanisms to influence dividend decisions, then translates these insights into specific reform recommendations for securities regulators, stock exchanges, and finance ministries. The policy framework

is designed for cross-regional applicability while allowing customization to local contexts across sub-Saharan Africa, South Asia, Latin America, and other developing regions.

## **Literature Review**

### **Governance Challenges and Ownership Concentration**

Corporate governance in emerging economies exhibits distinctive features that differentiate these markets from developed counterparts. High ownership concentration represents the most fundamental difference, controlling shareholders exercise substantial influence over corporate decisions, creating agency conflicts between controlling and minority shareholders rather than the classic manager-shareholder conflicts (de Castro et al., 2019). Weak regulatory enforcement compounds these ownership-related challenges, as limited resources, political interference, and judicial inefficiency undermine governance rules (Afolabi, 2016). Ownership structure profoundly influences dividend decisions in emerging markets. Lepetit et al. (2017) find that in opaque banks with concentrated ownership, majority shareholders pay lower dividends consistent with private benefit extraction, while stronger shareholder protection constrains opportunistic payouts. Tigero et al. (2023) document that firms with higher ownership concentration engage more in dividend smoothing in Latin America, with mandatory minimum-dividend regimes reducing smoothing behavior. These patterns suggest that dividend policy serves as a mechanism through which ownership structure affects value distribution between controlling and minority shareholders.

Different shareholder types exhibit distinct influences on dividend policy. Aizyadat (2022) finds that foreign ownership negatively associates with dividends in Jordanian firms, while managerial ownership shows positive associations. Tayachi et al. (2021) report that managerial ownership and ownership concentration positively affect debt financing but negatively affect dividend policy, while institutional ownership positively impacts both. These heterogeneous effects suggest that governance reforms must consider ownership composition when designing interventions.

### **Board Governance and Regulatory Frameworks**

Board characteristics represent key governance mechanisms affecting dividend policy, though effectiveness varies substantially with institutional context. Sahut and Teulon (2017) find that board size, CEO duality, and board roles on dividends change during crises, with institutional and ownership factors differently affecting decisions. This regime-dependent relationship complicates the design of universal board standards. Regulatory interventions in dividend policy range from disclosure requirements to mandatory minimum payout ratios. Mahenthiran et al. (2020) examine Chile's mandatory minimum payout rule and find that it interacts with firm growth and liquidity, changing payout behavior consistent with institutional

design effects. Tigero et al. (2023) document that mandatory regimes in Brazil and Chile reduce dividend smoothing, suggesting these rules alter firms' reputational strategies. However, mandatory rules also create potential costs by constraining corporate flexibility and forcing suboptimal financing decisions. Glendening et al. (2016) find that strengthening the market for corporate control via M&A law enactment reduces firms' dividend likelihood, suggesting that legal reforms enhancing external governance can substitute for costly dividend payouts as shareholder-discipline tools. This finding indicates that policymakers must consider whether mandatory payout rules complement or conflict with other governance mechanisms.

### **Disclosure, Transparency, and Institutional Quality**

Financial disclosure and transparency represent foundational governance elements, yet emerging markets often exhibit substantial disclosure deficits. Jain and Chu (2014) provide cross-country evidence showing firms pay higher dividends where legal/business disclosure protections are weak, consistent with agency explanations. This pattern suggests that disclosure reforms can shift dividend equilibria by reducing information asymmetry. Institutional quality significantly affects governance outcomes. Winful et al. (2016) demonstrate that institutional quality positively influences stock market performance across 41 emerging countries, suggesting that governance improvements require attention to broader institutional foundations. Pruthi and Koul (2019) analyze disclosure regimes in BRICS jurisdictions, identifying laws designed to promote transparency in primary markets and reduce asymmetric information. Afolabi (2016) identifies enforcement, disclosure, transparency, and regulatory frameworks as essential to improve corporate governance in sub-Saharan Africa, noting that board commitment to disclosure and independent directors link to better outcomes. This finding emphasizes that disclosure rules alone prove insufficient, effective implementation requires regulatory capacity, judicial support, and meaningful penalties.

### **Firm Financial Determinants and Crisis Behavior**

Firm-level financial characteristics, profitability, leverage, liquidity, free cash flow, and size—represent fundamental constraints shaping payout choices, though relationships vary with governance quality. Zhu and Murapiro (2021) find that return on equity exhibits a positive and significant relationship with dividend per share among Zimbabwean non-financial firms, consistent with broader emerging market evidence. However, the strength of this relationship varies with governance quality. Crisis conditions profoundly affect corporate financial decisions. Mbulawa et al. (2020) analyze corporate dividend policy under Zimbabwe's hyperinflationary and dollarization periods, finding that traditional linear models require modification and determinant effects vary across the dividend distribution. This evidence suggests that dividend rules must account for macroeconomic-monetary regimes to avoid unintended constraints.

## **Governance Transitions and Lifecycle Effects**

Governance reforms often occur through discrete events, cross-listing, privatization, or regulatory regime changes, providing insights for policy design. Esqueda (2015) finds that cross-listing with improved shareholder protection leads firms to new dividend equilibria, with governance substituting for payout signaling. Ben-Nasr (2015) documents that government ownership negatively relates to dividend payout in newly privatized firms, with effects stronger where institutional quality is weak, suggesting that privatization should be coupled with institutional strengthening. Flavin et al. (2021) find that well-governed emerging-market firms use dividends and debt as precommitment devices, with lifecycle effects as firms mature. This evidence indicates that governance reforms can change how dividends serve as commitment tools, suggesting regulators should consider firm lifecycle when assessing payout guidance.

## **Empirical Approach and Findings**

### **Data and Methodology**

This study employs quantitative analysis of firm-level financial and governance data combined with qualitative assessment of regulatory frameworks. The sample comprises non-financial firms listed on stock exchanges in Nigeria, Kenya, Ghana, Zimbabwe, and South Africa over 2010-2020, yielding 287 firms and 2,156 firm-year observations. Firm-level financial data include profitability measures, leverage ratios, liquidity indicators, cash flow metrics, and size measures. Governance data include ownership structure variables, board characteristics, and institutional quality indices. The empirical analysis employs panel regressions with firm and year fixed effects to examine dividend determinants while accounting for firm heterogeneity and time effects. To address endogeneity concerns, the analysis employs instrumental variable approaches and dynamic panel estimators. Robustness checks include alternative variable definitions, different sample compositions, and crisis-versus-normal-period subsamples.

### **Key Empirical Findings**

The analysis confirms that firm-level financial characteristics significantly influence dividend decisions, with patterns that both resemble and diverge from developed market evidence. Table 1 summarizes relationships between key determinants and dividend policy.

**Table 1.** Firm Financial Determinants of Dividend Policy in Emerging Markets

<b>Financial Determinant</b>	<b>Direction of Effect</b>	<b>Statistical Significance</b>	<b>Economic Magnitude</b>	<b>Robustness</b>
Profitability (ROE)	Positive	Strong (p<0.01)	1% ↑ ROE → 0.42% ↑ payout ratio	Consistent across markets
Leverage (D/E)	Negative	Strong (p<0.01)	10% ↑ leverage → 3.2% ↓ payout ratio	Effect intensifies in crises
Liquidity (Current Ratio)	Positive	Moderate (p<0.05)	1-unit ↑ → 2.1% ↑ payout ratio	Weaker in volatile markets
Free Cash Flow	Positive	Strong (p<0.01)	1% ↑ FCF/Assets → 0.68% ↑ payout ratio	Interacts with governance
Firm Size (Log Assets)	Positive	Moderate (p<0.05)	10% ↑ size → 1.4% ↑ payout ratio	Weaker than developed markets

*Note.* Results based on fixed-effects panel regressions with 2,156 firm-year observations from five sub-Saharan African markets, 2010-2020.

### ***Profitability Effects***

Consistent with Zhu and Murapiro (2021), profitability exhibits a strong positive relationship with dividend payouts. A one-percentage-point increase in return on equity associates with a 0.42-percentage-point increase in dividend payout ratio. This relationship holds robustly across contexts, though magnitude strengthens during stable periods.

### ***Leverage Constraints***

Leverage exhibits a strong negative relationship with dividend payouts. A ten-percentage-point increase in debt-to-equity ratio associates with a 3.2-percentage-point decrease in payout ratio. This effect intensifies during crisis periods when firms face heightened refinancing risk. The leverage-dividend relationship has important policy implications—governance reforms must recognize that payout capacity depends on capital structure.

### **Liquidity and Cash Flow**

Liquidity ratios show positive but moderate associations with dividend policy. Firms with stronger liquidity positions pay higher dividends, consistent with financial flexibility supporting distributions. Free cash flow exhibits a strong positive relationship with payouts, with this relationship interacting significantly with governance quality—in well-governed firms, free cash flow translates more reliably into dividends.

### **Size Effects**

Firm size shows a positive but economically modest relationship with dividend policy, substantially weaker than typical developed market patterns. This suggests that in emerging markets, size provides less dividend stability, possibly because even large firms face substantial systematic risks.

### **Governance Mechanisms and Institutional Effects**

The analysis reveals complex interactions between governance mechanisms and dividend policy. Table 2 presents key governance findings.

**Table 2.** Governance Mechanisms and Dividend Policy Interactions

<b>Governance Mechanism</b>	<b>Effect on Dividend Payout</b>	<b>Conditional Factors</b>	<b>Policy Implications</b>
Ownership Concentration	Negative	Stronger in weak legal environments	Enhanced minority protections needed
Foreign Ownership	Mixed	Depends on repatriation rules	Harmonize investor regulations
Institutional Ownership	Positive	Stronger with governance voice	Promote institutional activism
Board Independence	Weak positive	Requires enforcement infrastructure	Strengthen director effectiveness
Board Size	Non-linear	Optimal size 7-9 members	Principles-based guidance

Mandatory Payout Rules	Increases minimums	May force suboptimal decisions	Targeted application with exemptions
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*Note.* Results based on governance-augmented specifications including ownership structure, board characteristics, and institutional quality measures.

**Ownership Concentration**

Ownership concentration exhibits a significant negative relationship with dividend payouts, intensifying in countries with weaker legal protections. This pattern is consistent with controlling shareholders extracting private benefits. Ownership type matters substantially, family-controlled firms show the strongest negative concentration-dividend relationship.

**Board Governance**

Board independence shows surprisingly weak effects on dividend policy. While formally independent boards associate with modestly higher dividends, the economic magnitude is small and the relationship fragile. This likely reflects limited effectiveness of formal independence in emerging markets where independent directors may lack genuine independence or enforcement mechanisms.

**Institutional Quality**

Institutional quality significantly moderates relationships between firm characteristics and dividend policy. Table 3 presents evidence on institutional effects.

**Table 3.** Institutional Quality Effects on Dividend Policy Determinants

<b>Institutional Dimension</b>	<b>Effect on Relationships</b>	<b>Reform Priority</b>
Regulatory Quality	Strengthens profitability-dividend link; weakens ownership effects	Regulatory capacity building
Rule of Law	Reduces private benefit extraction; increases payout stability	Judicial reform
Investor Protection	Strengthens free cash flow-dividend relationship	Minority shareholder rights

Disclosure Enforcement	Improves dividend predictability; reduces asymmetry	Audit quality; penalties
Political Stability	Increases dividend persistence; reduces crisis cuts	Institutional continuity

*Note.* Institutional measures from World Bank Governance Indicators and related sources.

Higher regulatory quality strengthens the relationship between firm financial fundamentals and dividend policy while weakening ownership concentration influences. In markets with strong regulatory quality, profitability and free cash flow more reliably predict dividend payouts. The strength of investor protection mechanisms significantly affects how firm characteristics translate into dividend outcomes, with strong protections constraining controlling shareholders from diverting cash.

**Policy Framework for Governance Reform**

**Core Principles**

The empirical findings support several core principles guiding governance reform in emerging markets:

***Principle 1: Context-Sensitive Design***

Governance reforms must account for local institutional capacity, ownership structures, and market development rather than mechanically transplanting developed-market rules.

***Principle 2: Prioritize Enforcement over Rules***

Expanding formal requirements provides limited benefit absent enforcement capacity. Institutional quality and regulatory effectiveness matter more than stringency of formal rules.

***Principle 3: Flexibility with Accountability***

Rigid rules preventing adaptation often prove counterproductive. Principles-based regulation providing flexibility while requiring disclosure enables adaptation while maintaining accountability.

***Principle 4: Complementary Interventions***

Governance reforms exhibit complementarities. Reforms should be designed as packages addressing multiple dimensions simultaneously.

### **Principle 5: Phased Implementation**

Institutional capacity develops gradually. Reforms should be phased to match institutional development, with early phases focusing on foundational elements.

### **Specific Reform Recommendations**

Table 4 presents specific reform recommendations for securities regulators, stock exchanges, and finance ministries.

**Table 4.** Evidence-Based Governance Reform Recommendations

<b>Reform Area</b>	<b>Specific Interventions</b>	<b>Priority</b>	<b>Expected Benefits</b>	<b>Implementation Challenges</b>
Ownership Disclosure	<ul style="list-style-type: none"> <li>• Beneficial ownership registries</li> <li>• Related-party transaction disclosure</li> <li>• Significant shareholder reporting (&gt;5%)</li> </ul>	HIGH	<ul style="list-style-type: none"> <li>• Reduces information asymmetry</li> <li>• Enables monitoring</li> <li>• Constrains tunneling</li> </ul>	<ul style="list-style-type: none"> <li>• Political resistance</li> <li>• Data infrastructure</li> <li>• Cross-border tracing</li> </ul>
Minority Protections	<ul style="list-style-type: none"> <li>• Derivative suit mechanisms</li> <li>• Cumulative voting rights</li> <li>• Independent director nomination</li> <li>• Related-party approval</li> </ul>	HIGH	<ul style="list-style-type: none"> <li>• Constrains opportunism</li> <li>• Improves dividends</li> <li>• Attracts investors</li> </ul>	<ul style="list-style-type: none"> <li>• Judicial capacity</li> <li>• Frivolous litigation risk</li> <li>• Cultural resistance</li> </ul>
Disclosure Quality	<ul style="list-style-type: none"> <li>• IFRS adoption and enforcement</li> <li>• Audit firm rotation</li> </ul>	HIGH	<ul style="list-style-type: none"> <li>• Improves information</li> <li>• Strengthens</li> </ul>	<ul style="list-style-type: none"> <li>• Auditor supply constraints</li> <li>• Enforcement</li> </ul>

	<ul style="list-style-type: none"> <li>• Audit committee requirements</li> <li>• MD&amp;A disclosure</li> </ul>		<ul style="list-style-type: none"> <li>monitoring</li> <li>• Enhances discipline</li> </ul>	<ul style="list-style-type: none"> <li>capacity</li> <li>• Compliance costs</li> </ul>
Board Effectiveness	<ul style="list-style-type: none"> <li>• Director training/certification</li> <li>• Board evaluation requirements</li> <li>• Committee structure guidance</li> <li>• Director liability framework</li> </ul>	MEDIUM	<ul style="list-style-type: none"> <li>• Improves governance</li> <li>• Moves beyond box-checking</li> <li>• Enhances oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Director talent pool</li> <li>• Liability insurance</li> <li>• Judicial uncertainty</li> </ul>
Dividend Guidelines	<ul style="list-style-type: none"> <li>• Disclosure of dividend policy</li> <li>• Justification for changes</li> <li>• Targeted mandatory minimums</li> <li>• Crisis waiver mechanisms</li> </ul>	MEDIUM	<ul style="list-style-type: none"> <li>• Improves predictability</li> <li>• Constrains opportunistic cuts</li> <li>• Protects minorities</li> </ul>	<ul style="list-style-type: none"> <li>• One-size-fits-all risks</li> <li>• Constrains flexibility</li> <li>• Enforcement complexity</li> </ul>
Enforcement Infrastructure	<ul style="list-style-type: none"> <li>• Regulatory capacity building</li> <li>• Specialized commercial courts</li> <li>• Whistleblower protections</li> <li>• Meaningful penalties</li> </ul>	CRITICAL	<ul style="list-style-type: none"> <li>• Makes rules credible</li> <li>• Creates deterrence</li> <li>• Supports all mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Resource constraints</li> <li>• Political obstacles</li> <li>• Judicial independence</li> </ul>

*Note.* Priority rankings reflect both potential impact and feasibility. "Critical" designation indicates foundational infrastructure required for other reforms.

### ***Ownership Disclosure Reforms***

Priority reforms include establishing beneficial ownership registries identifying ultimate controlling shareholders, requiring disclosure of all related-party transactions above materiality thresholds, and mandating timely reporting by shareholders crossing ownership thresholds. While politically challenging, ownership disclosure provides foundational information enabling all other governance mechanisms.

### ***Minority Shareholder Protection***

Reforms should strengthen protections through enabling derivative suits, implementing cumulative voting for director elections, requiring independent director nomination committees with minority representation, and mandating that material related-party transactions receive approval from disinterested shareholders. Implementation requires judicial capacity to adjudicate disputes fairly and efficiently.

### ***Disclosure Quality Improvements***

Priority reforms include adopting IFRS with effective enforcement, implementing audit firm rotation requirements, requiring audit committees composed of independent directors with financial expertise, and mandating management discussion and analysis sections. Implementation challenges include limited audit firm capacity and compliance costs for smaller firms.

### ***Board Effectiveness Enhancements***

Reforms should move beyond independence ratios toward improving actual functioning through director training and certification programs, requiring annual board evaluations with disclosure of results, providing guidance on committee structures, and clarifying director liability frameworks.

### ***Dividend Policy Guidelines***

The evidence supports requiring disclosure of dividend policies and justifications for changes rather than rigid mandatory rules. Targeted mandatory minimum payouts may be appropriate in specific contexts, mature firms with high ownership concentration and limited growth opportunities, but should include exemptions for financially constrained firms and crisis periods.

### ***Enforcement Infrastructure Development***

Priority enforcement reforms include building regulatory capacity through training and resources, establishing specialized commercial courts, implementing whistleblower protection and reward programs, and ensuring meaningful penalties. Enforcement capacity is foundational, without it, other governance reforms remain largely symbolic.

## ***Implementation Sequencing***

Effective governance reform requires careful sequencing through four phases:

### ***Phase 1 (Years 1-2): Foundation Building***

Establish ownership disclosure requirements, basic financial disclosure standards, and core investor protection mechanisms. Focus enforcement capacity building on foundational elements.

### ***Phase 2 (Years 3-4): Disclosure Enhancement***

Strengthen audit quality regulation, implement audit committee requirements, enhance related-party transaction disclosure, and require dividend policy disclosure. Develop director training programs.

### ***Phase 3 (Years 5-6): Governance Deepening***

Implement board composition requirements, establish board evaluation requirements, introduce targeted mandatory payout rules where appropriate, and enhance minority shareholder nomination rights.

### ***Phase 4 (Years 7+): Sophistication and Harmonization***

Implement advanced governance requirements, pursue regional harmonization initiatives, and continuously improve enforcement effectiveness.

This phased approach enables learning and adaptation, prevents overwhelming limited institutional capacity, and builds credibility through successful implementation of early-phase reforms.

## **Conclusion**

This study develops an evidence-based framework for corporate governance and dividend policy reform in emerging economies, addressing a critical gap between academic research and practical policy guidance. By analyzing how firm-level financial characteristics interact with governance mechanisms and institutional environments to influence dividend decisions, the research identifies structural patterns requiring tailored policy responses. The empirical findings reveal several key insights with direct policy implications. First, ownership concentration significantly affects dividend policy in emerging markets, with controlling shareholders in weak governance environments paying lower dividends consistent with private benefit extraction. This supports prioritizing reforms enhancing ownership disclosure, strengthening minority protections, and improving enforcement. Second, firm financial fundamentals more reliably predict dividends in markets with stronger institutional quality, suggesting that improving institutional infrastructure enhances efficiency of corporate decisions. Third, formal governance mechanisms provide

limited benefits absent substantive effectiveness and enforcement capacity, indicating reforms must move beyond compliance toward genuine accountability improvements.

The policy framework provides specific, actionable recommendations for securities regulators, stock exchanges, and finance ministries. The framework prioritizes foundational reforms—ownership disclosure, minority protections, disclosure quality, and enforcement infrastructure—enabling other mechanisms to function effectively. It emphasizes context-sensitive design accounting for local institutional capacity rather than mechanically transplanting developed-market rules. The framework incorporates flexibility mechanisms allowing firms to adapt practices while maintaining accountability through disclosure. The cross-regional applicability represents an important practical contribution. While emerging markets exhibit heterogeneity, they share common governance challenges, ownership concentration, weak enforcement, information asymmetry, that the framework addresses through evidence-based interventions. The framework provides both general principles grounded in empirical evidence and implementation guidance that regulators can adapt to local contexts. Several limitations warrant acknowledgment. The empirical analysis focuses primarily on sub-Saharan African markets; additional research examining Asian and Latin American contexts would strengthen confidence in generalizability. The study emphasizes dividend policy; examining how governance reforms affect other corporate decisions would provide additional insights. The framework's implementation guidance reflects current institutional constraints and may require adjustment as capacity develops.

Future research should examine governance reform effectiveness through systematic assessment of how specific regulatory interventions affect corporate behavior and market outcomes. Understanding how governance reforms interact with other policy domains would enable more integrated frameworks. Examining how technological developments can support governance reform in resource-constrained environments represents a promising avenue for enhancing implementation feasibility. This research demonstrates that evidence-based governance reform requires moving beyond generic recommendations toward context-sensitive frameworks grounded in empirical analysis. The dividend policy reform framework provides securities regulators with specific, actionable guidance for strengthening corporate governance, protecting minority shareholders, and improving capital market functioning. By prioritizing enforcement infrastructure, emphasizing disclosure, strengthening minority protections, and implementing reforms in phases matched to institutional capacity, emerging market policymakers can make meaningful progress toward governance systems supporting sustainable economic development, attracting investment, and serving diverse stakeholders. The framework's adaptability across regional contexts makes it a practical tool for advancing governance reform across the diverse landscape of emerging economies, ultimately

contributing to stronger capital markets, enhanced investor confidence, and improved corporate accountability in some of the world's most dynamic yet institutionally challenging environments.

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