A bibliometric review of dividend policy literature

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ARTICLE INFO

ABSTRACT

This study systematically reviews the dividend policy literature, combining quantitative and qualitative techniques. We screened a sample of 270 articles retrieved from the Scopus database from 1981 to 2022. We contribute to the literature by identifying six research streams based on bibliometric co-citation analysis: (1) Dividend payment practices, (2) Price–dividend relationship, (3) Capital market valuation, and dividend policy, (4) Risk governance and dividend policy, (5) Taxes and dividend policy, and (6) The dividend disconnects and catering incentives. For each of these streams, the central research theme is outlined, allowing us to recommend potential directions for further investigation. We provide influential journals, authors, topics, articles, and institutions from our analyses. We also contribute 77 research questions that can be explored in future research to develop the field of dividend policy. Our findings should be of value to academics, financial executives, policymakers, investors, and other practitioners.

1. Introduction

The dividend policy, which is the corporate strategy concerning the part of earnings to be reinvested and/or distributed to current stockholders (Bhattacharyya, 2007; Barros et al., 2020), is at the heart of modern finance and financial economics. Hence, making dividend policy decisions is recognized as one of the most critical and challenging issues facing managers today (Baker and Weigand, 2015; Bhattacharyya, 2007), making it difficult to explain the dividend puzzle in empirical studies. As for the dividend paradox, Black (1976) concluded that "The harder we look at the dividends picture, the more it seems like a puzzle, with pieces that just do not fit together." However, the motives behind dividend policy are still poorly understood (Brav et al., 2005; Goyal, 2019; Franc-Dbrowska and Mądra-Sawicka, 2020; Barros et al., 2021). In recent years, dividend payout policy has gained increasing attention and is still a debated topic in modern financial theory (Michaely and Moin, 2022). More importantly, recent empirical studies showed mixed and contradictory findings on the impact and critical determinants of dividend policy (Ali and Hegazy, 2022; Barros et al., 2020; Benjamin et al., 2018; Saeed and Sameer, 2017).

This paper aims to identify influential authors, journals, countries, topics, and research streams in the dividend policy literature by performing a systematic literature review that combines bibliometric and content analyses (Alon et al., 2018; Patel et al., 2022a). The study provides the current state of knowledge in dividend policy literature, and contributes 77 significant research questions for future research in this domain. The present study relies on a meta-literature review of the existing literature to explain the dividend policy literature. Indeed, there is a growing interest in using bibliometric analysis in economics and finance (Patel et al., 2022a; Migliavacca

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