

Effects of Family Ownership and Institutional Ownership on Cash Dividend Policy in Companies Listed at Tehran Stock Exchange

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Abstract : This paper investigates whether ownership structure has significant effects on dividend policy and the percentage of cash dividend payout ratio in Iranian companies listed on the Tehran Stock Exchange. We use a sample of 300 firm-years for 2010-2014. Results indicate that there is no significant relationship between family ownership and/or institutional ownership and dividend policy. Furthermore, there is no significant relationship between dividend policies in family-owned firms with high or low institutional ownership. However, our empirical test shows that family firms with a low level of institutional investors distribute more cash dividends on average than family firms with a high level of institutional ownership.

Keywords : family ownership, institutional ownership, dividend policy, dividend payout ratio

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