

OWNERSHIP STRUCTURE AND DIVIDEND POLICY OF LISTED MATERIAL COMPANIES IN SRI LANKA

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Dividend policies are one of the most important financial decisions of an enterprise. Ownership structure plays a crucial role in dividend policy decision making. This study aims to investigate the impact of ownership structure on dividend policy of listed material companies in Sri Lanka. The population of the study is material companies listed in Colombo Stock Exchange and only thirteen companies were selected as sample based on the availability of the data. The proxies of ownership structure are concentrated ownership, institutional ownership and foreign ownership while dividend policy is measured by dividend per share. For the purpose of data analysis, the data were gathered from audited annual reports of material companies in Colombo Stock Exchange website for the period of 2015 to 2020. The hypotheses were examined by using Pearson's correlation analysis and multiple regression analysis. The results reveal that institutional ownership and foreign ownership have negative impact on dividend policy. Further there is no significant impact of concentrated ownership structure on dividend policy. The study recommends that the firms should consider ownership structure of company before making dividend policy decisions. The findings of this study may benefit policymakers, investors and fellow researchers, who seek useful guidance from relevant literature.

Keywords: *Concentrated ownership structure; Dividend policy; Foreign ownership structure; Institutional ownership structure*
