FACTORS AFFECTING DIVIDEND SMOOTHING AMONG LISTED FIRMS AT THE NAIROBI SECURITIES EXCHANGE.

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULLFILLMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION SCHOOL OF BUSINESS UNIVERSITY OF NAIROBI.

DECEMBER, 2022

DECLARATION

This Research work is my original work and has not been presented for the award of a degree in any University.

Signed: _____ _____Date:_5/12/22_____

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D61/40106/2021

This Research work has been submitted for the examination with my approval as university supervisor.

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ACKNOWLEDGMENTS

I want to thank my family for their financial and moral support as well as my supervisor Dr. Luther Otieno for their guidance.

DEDICATION

I dedicate my work to my loved ones, close friends, and my supervisor, Dr luther Otieno, who supported me and believed in me throughout this study.

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LIST OF ACRONYMS

NSE:	Nairobi Securities Exchange
SME:	Small and Medium Enterprises
WAN:	Wide Area Network
CBK:	Central Bank of Kenya
SPSS:	Statistical package for Social Science

ABSTRACT

It is not well understood why corporations settle their payouts or what factors affect patterns in corporate performance, despite dividend smoothing's widespread use and significance. It has been and will continue to be crucial in the field of financial management to identify the elements that influence the optimal dividend distribution and dividend smoothing. Variations in currency rates and an increase in the number of corporations paying dividends are two variables that affect dividend payouts. The purpose of this research was to identify the aspects of dividend distribution that are unique to firms listed in Nairobi. The purpose of this research was to examine the role that various elements play in the dividend payment procedure for Nairobi-listed firms. The dividend distribution procedure will also examine the profitability and leverage of the enterprises involved. Multiple theoretical and experimental approaches were utilized in the project. Dividends, agency theory, and signaling theory will all play significant roles. In particular, it will focus on Nairobi Stock Exchange businesses that have distributed dividends since 2017. The data was analyzed with the use of a systematic sampling strategy. The NSE manual was mined for information between the years of 2010 and 2021 for the purpose of this study. Both descriptive and inferential statistics will be used in this investigation. Statistics like mean, standard deviation, maximum, and standard error are employed in the first method. In the latter, linear regression and correlation analysis plays a role. Autocorrelation, multi-collinearity, and linear regression are only some of the statistical methods that will be used to examine the data. To what extent profitability and a streamlined dividend procedure are related was the focus of this study. The article also delves into the question of whether or not dividends are affected by the concentration of corporate ownership. Examining whether or not leverage contributes to dividend cuts is another focus of the research. Academics, management consultants, and those in charge of policing the capital markets can all benefit from the study's conclusions. Results revealed an R-square of 0.345, therefore profitability explain 34.5% of the variation in a dividend smoothing. The ANOVA revealed an F-ratio of 32.588 which was significant at 0.05 (P-value=0.001< 0.05). Therefore, a profitability is a significant predictor of dividend smoothing. There was a favorable correlation between the ownership structure and dividend smoothing. This indicates that the dividend smoothing of the companies under study was determined by ownership structure, as indicated by the number of directors who are shareholders. As a result, the dividend smoothing of the companies under study is determined by the size of the firm, sales (profits), and growth rate of the companies.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Dividends are contentious because investors and analysts can't agree on how they will affect the stock price. The lack of arbitration as a coherent concept of evaluation is central to modern financial theory and practice. If there is no way for two parties to get to different conclusions about the worth of an item, then arbitrage does not occur and there is only one price in the capital and financial markets. What's more, according to the rule of one price, we may utilize market prices to ascertain the worth of investment prospects for investors at both the corporate and individual levels (Berk and DeMarzo, 2011). Decisions on the company's finances should be made only if doing so would increase its worth. The dividend payout ratio is a key financial decision that must be made every year. While governments tend to look at the economy in the aggregate, no economy can prosper if its constituent parts (in this example, enterprises) are poorly managed.

Making sound judgments is essential for efficient management. There is nothing more crucial to effective financial management than making sound financial judgments. The terms "investment," "finance," and "asset management" are used to refer to the process of making sound financial decisions. To that purpose, our research will zero in on the contentious topic of dividend choice. Various national and international political concerns enter into corporations' dividend decisions. As indicated by the dividend smoothing theory, increased price volatility is a symptom of erratic company activity. It also notes that companies may increase dividend payments during prosperous times in response to investor demand for higher dividends. Capital market growth, interest rates, valuation, and security regulation are all influenced by dividend decisions at the macro level, while capital structure, governance, and other factors are influenced at the micro level. Initiation of New Enterprises and Developing Existing Ones

(Green et al., 2002). When determining the value of a stock, analysts typically assume that buyers are also purchasing the company's ability to pay out dividends in the future.

When a company has surplus cash, its management and board of directors have to make a decision about what to do with it. Excess funds can be reinvested in the company's growth and development, as is the case with new, rapidly expanding businesses, or paid out to shareholders in the form of dividends in the case of more established businesses. profitable. That in a perfect capital market, a company's dividend policy has no bearing on its value is essentially the theory articulated by Modigliani and Miller (1961). Taxes, agency costs, transaction costs, and information asymmetry are only a few examples of market defects that appear to impact dividend policy, as evidenced even by their fit theorem. managerial and financial relationships with shareholders (Berk and DeMarzo, 2011). According to agency theory, dividends are a useful management tool for maintaining positive relationships.

Every stockholder receives the same dividend payment regardless of how many shares they own. As well as boosting morale, dividends may be a reliable source of revenue for shareholders. The distribution of a corporation's post-tax profits to its shareholders (in the form of dividends) is not considered a cost by the business entity itself. To the same extent as the company's issued share capital, retained earnings (profits that have not been dispersed as dividends) are reflected in the balance sheet as part of shareholders' equity. Though dividends from publicly traded firms are typically paid at regular intervals, they may be declared at any time; such payments are sometimes given the designation "special dividends" to differentiate them from the regular dividends. Dividends paid by cooperatives, on the other hand, are often regarded a pre-tax cost since they are distributed to members based on their level of participation.

1.1.1 Dividends smoothing, concept and measurement

It was found by Lintner (1956) that consistent dividends are preferred by businesses. Further, Lintner defines "dividend smoothing" as the technique of keeping dividend payments steady throughout time. This suggests that dividends are stable and that companies seldom alter their dividend payouts relative to earnings volatility (Ellili & Farouk, 2011). Divident smoothing is a part of dividend policy. Taxes, business earnings and profitability, agency conflicts, information asymmetry, company size, ownership structure, and the stage of the company's life cycle are all elements that might impact managers' decisions to implement a dividend smoothing policy (Bender & Ward, 2013).

Under asymmetric information, dividends are a signal used to communicate future profitability (Bhattacharya, 1979). Dividends, on the other hand, are seen as a value-destroying activity preventing mechanism in agency theories (La Porta et al, 2000).

1.1.2 Factors affecting dividend smoothing.

In order to approximate tax rates, the size of institutional portfolios has been examined. The amount of institutional ownership has been used as a proxy for investors' tax clients due to the fact that many institutions are not tax exempt (Hotchkiss and Lawrence 2007; Ferreira, Massa, and Matos 2009). Some academics have shown that dividend smoothing is expensive for businesses due to issues including ownership structure. When management are ready to seek external money or even sacrifice positive NPV investments in order to prevent dividend cuts, this is an example of this phenomenon (Brav, et al., 2005). It is further established that the time-series features of a company's profits and profitability play a role in determining dividend smoothing.

Lintner's (1956) survey data supports the idea that less smoothing occurs in the earnings series of more stable companies, whereas smoothing increases for those in the cyclical sector. Research shows that low dividend yields, high earnings volatility, and high return volatility are all associated with business youth and size. These results are at odds with the predictions of some of the currently available asymmetric information models, which show that businesses operating under more uncertainty and information asymmetry smooth less. Meanwhile, our data shows that cash cows, slow-growing companies, and those under the scrutiny of large investors tend to be smoother. Several of the agency theories' key predictions match this pattern.

1.1.3 Firms Listed in Nairobi Securities Exchange

The Nairobi Securities Exchange, formerly known as Nairobi Stock, as a voluntary organisation of stock brokers. Once located at the IPS building, the trade floor and secretariat relocated to the Nation Centre Nairobi in 1994. The securities exchange has seen significant transformation over the past decade, with the introduction of automated trading in September 2006 and the subsequent advent of remote stockbroker trading in 2007, thus eliminating the need for dealers to be physically present on the trading floor. In addition, the previously established two trading days each week were doubled to six. The relocation to Westland, outside of Nairobi, represented a symbolic break with the age in which stockbrokers owned and controlled the market. Each day's Nation (19th Jan. 2013). The firms listed on the Nairobi Securities Exchange may be broken down into one of 10 categories: agriculture, automobiles, banking, commercial services, construction, energy and petroleum, insurance, investments, manufacturing, allied products, and telecommunications and technology. The NSE-listed manufacturers included in Appendix 1 will be the subject of this analysis.

After a thorough evaluation, the Nairobi Securities Exchange revealed in July 2007 which stocks will make up the NSE Share Index. The necessity for brokers to deploy employees (dealers) to the trading floor was eliminated after the introduction of a Wide Area Network (WAN) platform that same year. NSE All Share Index (NASI) is a secondary index that debuted in 2008. The index it represents is a leading predictor of market health. Every single share that changes hands during the day is factored into the index. It was in July of 2011 when the Nairobi Stock Exchange Limited became the Nairobi Securities Exchange Limited. To better reflect its vision of becoming a full-service securities exchange that facilitates trading, clearing, and settlement of equities, debt, derivatives, and other related instruments, the Nairobi Securities Exchange has changed its name to the Nairobi Securities and Derivatives Exchange (www.nse.co.ke).

1.2 Research problem

Despite dividend smoothing's pervasiveness and significance, there is less consensus about the reasons why companies' smooth dividends or the factors that influence whether or not a company would smooth dividends. Researchers have argued that the size of a corporation is positively correlated with dividend smoothing, as shown by Titman and Wessels (1988). Larger firms, they say, are more likely to smooth dividends since their earnings are more stable and they can thus afford a higher dividend payment ratio. According to the pecking order theory, however, dividend payouts tend to decrease as a company grows larger. This is because larger corporations are subject to greater scrutiny and should have a more open-door policy when it comes to issuing shares. The considerations that go into determining the appropriate dividend distribution and dividend smoothing have always been, and continue to be, a hot topic in the field of financial management. "Enterprises first examine whether they need to vary from the existing rate instead of setting dividends every other time," Leary and Michaely (2011) write, evidencing this point. After deciding that a shift is essential, they then begin to think about how drastic that shift should

be. The management team seems to have a clear conviction that companies with a consistent dividend policy are more highly valued by investors. However, a number of academics have concluded that dividend smoothing is really rather expensive for businesses. Yet some researchers point out that there is no conclusive evidence that investors prefer it when companies smooth their payouts (Baker and Wurgler, 2010), and there is also a lack of consensus on the issues that are of importance in x dividends smooth decision by managers (Lambrecht and Myers, 2010).

Inconsistent findings about how a firm's capital structure affects its profitability may be found in the relevant academic literature. Since corporations would rather use their own resources than take on debt, Myers and Majluf (1984) believe that there is a hierarchy in how they choose to finance their operations, and that this negative link between leverage and profitability reflects this. This means that the debts of a corporation have an inverse relationship to its profitability.

When a company's investment and borrowing decisions remain the same, the dividend policy describes how much of the company's profits will be distributed to shareholders. No matter what dividend policy a company chooses to implement, its value in a perfect capital market will remain unaffected. According to Bodie, Merton and Cleeton, (2009), there are, however, frictions in the actual world, and they might lead dividend policy to affect the value of the organization.

This research will primarily examine the driving forces behind why companies listed on the Nairobi Securities Exchange (NSE) choose to smooth dividends. The researcher will select random companies of different sizes from the NSE's list of companies that have paid dividends to shareholders during the past five years. In order to address the research question, the study will compare and contrast large and small businesses, old and new businesses, and profitable and unprofitable businesses. Therefore, the goal of this study is to determine what factors influence NSE-listed businesses' decisions about dividend

smoothing. Although several studies have examined the factors that influence corporations' dividend choices, none have focused on the factors that influence dividend smoothing for NSE-listed businesses. Mutswenje (2006) conducted a multi-correlation analysis of dividend paid in connection to twenty-seven other parameters, including investor need, share price, and broker information, and found varying responses depending on the circumstances. Therefore, it is reasonable to conclude that the dividend decision will vary depending on the circumstances. Ndung'u's (2009) studies of dividend policy in Kenya show that factors such as the firm's liquidity situation, predicted future earnings, cash flow position, and lucrative investments have all become increasingly important. These factors might originate from inside or from the outside. Asuke (2009) and Odhiambo (2006) conducted research to identify the factors that influenced the dividend payout strategies of 20 NSE-listed financial services firms.

Researchers, particularly in Africa and in particular Kenya, have not paid nearly enough attention to the topic of variables impacting dividend smoothing. Actually, there has never been any research conducted on this issue. The research was conducted across a wide range of time periods, with some having a significant advantage over others. Therefore, it is essential to conduct this research in order to gain an understanding of the factors influencing dividend smoothing in NSE-listed businesses that have paid dividends during the last five years. Therefore, the query, "What factors affect dividend smoothing at NSE?" was the focus of this research?

1.3 Objective of the Study

This study sought to establish the factors that influence dividend smoothing among the companies listed at Nairobi Securities Exchange.

1.5 Value of the study

Insight into dividend smoothing strategies and the primary elements corporations evaluate when making such a decision is provided in this study, which is useful for shareholders and other stakeholders of listed companies. The research is also relevant for prospective investors. Small and large investors alike will be able to better tailor their investing strategies to their specific goals. However, the research will also be applicable to institutional investors, whose requirements are distinct from those of private investors.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The primary goal of chapter is to get familiarity with what other authors have said on the factors influencing dividend smoothing among companies listed on the Nairobi stock market. The chapter will be broken down into its constituent parts, including a synopsis, a conceptual framework, and a discussion of the four particular aims of the study, and an empirical literature /critical assessment of the relevant actual studies.

2.2 Theoretical Review on Dividend Smoothing

Diverse theories have been suggested to explain how dividend smoothing is calculated, and this is one of the most disputed subjects in the world of finance. Current dividend smoothing models can essentially be divided into two groups: those that are motivated primarily by asymmetric information and those that are driven primarily by agency concerns. In general, asymmetric information theories predict that smoothing will increase as information asymmetry and risk increase (Guttman et. al., 2007). The presence of institutional investors may result in both more information being produced and better monitoring, contrary to models inspired by agency conflicts that predict that smoothing will be used more frequently as the degree of conflict of interest between managers and outside shareholders increases (Allen et al, 2014). (Allen et al, 2014). Contrary to Allen et al(2014) .'s assertion that institutional ownership will result in more smoothing, which is supported by an agency-based reasoning, the view of Brennan and Thakor (2020), who argue that information asymmetry will cause smoothing to increase with lower institutional holdings, is more plausible.

The following is a detailed discussion of the various hypotheses put out to explain dividend smoothing:

2.2.1 Dividend smoothing Theory

According to this view, increased price volatility is a symptom of erratic company activity. It also notes that companies may increase dividend payments during prosperous times in response to investor demand for higher dividends.

According to the dividend smoothing hypothesis, investor expectations are the single most significant element in determining the health of a market. Therefore, businesses should strive to satisfy these expectations to keep the market operating smoothly.

The dividend smoothing theory proposes that corporations would implement dividend increases over time in order to keep their stock prices stable. It presumes that shareholders would utilize dividends as a buying signal and that they will have a more complete picture of the company's financial prospects than top executives. In the field of economics, Yale professor Robert Shiller is a prominent figure.

The principle of dividend smoothing can contribute to falling share prices and a consequent fall in a company's stock price. Companies may avoid this by keeping their payout ratio constant. For instance, firms kept their payout ratios stable during the dot-com boom of the '90s.

It is Lynch's contention that huge corporations have a tendency to stabilize stock prices and dampen market volatility. However, if the firm grows in size, this may no longer be the case. Because dividends are expected to be greater from larger businesses, he said, the dividend smoothing impact will be lower on the S&P 500 index than it is for smaller companies.

Shiller and coworkers investigated how dividend smoothing influences a company's stock price and earnings per share in a research published in the Journal of Finance. They discovered that a lower price-to-earnings ratio may be achieved by boosting dividends.

Lynch also pointed out that P/E ratios are inaccurate when used to evaluate small-cap firms. He argues that the question is not whether a low P/E indicates a company's worth but rather whether or not it is a reliable indicator of future earnings.

2.2.2 Agency Conflict Theory

Jensen and Meckling (1976) are the pioneers to this theory. Most of their financial model revolves around the fiduciary duty of the shareholders and the managerial agency of the company. There is a potential for a conflict of interest to exist when managers don't always make decisions that are in the best interest of shareholders and don't constantly aim to increase the company's worth. This agency expense is a result of the conflict of interest and must be addressed. Managers typically try to win over shareholders' trust by demonstrating the soundness of their judgment and therefore reducing the residual loss caused by the conflict of interest.

The pioneers/authors of this theory further argues that financial policies can be used by managers for both monetary and non-monetary gains, such as enhanced status, more freedom of action, and the chance to expand their sphere of influence. Constraints on dividend payments can have a significant impact on how much capital managers are able to put to use. For enterprises to be able to satisfy their financial needs, paying a dividend that is both high and steady is recommended by Easterbrook (1984) and Jensen (1986). Agency expenses are decreased by being subjected to the discipline of external financial markets on a continuous basis.

This balancing act between the benefits of free income and the risks associated with adverse selection is modeled by DeAngelo and DeAngelo (2007). Firms can maintain their financial flexibility with little leverage, but they risk incurring agency costs if they hold onto too much cash on hand. By consistently paying out a large dividend, mature companies can reduce their exposure to agency expenses without

reducing their ability to attract cheap outside funding. Low debt paired with high, continuous stock payments is the "optimal financial strategy for mature enterprises," the authors write. If dividend smoothing is due to financial restrictions, as is commonly assumed, then it is expected that dividend smoothers will have a substantially different profile from those who do not.

Shareholders, according to Lambrecht and Myers (2010), want a dividend payment every so often to keep agency expenses down, but the high price of group action gives the management a chance to keep whatever rentals he or she earns. A manager's utility function, shaped by risk aversion and habit formation, makes him favor a steady flow of rents, which in turn necessitates a steady flow of dividends. While payouts tend to rise in tandem with declining shareholder protections, the degree to which they are smoothed is mostly determined by the manager's propensity to repeat patterns of behavior.

2.3 Determinants of Dividend Smoothing

The decision to smooth dividends or not might be influenced by a number of variables. Leverage ratios, business age, asset tangibility, and profitability have all been proposed as possible indicators of the degree of information asymmetry and its relationship to corporate dividend smoothing decisions (Kumar, 1988; Guttman, et al., 2007). The company's profitability, size, anticipated growth, operating risk, agency conflicts, and managerial ownership are the most frequently mentioned factors. The agency conflict between shareholders and management, as well as the firm's profitability, size, earnings, and ownership structure, are all included in this analysis. The existing research on the aforementioned anticipated factors of dividend smoothing decisions will therefore be reviewed in this study.

2.3.1 Size of the Firm

Researchers have not yet come to a consensus on how a company's size affects dividend smoothing decisions. It is also unclear if this is a good or negative relationship, or even if it exists at all. However, we observe that the size of a corporation is positively correlated with dividend smoothing, as shown by Titman and Wessels (1988). Larger firms, they say, are more likely to smooth dividends since their earnings are more stable and they can thus afford a higher dividend payment ratio. According to the pecking order theory, however, dividend payouts tend to decrease as a company grows larger. This is because larger corporations are subject to greater scrutiny and should have a more open door policy when it comes to issuing shares. This idea that larger organizations, with less room for error due to size, should have lesser debt, is supported by the research of Rajan and Zingales (1995).

2.3.2 Firm Earnings and Profitability

The time-series characteristics of a company's profits have a role in determining the dividend smoothing policy. Lintner (1956) finds that enterprises with more consistent earnings series smooth less, whereas those with more cyclical earnings smooth 16 more. Firms that smooth earnings more also tend to distribute dividends with less volatility. In addition to disparities in earnings smoothing behavior, our cross-sectional findings reveal variances in dividend policy. Firms change payouts more quickly when they are below their objective than when they are above, and this asymmetry in smoothing behavior has been well-documented.

Inconsistent findings about how a firm's capital structure affects its profitability may be found in the relevant academic literature. Since corporations would rather use their own resources than take on debt, Myers and Majluf (1984) believe that there is a hierarchy in how they choose to finance their operations, and that this negative link between leverage and profitability reflects this. This means that the debts of a

corporation have an inverse relationship to its profitability. A high amount of debt may be manageable for more lucrative businesses since they are in a better position to make their debt payments on schedule. Capital structure debt is consequently an easy addition for them to make (Peterson and Rajan, 1994).

When Ellili and Farouk (2011) conducted an empirical study of firms listed on the Abu Dhabi Stock Exchange, they discovered that long-term leverage is inversely associated to profitability, whereas short-term leverage is favorably connected to profitability. It is clear from this data that successful businesses finance their long-term investments with internal resources and their day-to-day operations with short-term debt.

2.3.3 Ownership Structure

Almeida, Campello, and Weisbach show that dividend smoothing can also emerge as a means of warding off expensive forms of external financing (2004). Companies with the biggest dividend payouts and the least restrictive access to external capital are thought to be the most likely to engage in smoothing. There is also no backing for tax-based models that predict smoothing on the part of companies owned mostly by private investors.

Managers, according to Harris and Raviv (1988), raise the debt ratio to tighten their grip. Attempts are made by management to alter the capital structure of corporations in order to gain control of a sizable number of votes. According to Zingales et al. (1995) and Zwiebel (1996), managers are compelled to issue debts and demonstrate alignment due to the risk of a takeover. To reduce the likelihood of bankruptcy, the company's management will not issue bonds to fund endeavors with a negative net present value. According to Amihud and Lev (1981), managers with non-diversifiable human capital care more about decreasing the indebtedness of their organizations in order to ensure their own job

security. It has also been found by Berger, Ofeck, and Yermack (1997) that long-serving managers are less likely to take on debt.

Many managers have a lot of money involved in the company, thus Amihud and Lev (1981) believe that they see things from a somewhat different angle. Both Friend and Hasbrouck felt similarly (1988). The common stock of the company and the management insider's acquired expertise make up the bulk of the money that the insider has put in the company. The bankruptcy of the company would have a significant effect on the fortune of the insider because these goods typically constitute a considerable amount of their entire worth. Managers with substantial financial stakes in their companies are more likely to want to limit their reliance on debt financing, as stated by Friend and Hasbrouck (1988).

2.3.4 Industry of operation

One of the best indicators of how well your company will perform in a certain sector is the success of the industry as a whole. If the industry is doing well, then your business, assuming you run it well enough, is likely to do well inside that sector. You can determine the changes that industry is likely to experience by being able to predict the changes that are likely to occur in that sector. For instance, manufacturers of goods that need fuel to generate them will benefit from higher profit margins if the price of fuel falls significantly. Knowing these changes are coming will enable your company to act strategically when making industry-related decisions.

2.3.4 Conceptual framework

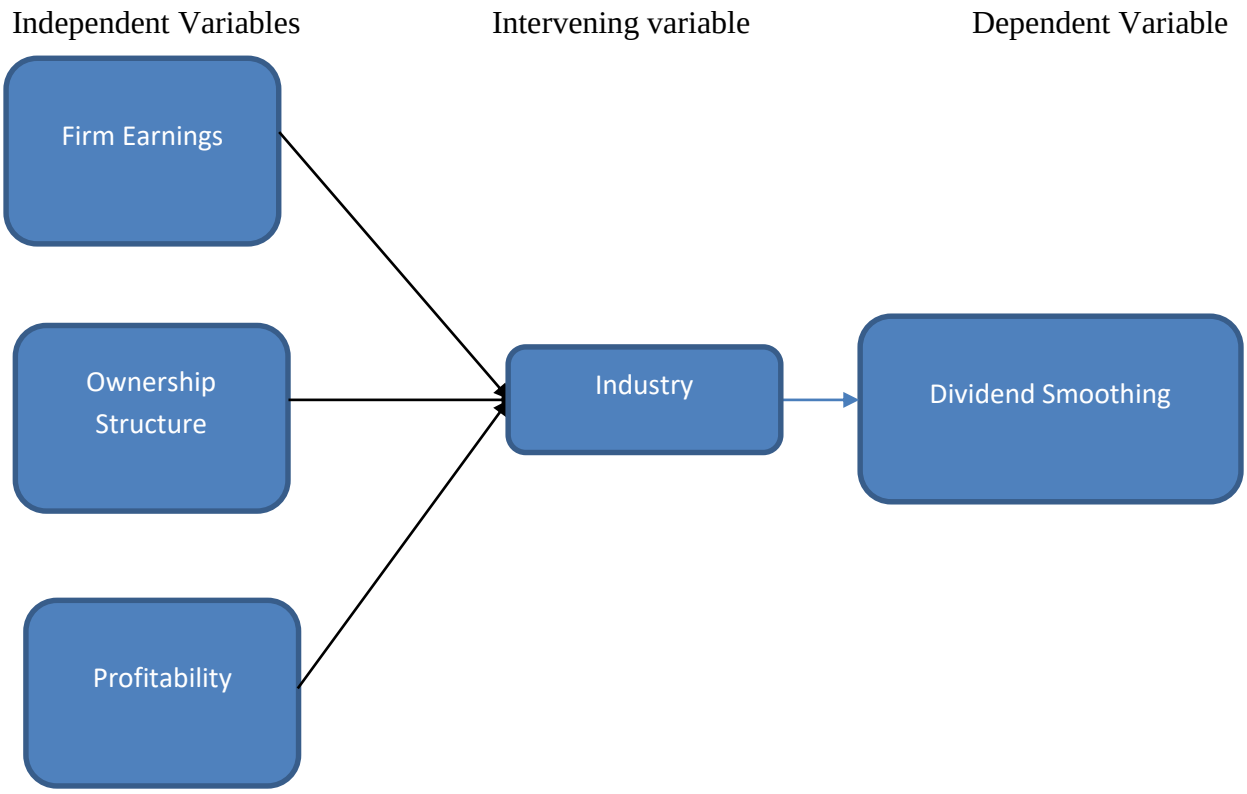

Figure 1: Conceptual framework

2.4 Empirical Review

Although a number of writers have already conducted research on dividend smoothing, it is still important to examine the factors influencing dividend smoothing among companies traded on the Nairobi securities market. Recognizing the efforts of previous researchers and determining what areas can benefit from more study are also goals of this chapter.

To maintain a desired long-run payout ratio, Lintner (1956) presented a dividend smoothing model in which companies gradually alter payouts. Lintner surveyed 28 firms' management teams and discovered

that dividends are not established annually based on earnings but rather, on whether or not to adjust payments from the prior year. Managers allegedly only cut dividends if they were forced to, and only raised payouts if they were sure future profits would be enough to cover the increase. Investors value dividend stability and enterprises that reduce payouts are punished by the market, two views that have received a lot of attention. Furthermore, Lintner discovered that managers set the dividend policy first, then adapt other cash-related actions to the specified dividend amount. Almost fifty years later, Brav, Graham, Harvey, and Michaely (2005) found in a survey of 384 financial executives that identical concerns still play a significant role in setting dividends in publicly listed corporations. Michaely and Roberts (2007) discovered that private companies are far less likely to engage in dividend smoothing.

In a study by Michaely and Roberts (2006) on agency costs, equal investor information and dividend smoothing, the research showed that 22 publicly traded companies' dividend policies distributed a larger percentage of earnings and were more responsive to changes in investment opportunities than similar private firms where such safeguards were unavailable to mitigate agency conflicts.

U.S. companies' dividend smoothing practices were investigated by Leary and Michaely (2009). According to the results, price and profit volatility are less of a concern for larger, more tangible-asset-rich enterprises. Companies with lesser growth expectations and "cash cow" businesses were shown to have more smooth operations. Higher payout ratios and a strong presence of institutional investors are both associated with more smoothing by a company.

The situation in Oman (2011) provided a great chance to study the perseverance of dividend smoothening. There are no dividend taxes in Oman, enterprises are heavily levered mostly through bank loans, stock ownership is highly concentrated, and dividends are paid in a variety of forms, including cash. These indicators pointed to dividend smoothing are declining importance in Oman. The findings revealed that financial institutions' dividend practices are highly inconsistent. His findings went against

what would have been expected from companies with poor corporate governance, high government ownership, and dividend signaling.

2.5 Literature Review Summary

Diverse theories have been proposed to explain how dividend smoothing is determined, and this is one of the most contentious issues in the field of finance. Dividend smoothing models now in use may be roughly categorized into those that are driven largely by asymmetric information and those that are motivated by agency concerns. Theories inspired by information asymmetry often anticipate that as information asymmetry and risk grow, smoothing will also increase (Allen et al, 2014). Smoothing is predicted to rise with institutional ownership by Allen et al. (2014) using an agency-based argument, but smoothing is seen to increase with smaller institutional holdings by Brennan and Thakor (1990) due to information asymmetry.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

The research design, population of interest, sampling frame detailing the sample size and how it was selected, equipment for collecting data and how it was administered, methods for analyzing the data, and anticipated results are all presented in this chapter. The NSE database in Nairobi was scoured for information on dividend-paying firms registered on the exchange.

3.1 Research Design

Companies trading on the Nairobi Securities Exchange in Kenya was the focus of this descriptive research on the factors that influence dividend smoothing. Data for the study was collected using a cross-sectional methodology. The most trustworthy data was found in this layout; thus, it was selected. In cross-sectional studies, a sample is analyzed at a certain point in time. This is quantitative research collected data throughout the course of the past five fiscal years (2017- 2021). The purpose of the study's methodology was to provide a detailed account of the dividend distribution from the viewpoint of a certain company, sector, or other relevant entity. This knowledge may be crucial prior to deciding on a course of action to fix the problem (Blurtit.com, 2012).

3.2 Population of Study

According to Cooper and Schindler, (2000), a population is "the complete set of items about which an investigator draws conclusions." All companies currently listed on the Nairobi Stock Exchange that have paid dividends in the past five years were included in the research.

3.3 Design

The study was deduced through a census of the firms that are listed in the NSE and have paid dividends for the last 5 years. Secondary data was gathered after consulting NSE staff members who are experts in the relevant fields.

3.4 Data Collection Methods

The NSE database was mined for secondary data for the investigation. A request for the necessary details was sent to the NSE and the companies themselves to get the necessary data. Four sections of questions covering broad aspects of the case firm made up the bulk of the first round of data collecting. Part 2 analyzed the company's dividend payout; Part 3 examined the ownership structure; Part 4 analyzed the company's size and agency conflicts in connection to dividend smoothing.

3.5 Data Analysis

The purpose of this research was to use binary regression analysis to examine the connection between the factors influencing the company's dividend smoothing choice (the dependent variable) and the factors (the independent variables). To analyze the correlation between the categorical dependent variable and the independent variables, statisticians use logistic regression. It's helpful when the available values for the dependent variable are either all ones or all zeroes (binary). To be detectable, an independent variable's P-value must be larger than 0.5.

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + E$$

Where;

Y is the dividend smoothing

α, β1-β3 are coefficients to be extracted of X.

X1 Firm Earnings

X2 Ownership Structure

X3 Profitability

E = the random error term

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1: Introduction

This chapter presents the study findings and analysis with the study main objective being the core consideration. Further, the chapter is subdivided into three main categories including; relationship between profitability and earnings of the firm, size of the firm, and agency conflicts with the dividend smoothing among the firms listed at the N.S.E. Additionally, all companies at the NSE that have been paying dividends for the last five years were used to represent the rest of the companies in the economy.

4.2 Results

The data that was used was collected from the total firms listed at the NSE. Further, this data was majorly extracted from the NSE website. However, some firms seemed to lack some of the requisite data required. Those that have the necessary information and have paid dividends for the previous five years. The independent variable was computed for each company's data and a mean was calculated. After that, the information was coded and entered into SPSS version 21. The computations for the dependent and independent variables are shown in table 1.1 below.

Table 4.1: Variables computation

	Company	Sector	Price	Y	Size	Profitability	Ownership structure
1	Absa Bank Kenya	Financials	11.7	0.51	63.54	-1.27%	8
2	ARM Cement	Industrials	5.55	0.73	5.32	0	4
3	B O C Kenya	Basic Materials	80	0.00	1.56	14.29%	8
4	Bamburi Cement	Industrials	34	0.30	12.34	-10.53%	22
5	BK Group	Financials	29.5	0.55	26.45	1.72%	11

6	Britam (Kenya)	Financials	5.72	0.04	14.43	-23.73%	12
7	BAT Kenya	Consumer Goods	425	0.80	42.5	-3.74%	7
8	Car & General (K)	Consumer Services	39	0.65	1.56	14.87%	4
9	Carbacid Investments	Basic Materials	13.8	0.50	3.51	25.45%	8
10	Centum Investment	Financials	8.42	0.00	5.6	-40.28%	7
11	CIC Insurance Group	Financials	1.95	0.28	5.1	-11.76%	8
12	Co-operative Bank of Kenya	Financials	11.85	0.42	69.52	-8.49%	16
13	Crown Paints Kenya	Basic Materials	39.85	0.81	2.83	30.66%	4
14	Deacons (East Africa)	Consumer Services	0.45	1.48	0.05	0	5
15	Diamond Trust Bank Kenya	Financials	48.5	0.15	13.56	-18.49%	6
16	Eaagads	Consumer Goods	11	0.22	0.35	-18.52%	3
17	East African Breweries	Consumer Goods	157.5	0.42	124.54	-4.55%	4
18	East African Cables	Industrials	1	0.19	0.25	-16.67%	4
19	East African Portland Cement	Industrials	7.5	0.88	0.67	12.61%	4
20	Equity Group Holdings	Financials	45.1	0.23	170.19	-14.50%	11
21	Eveready East Africa	Consumer Goods	0.76	0.12	0.15	-22.45%	2
22	Express Kenya	Consumer Services	3.28	0.30	0.11	-20.00%	3
23	Flame Tree Group Holdings	Basic Materials	1.07	0.27	0.19	-15.08%	5
24	HF Group	Financials	3.07	0.08	1.18	-21.28%	6
25	Home Afrika	Financials	0.36	0.33	0.14	-10.00%	4
26	Homeboyz Entertainment	Consumer Services	4.66	0.50	0.29	0	8
27	I&M Holdings	Financials	17.15	0.14	7.08	-18.72%	4
28	ILAM Fahari I-REIT	Financials	6.6	0.52	1.19	5.43%	5
29	Jubilee Holdings	Financials	210	0.00	15.21	-33.70%	3
30	Kakuzi	Consumer Goods	420	0.59	8.23	9.09%	6

31	Kapchorua Tea Kenya	Consumer Goods	115	0.70	0.89	20.42%	8
32	KCB Group	Financials	36.75	0.13	112.67	-19.14%	11
33	KenGen Company	Utilities	3.29	0.08	21.69	-21.48%	12
34	Kenya Airways	Consumer Services	3.83	0.71	21.76	0	11
35	Kenya Orchards	Consumer Goods	10.4	0.81	0.13	0	5
36	Kenya Power & Lighting	Utilities	1.65	0.40	3.21	-5.71%	6
37	Kenya Re-insurance Corporation	Financials	1.87	0.14	1.3	-18.70%	3
38	Kurwitu Ventures	Financials	1500	0.50	0.15	0	4
39	Liberty Kenya Holdings	Financials	4.98	-0.08	2.66	-28.86%	4
40	Limuru Tea	Consumer Goods	420	0.81	1	31.25%	4
41	Longhorn Publishers	Consumer Services	3.46	0.54	0.94	-13.50%	11
42	Mumias Sugar Co	Consumer Goods	0.27	0.50	0.41	0	2
43	Nairobi Business Ventures	Consumer Services	3.44	0.00	0.08	-43.23%	3
44	Nairobi Securities Exchange	Financials	7.28	0.35	1.88	-9.00%	5
45	Nation Media Group	Consumer Services	16.7	0.32	3.14	-9.49%	6
46	NCBA Group	Financials	31.7	0.53	22.31	25.79%	8
47	Olympia Capital Holdings	Industrials	2.66	0.58	0.1	33.00%	8
48	Safaricom	Telecom	25.25	0.00	1011.65	-33.47%	6
49	Sameer Africa	Consumer Goods	2.68	0.38	0.74	-6.29%	4
50	Sanlam Kenya	Financials	8.72	0.03	1.25	-24.50%	5
51	Sasini	Consumer Goods	20.5	0.60	4.67	9.63%	9
52	Stanbic Holdings	Financials	100	0.65	39.53	14.61%	8
53	Standard Chartered Bank Kenya	Financials	137	0.50	47.06	6.82%	8
54	Standard Group	Consumer Services	11	0.27	0.89	-18.82%	6
55	Total Energies Marketing Kenya	Oil & Gas	23.2	0.42	4.06	-7.20%	3

56	TPS Eastern Africa	Consumer Services	13.6	0.39	2.47	-10.82%	3
57	Trans Century	Industrials	1.19	0.55	0.44	1.71%	5
58	Uchumi Supermarkets	Consumer Services	0.26	0.58	0.09	8.33%	6
59	Umeme	Utilities	7	0.54	11.36	3.86%	8
60	Unga Group	Consumer Goods	29	0.55	2.19	4.88%	8
61	Williamson Tea Kenya	Consumer Goods	151	0.00	2.64	16.15%	6
62	WPP Scan group	Consumer Services3.02	3.02	0.00	1.3	-27.05%	4

Table 1.2 presents the Y (dependent variable) computation

Calculation of the Dividend smoothing

Using the formula

$\Delta D_{it} = g + h (D^{*}_{it} - D_{it-1}) + X_{it.}$

	Company	G	h(D^it-Dit-1	Xit	Dividend smoothing
1	Absa Bank Kenya	0.0127	-0.01	0.51	0.51
2	ARM Cement	0.23	0.00	0.50	0.73
3	B O C Kenya	1	0.14	0.36	0.00
4	Bamburi Cement	0.0059	-0.11	0.39	0.30
5	BK Group	0.0172	0.02	0.52	0.55
6	Britam (Kenya)	0.0105	-0.24	0.26	0.04
7	BAT Kenya	0.37	-0.04	0.46	0.80
8	Car & General (K)	0.148	0.15	0.35	0.65
9	Carbacid Investments	0.0036	0.25	0.25	0.50
10	Centum Investment	0.0404	-0.40	0.10	0.00
11	CIC Insurance Group	0.0103	-0.12	0.38	0.28
12	Co-operative Bank of Kenya	0.0849	-0.08	0.42	0.42
13	Crown Paints Kenya	0.3066	0.31	0.19	0.81
14	Deacons (East Africa)	0.98	0.00	0.50	1.48
15	Diamond Trust Bank Kenya	0.0206	-0.18	0.32	0.15
16	Eaagads	0.0864	-0.19	0.31	0.22
17	East African Breweries	0.0079	-0.05	0.45	0.42
18	East African Cables	0.02	-0.17	0.33	0.19
19	East African Portland Cement	0.1261	0.13	0.63	0.88

20	Equity Group Holdings	0.0166	-0.15	0.36	0.23
21	Eveready East Africa	0.0658	-0.22	0.28	0.12
22	Express Kenya	0.2	-0.20	0.30	0.30
23	Flame Tree Group Holdings	0.0748	-0.15	0.35	0.27
24	HF Group	0.0033	-0.21	0.29	0.08
25	Home Afrika	0.0278	-0.10	0.40	0.33
26	Homeboyz Entertainment	0	0.00	0.50	0.50
27	I&M Holdings	0.0117	-0.19	0.31	0.14
28	ILAM Fahari I-REIT	0.0242	0.05	0.45	0.52
29	Jubilee Holdings	0.0071	-0.34	0.16	0.00
30	Kakuzi	0.0909	0.09	0.41	0.59
31	Kapchorua Tea Kenya	0.2042	0.20	0.30	0.70
32	KCB Group	0.0082	-0.19	0.31	0.13
33	KenGen Company	0.0061	-0.21	0.29	0.08
34	Kenya Airways	0.21	0.00	0.50	0.71
35	Kenya Orchards	0.31	0.00	0.50	0.81
36	Kenya Power & Lighting	0.0121	-0.06	0.44	0.40
37	Kenya Re-Insurance Corporation	0.0107	-0.19	0.31	0.14
38	Kurwitu Ventures	0	0.00	0.50	0.50
39	Liberty Kenya Holdings	0.002	-0.29	0.21	-0.08
40	Limuru Tea	0.3125	0.31	0.19	0.81
41	Longhorn Publishers	0.0376	-0.14	0.64	0.54
42	Mumias Sugar Co	0	0.00	0.50	0.50
43	Nairobi Business Ventures	0.0029	-0.43	0.07	0.00
44	Nairobi Securities Exchange	0.033	-0.09	0.41	0.35
45	Nation Media Group	0.009	-0.09	0.41	0.32
46	NCBA Group	0.03	0.26	0.24	0.53
47	Olympia Capital Holdings	0.0789	0.33	0.17	0.58
48	Safaricom	0.0059	-0.33	0.17	0.00
49	Sameer Africa	0.0075	-0.06	0.44	0.38
50	Sanlam Kenya	0.0229	-0.25	0.26	0.03
51	Sasini	0.0963	0.10	0.40	0.60
52	Stanbic Holdings	0.1461	0.15	0.35	0.65
53	Standard Chartered Bank Kenya	0.0018	0.07	0.43	0.50
54	Standard Group	0.1461	-0.19	0.31	0.27
55	TotalEnergies Marketing Kenya	0.0603	-0.07	0.43	0.42
56	TPS Eastern Africa	0.1082	-0.11	0.39	0.39
57	TransCentury	0.0504	0.02	0.48	0.55
58	Uchumi Supermarkets	0.0833	0.08	0.42	0.58
59	Umeme	0.0386	0.04	0.46	0.54
60	Unga Group	0.0488	0.05	0.45	0.55

61	Williamson Tea Kenya	0.1615	0.16	0.34	0.00
62	WPP Scangroup	0.0033	-0.27	0.23	0.00

4.3: Inferential statistics

Table 4.2: Inferential Analysis of dividend smoothing and size of the firm

Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	.674[a]	.454	.445	.829

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.382	1	35.382	51.473	.000[a]
	Residual	36.618	61	.687		
	Total	**62.000**	**62**			

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.439	.372		3.871	.000
	Size	.722	.101	.674	7.174	.000

a. Predictors: (Constant), size of the firm.
b. Dependent Variable: Dividend smoothing

Table 4.1 revealed an R square of 0.454, therefore size of the firm explains about 45.4% of dividend smoothing. The F-ratio result was 51.473 which was significant at 0.05 (P-value=0.001< 0.05), therefore size of the firm element is a significant predictor of dividend smoothing.

4.4 Analysis of Variance

Table 4.4.2: Inferential Analysis of dividend smoothing and profitability

Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	.587[a]	.345	.334	.908

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	24.873	1	26.873	32.588	.000[a]

	Residual	37.127	61	.825		.1
	Total	**62.000**	**62**			

Regression Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	1.271	.491		2.586	.012
	Profitability	.707	.124	.587	5.709	.120

a. Predictors: (Constant), profitability
b. Dependent Variable: dividend smoothing

Results in table 4.4.2 revealed an R-square of 0.345, therefore profitability explain 34.5% of the variation in a dividend smoothing. The ANOVA revealed an F-ratio of 32.588 which was significant at 0.05 (P-v*alu*e=0.12> 0.05). Therefore, a profitability is a significant predictor of dividend smoothing.

4.4.3 Inferential Analysis of ownership structure and dividend smoothing.

The researcher sought to establish whether ownership structure significantly influence dividend smoothing. Table 4.4.3 below indicates the results obtained.

Table 4.4.3: ownership structure and dividend smoothing

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.690[a]	.476	.468	.812

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27.167	1	37.167	56.433	.000[a]
	Residual	34.833	61	.659		
	Total	**62.000**	**62**			

Regression Co-efficient Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.916	.423		2.165	.034
	Ownership structure	.826	.110	.690	7.512	.000

a. Predictors: (Constant), ownership structure
b. Dependent Variable: Dividend smoothing

Results in table 4.4.3 revealed an R-square of 0.476, therefore ownership structure explain 47.6% of the dividend smoothing. The ANOVA revealed an F-ratio of 56.433 which was significant at 0.05 (P-v*alue*=0.001< 0.05). Therefore, ownership structure is a significant predictor of dividend smoothing.

Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	T	VIF	Sig.
1 (Constant)	-1.420	0.448		3.169		0.510
X_1Size	0.674	0.158	0.048	0.234	1.70	0.510
X_2 profitability	0.587	0.197	0.232	1.107	1.43	0.470
X_3ownership structure	0.690	0.149	0.008	0.046	1.24	0.383

Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients			
	B	**Std. Error**	**Beta**	**T**	VIF	**Sig.**
1 (Constant)	-1.420	0.448		3.169		0.510
X_1Size	0.674	0.158	0.048	0.234	1.70	0.510
X_2 profitability	0.587	0.197	0.232	1.107	1.43	0.470
X_3ownership structure	0.690	0.149	0.008	0.046	1.24	0.383

a. Dependent Variable: Dividend smoothing

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + E$

$Y = -1.420 + 0.674X1 + 0.584X2 + 0.690X3 + 0.238$

4.5 Discussions

It is clear from the regression analysis that the specific parameters have an highly appreciable impact on dividend smoothing. According to the data, dividend smoothing was positively correlated with firm size, sales (profits), and growth rates of the enterprises. This indicates that the firm's size, sales (profits), and ownership structure have a strong bearing on the NSE-listed companies' ability to pay their dividends. Therefore, among the firms listed in the NSE where the study was done, dividend smoothing is highly influenced by the size, sales (profits), or ownership structure of the company. A company's profitability and dividend smoothing have a good link. As a result, the dividend smoothing of the companies under study was defined by profitability, which also includes return on assets.

Additionally, there was a favorable correlation between the ownership structure and dividend smoothing. This indicates that the dividend smoothing of the companies under study was determined by ownership structure, as indicated by the number of directors who are shareholders. As a result, the

dividend smoothing of the companies under study is determined by the size of the firm, sales (profits), and growth rate of the companies.

Contrary to Lintner's (1956) research evidence, this study's findings show that firms with more consistent earnings series smooth profits less and those with more cyclical earnings' smooth earnings more. A company's profitability and dividend smoothing have a good link. Thus, the dividend smoothing of the analyzed companies was decided by profitability, which also takes into account returns on assets.

This study and a study by Leary and Michaely (2009) on the causes of smooth dividends by American businesses share certain commonalities. According to the study, organizations that are bigger, have more tangible assets, and have less volatility in their prices and earnings smooth out more. The results also showed that "cash cow" companies and those with modest development prospects smooth out more. Additionally, there was a favorable correlation between the ownership structure and dividend smoothing. This indicates that the dividend smoothing of the companies under study was determined by ownership structure, as indicated by the number of directors who are shareholders. As a result, the dividend smoothing of the analyzed corporations is not influenced by the firm's size, revenue (profits), or growth rate.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The general objective of this study was to establish the factors affecting dividend smoothing among listed firms at the Nairobi Securities Exchange. This Chapter seeks to present a summary of the major findings, conclusions drawn from the findings and recommendations derived from the data analysis.

5.2 Summary of findings

The total number of companies listed on the NSE is where the data that was used was gathered. Additionally, the majority of this data was taken from the NSE website. Some businesses, though, appeared to be missing some of the necessary data. Those that have the necessary information and have paid dividends for the previous five years. The independent variable was computed for each company's data and a mean was calculated. The relationship between the ownership structure and dividend smoothing was favorable. This suggests that the amount of directors who are shareholders, which is an indicator of ownership structure, determined the dividend smoothing of the companies under consideration. As a result, the size of the company, sales (profits), and growth rate of the companies are what decide the dividend smoothing of the companies under investigation.

5.3 Conclusion

It is clear from the regression analysis that the individual factors measuring dividend smoothing have no appreciable impact. According to the data, dividend smoothing was negatively correlated with firm size, sales (profits), and growth rates of the enterprises. This indicates that the firm's size, sales (profits), and growth rate in no way influenced the dividend smoothing. Thus, in the firms listed in the NSE where the study was done, the size, sales (profits), and growth rate of the company are factors that affect dividend smoothing. A company's profitability and dividend smoothing have a good link. As a result, the dividend was determined by profitability, which is defined as earnings after expenses, interest, and taxes.

Additionally, there was a favorable correlation between the ownership structure and dividend smoothing. This indicates that the dividend smoothing of the companies under study was determined by ownership structure, as indicated by the number of directors who are shareholders. As a result, the dividend smoothing of the analyzed corporations is not influenced by the firm's size, revenue (profits), or growth rate.

In the industry, dividend is typically underappreciated as a significant factor affecting how business organizations operate in publicly traded businesses. Each firm needs to educate its employees on dividend smoothing, and every shareholder needs to be made aware of it. However, not all publicly traded firms share this perception, since some would prefer not to pay.

This is due to the fact that the financial strength of publicly traded companies emerges as a key component for development and expansion; therefore there is competitive gain for the payment of dividends in publicly traded companies to generate an edge, particularly in relation to the clientele effect. No factors, if any, have been identified by empirical testing that would indicate dividend

smoothing is the right approach. Therefore, managers exercise discretion when establishing policies. Analysis is employed, but it must be used wisely. Managers detest dividend reductions and will not raise dividends unless they believe the increase is sustainable. Investors therefore perceive dividend increases as indicators of management's outlook for the future.

5.4 Recommendations for further research

This study adopted a biased methodology and relied primarily on qualitative information, with some quantitative information to support some findings. Future studies could adopt a more qualitative methodology to further our understanding of this topic by contrasting the findings of this study with those of a study that only used qualitative methods. The data revealed that the company's ownership structure and profitability were the elements that affected the dividend smoothing. This study can be expanded to look for more factors that influence dividend smoothing because there are probably many more that were overlooked. The study will serve as a valuable source of information for future research on the techniques used by businesses to maintain consistency in their dividend payments while also implementing development initiatives that will benefit the entire organization from which they are operating.

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Appendix 1: list of companies listed at NSE

	Company	Sector
1	Absa Bank Kenya	Financials
2	ARM Cement	Industrials
3	B O C Kenya	Basic Materials
4	Bamburi Cement	Industrials
5	BK Group	Financials
6	Britam (Kenya)	Financials
7	BAT Kenya	Consumer Goods
8	Car & General (K)	Consumer Services
9	Carbacid Investments	Basic Materials
10	Centum Investment	Financials
11	CIC Insurance Group	Financials
12	Co-operative Bank of Kenya	Financials
13	Crown Paints Kenya	Basic Materials
14	Deacons (East Africa)	Consumer Services
15	Diamond Trust Bank Kenya	Financials
16	Eaagads	Consumer Goods
17	East African Breweries	Consumer Goods
18	East African Cables	Industrials
19	East African Portland Cement	Industrials
20	Equity Group Holdings	Financials
21	Eveready East Africa	Consumer Goods
22	Express Kenya	Consumer Services
23	Flame Tree Group Holdings	Basic Materials
24	HF Group	Financials
25	Home Afrika	Financials
26	Homeboyz Entertainment	Consumer Services
27	I&M Holdings	Financials
28	ILAM Fahari I-REIT	Financials
29	Jubilee Holdings	Financials
30	Kakuzi	Consumer Goods
31	Kapchorua Tea Kenya	Consumer Goods
32	KCB Group	Financials
33	KenGen Company	Utilities
34	Kenya Airways	Consumer Services
35	Kenya Orchards	Consumer Goods
36	Kenya Power & Lighting	Utilities
37	Kenya Re-Insurance Corporation	Financials
38	Kurwitu Ventures	Financials

39	Liberty Kenya Holdings	Financials
40	Limuru Tea	Consumer Goods
41	Longhorn Publishers	Consumer Services
42	Mumias Sugar Co	Consumer Goods
43	Nairobi Business Ventures	Consumer Services
44	Nairobi Securities Exchange	Financials
45	Nation Media Group	Consumer Services
46	NCBA Group	Financials
47	Olympia Capital Holdings	Industrials
48	Safaricom	Telecom
49	Sameer Africa	Consumer Goods
50	Sanlam Kenya	Financials
51	Sasini	Consumer Goods
52	Stanbic Holdings	Financials
53	Standard Chartered Bank Kenya	Financials
54	Standard Group	Consumer Services
55	TotalEnergies Marketing Kenya	Oil & Gas
56	TPS Eastern Africa	Consumer Services
57	TransCentury	Industrials
58	Uchumi Supermarkets	Consumer Services
59	Umeme	Utilities
60	Unga Group	Consumer Goods
61	Williamson Tea Kenya	Consumer Goods
62	WPP Scangroup	Consumer Services

FACTORS AFFECTING DIVIDEND SMOOTHING AMONG LISTEDFIRMS AT THE NAIROBI SECURITIES EXCHANGE.

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