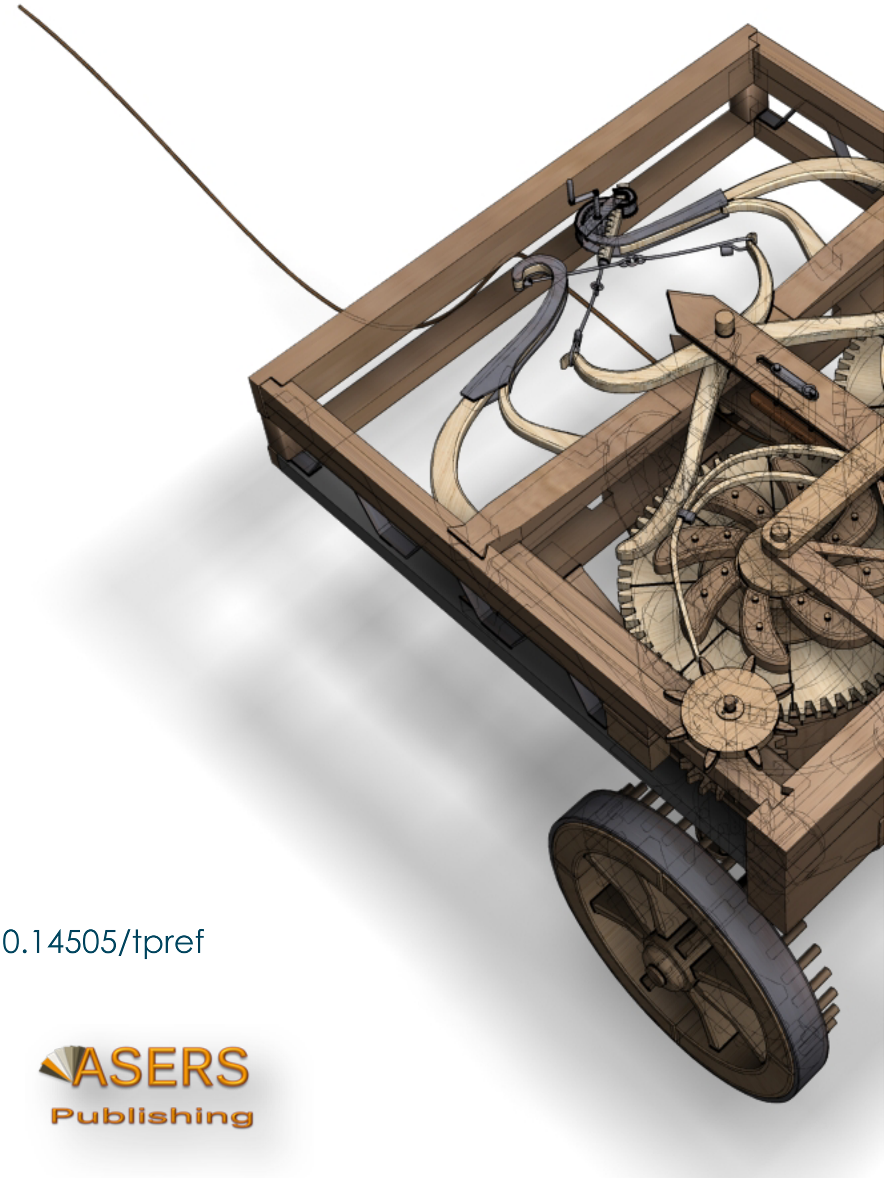
Theoretical and Practical Research in Economic Fields



Quarterly
Volume XV
Issue 3(31)
Fall 2024

ISSN: 2068 – 7710
Journal DOI: https://doi.org/10.14505/tpref

ASERS Publishing

Volume XV
Issue 3(31)
Fall 2024

ASERS Publishing
ISSN 2068 – 7710
Journal's Issue DOI:
https://doi.org/10.14505/tpref.v15.3(31).00

Table of Contents

Volume XV
Issue 3(31)
Fall 2024

ASERS Publishing
http://www.asers.eu/asers-publishing
ISSN 2068 – 7710
Journal's Issue DOI:
https://doi.org/10.14505/tpref.v15.3(31).00

Call for Papers
Winter Issue
Theoretical and Practical Research in Economic Fields

Many economists today are concerned by the proliferation of journals and the concomitant labyrinth of research to be conquered in order to reach the specific information they require. To combat this tendency, **Theoretical and Practical Research in Economic Fields** has been conceived and designed outside the realm of the traditional economics journal. It consists of concise communications that provide a means of rapid and efficient dissemination of new results, models, and methods in all fields of economic research.

Theoretical and Practical Research in Economic Fields publishes original articles in all branches of economics – theoretical and practical, abstract, and applied, providing wide-ranging coverage across the subject area.

Journal promotes research that aim at the unification of the theoretical-quantitative and the empirical-quantitative approach to economic problems and that are penetrated by constructive and rigorous thinking. It explores a unique range of topics from the frontier of theoretical developments in many new and important areas, to research on current and applied economic problems, to methodologically innovative, theoretical, and applied studies in economics. The interaction between practical work and economic policy is an important feature of the journal.

Theoretical and Practical Research in Economic Fields is indexed in SCOPUS, RePEC, ProQuest, Cabell Directories and CEEOL databases.

The primary aim of the Journal has been and remains the provision of a forum for the dissemination of a variety of international issues, practical research, and other matters of interest to researchers and practitioners in a diversity of subject areas linked to the broad theme of economic sciences.

At the same time, the journal encourages the interdisciplinary approach within the economic sciences, this being a challenge for all researchers.

The advisory board of the journal includes distinguished scholars who have fruitfully straddled disciplinary boundaries in their academic research.

All the papers will be first considered by the Editors for general relevance, originality, and significance. If accepted for review, papers will then be subject to double blind peer review.

Deadline for submission of proposals:	10th November 2024
Expected publication date:	December 2024
Website:	http://journals.aserspublishing.eu/tpref
E-mail:	tpref@aserspublishing.eu

To prepare your paper for submission, please see full author guidelines in the following file: https://journals.aserspublishing.eu/tpref/Template_for_Authors_TPREF_2024.docx on our site.

Volume XV, Issue 3(31), Fall 2024

DOI: https://doi.org/10.14505/tpref.v15.3(31).17

The Impact of Competitive Relations on the Issuers' Dividend Policy

Oleksandr ZHURBA
Department of Economics and Competition Policy
State University of Trade and Economics, Kyiv, Ukraine
ORCID: 0009-0008-3007-4314
matviichukolexander8@gmail.com

Article info: Received 17 July 2024; Received in revised form 31 July 2024; Accepted for publication 27 August 2024; Published 30 September 2024.

Abstract: Purpose: The aim of the research is to analyse the impact of indicators of market position and financial stability of companies as determinants of competitiveness on dividend policy.

Methodology: The research employed the methods of correlation analysis, multivariate regression, and statistical analysis.

Findings: As a result of the study, two indicators characterizing dividend policy and eleven indicators were identified as determinants of companies' competitiveness. It was established which determinants of competitiveness have a close connection and significant impact on the dividend policy. It was found that for Lenovo, P/B ratio (–0.69) has the greatest impact, Dividend Yield, variables not included in the model (0.62), Annual revenue (1.18), Net assets by year (0.93) — on Annual dividend payments. For ASUS, Total debt by year (0.88) has the greatest impact on Dividend Yield, Total liabilities (0.36) and Total debt (0.63) - on Annual dividend payments.

Originality: The results indicate that ASUS actively uses debt policies in the competition for investors, while Lenovo follows a more conservative approach. The results may be useful for investors when choosing companies to invest in. Research prospects may be aimed at investigating the relationship between dividend policy and global macroeconomic phenomena.

Keywords: competitive relations; competitiveness; dividend policy; market position; market estimates; financial condition; financial indicators.

JEL Classification: G10; C01; G23; G32.

Introduction

A company's dividend policy describes its propensity to pay appropriate dividends to investors. Dividend policy has a positive relationship with shareholder welfare (Nambukara-Gamage and Peries 2020). A company's payment of high or low dividends is the main characteristic of dividend policy (Dang *et al.* 2021). Factors affecting dividend policy are the subject of active academic discussions (Pinto *et al.* 2020).

Yan and Zhu (2020) noted that most studies consider dividend policy as if companies make decisions in isolation and solely on their own discretion. However, it was confirmed in a number of works that the company's dividend policy is determined both taking into account internal characteristics and external influences (Lotto 2020). Internal features may include:

- corporate governance (Yilmaz *et al.* 2022) and corporate social responsibility (Sheikh *et al.* 2022; Ben Salah and Ben Amar 2022);
- a conflict of interests (principal-agent conflict or principal-principal conflict) (Kilincarslan 2021; Khan 2022);
- stage of development (Trihermanto and Nainggolan 2022; Cadenovic *et al.* 2024);
- financial status (Wahjudi 2020; Sari *et al.* 2022);
- environmental, social, and governance (ESG) scores (Zahid *et al.* 2023);
- selected management and decision-making approaches (Tomchuk *et al.* 2021; Bykova *et al.* 2024),

etc.

External influences can refer to various macroeconomic fluctuations (Ali 2022; Kukaj and Ademi 2024) and are generated by the global competitive environment (Ellili 2022; Sheikh *et al.* 2022). Competitive relations can potentially influence the dividend policy, which is the main hypothesis of the study.

Competitive relations between companies refer to the struggle between them for leadership in certain market sectors, winning consumer loyalty, innovative and technological capabilities, and the ability to adapt to changes (Sheth *et al.* 2020; Assarzadegan and Hejazi 2021). Achieving success in the noted areas is directly influenced by the company's financial condition and attractiveness for investors, in particular, expressed through market valuations. Therefore, it is important to reveal whether the financial condition and market valuations are able to influence the company's dividend policy, which, in turn, determines the advantages of companies in the competition for investors. Therefore, the aim of the study is to analyse the impact of indicators of market position and financial stability of companies as determinants of competitiveness on dividend policy.

The aim was achieved by fulfilling the following research objectives:

- determine the key indicators that characterize the dividend policy, as well as indicators that are determinants of competitiveness;
- conduct a correlation analysis between defined groups of indicators for Lenovo and ASUS as international competing companies in the technology sector;
- conduct a regression analysis between defined groups of indicators for Lenovo and ASUS, where the indicators characterizing the dividend policy are dependent variables;
- draw analytical conclusions regarding the influence of competitiveness and competitive relations on the companies' dividend policy.

1. Literature Review

Many studies focus on the factors influencing the companies' dividend policy. Iqbal *et al.* (2020) identify competition as an important determinant of dividend policy. Pahi and Yadav (2022) studied the effect of competition on dividend policy. The researchers identified competition as a proxy for external corporate governance and applied five indicators of competition and three indicators of dividends. Kang *et al.* (2021) studied the effect of competition on the companies' dividend policy by dividing firms into two groups. The first group includes companies with high dividends, the second — with low dividends. These enabled researchers to analyse the impact of increased competition on the market depending on the chosen dividend policy. Danila *et al.* (2020) explained the impact of growth opportunities on dividend policy. The researchers characterized the relationship between investment opportunities and the companies' tendency to pay high or low dividends.

A number of studies explored the impact of the dividend policy on the company's financial results or, conversely, the financial condition on the dividend policy. This can be explained by the fact that the financial condition is one of the primary determinants of the company's competitiveness. In particular, Hermansyah (2023) revealed the influence of dividend policy on the company's financial results. However, the researcher noted that such influence can be characterized both as positive and as negative. It depends on the factors influencing the dividend policy. The researcher noted the influence of the dividend policy on competitiveness, because the appropriate dividend policy is able to increase the confidence of investors, and therefore the share price. Akhmadi and Januarsi (2021) studied the relationship between profitability and company value mediated by dividend policy. Kadim *et al.* (2020) examined the value of a model company based on dividend policy, financial performance, and intellectual capital. These enabled researchers to describe the influence of financial ratios on dividend policy. Pattiruhu and Paais (2020) also aimed to identify the relationship between a number of financial indicators of companies and their dividend policy. The studied financial ratios were the rate of return on equity, the rate of return on assets, the debt-to-equity ratio, etc., and their influence on the dividend policy varied significantly. Setyabudi (2021) identified the influence of institutional ownership, leverage and profitability on company value and dividend policy as an intermediate indicator. Munandar *et al.* (2023) confirmed the influence of the company's financial condition and managerial ownership on the dividend policy through the literature review.

The review results give grounds to note that researchers give priority to the connection between dividend policy and competitiveness, as well as with the financial condition of companies. More often, studies are either theoretical or cover a large sample of dividend-paying companies. However, it is also important to study the impact of the financial condition and competitiveness of companies on the dividend policy on specific examples of companies. This will more deeply justify the approaches to the dividend policy chosen by the companies.

2. Methods

2.1. Research Design

The research design provided for such main stages as the preparatory stage, correlation analysis, regression analysis, analysing the obtained results, drawing conclusions. The preparatory stage involved sampling. After forming a sample of indicators, they were added to specially created tables for each company, the columns of which were variables and contained all the studied indicators. The rows of the tables contained the corresponding values of indicators by year, that is, observations. The created tables were used to implement the following stages of the research, in particular, correlation and regression analysis. The conclusions were drawn based on the results of the conducted analyses.

2.2. Sample

The sample included Dividend Yield and Annual dividend payments as indicators that directly characterize the company's dividend policy. The indicators related to competitive relations were included in the sample and were determined for the purpose of the study as determinants of competitiveness. These are indicators related to the company's financial condition, as well as its market valuations. These include End of year Market Cap, Annual revenue, Annual EPS, PE ratio, P/B ratio, PS ratio, Total liabilities, Total debt, Net assets, Cash on Hand by year, Shares Outstanding. All indicators were taken for 2000 to 2024 for two companies: Lenovo and ASUS (CompaniesMarketCap.com 2024). In turn, the choice of companies can be explained by their belonging to the technological sector, which is currently actively developing and provides a wide landscape for research. The companies' belonging to the same sector made it possible to draw more consistent and comparable conclusions. Furthermore, the studied companies are global market players, so the study of their dividend policies provided a unique insight into how global competition affects the performance indicators of such policies. The preparatory stage included, among other things, a graphical representation of the structure and dynamics of the studied indicators of the companies to form an understanding of their competitive capabilities.

2.3. Methods

The indicators were further standardized, and a correlation analysis was carried out using special software (STATISTA). As a result of the correlation analysis, rectangular tables were obtained with correlations between the indicators of the company's dividend policy - on the one hand, and the indicators acting as determinants of competitiveness - on the other hand. The correlation analysis made it possible to reveal which indicators from the selected groups of indicators have a statistically significant correlation. The presence of a correlation allows us to assume that with the growth of one indicator, the other also grows (or vice versa). In the case when an inverse statistical relationship was found with the growth of one indicator, the other decreases. The correlation analysis also made it possible to filter out indicators that did not have a statistically significant relationship with the indicators of the dividend policy. Their removal made the model clearer and prevented the inclusion of irrelevant variables.

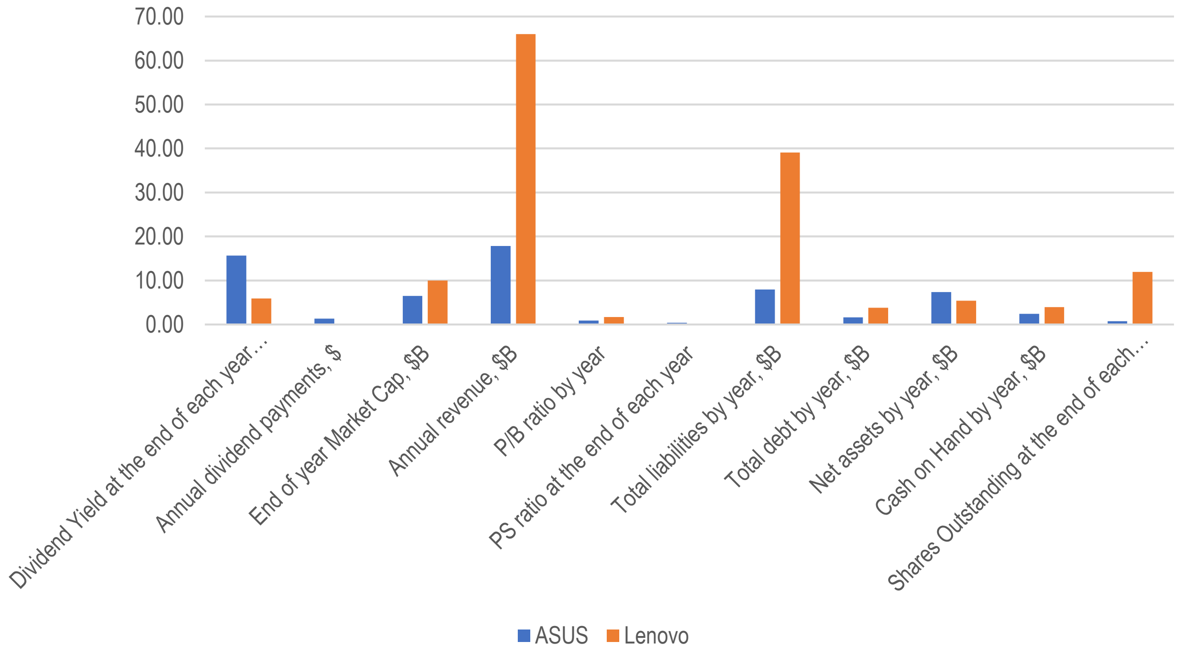
The next stage was a regression analysis, where each of the Dividend Yield and Annual dividend payments indicators for both companies were dependent variables. The indicators found as a result of correlation analysis, which had a statistically significant relationship with Dividend Yield and Annual dividend payments, were used as independent variables. The regression analysis clarified the conclusions drawn from the results of the correlation analysis due to the simultaneous consideration of the influence of several independent variables on the dependent one. Regression equations were constructed based on the results of the regression analysis that allow predicting the dependent variables and demonstrate the influence of each of the independent variables on them.

3. Results

3.1. General Condition

A number of indicators can testify to the general financial condition of the studied companies and their market valuations. Figure 1 presents the values of the indicators included in the research sample for Lenovo and ASUS. For clarity, the diagram also contains indicators characterizing the dividend policy.

Figure 1. Indicators of the Studied Companies for 2022

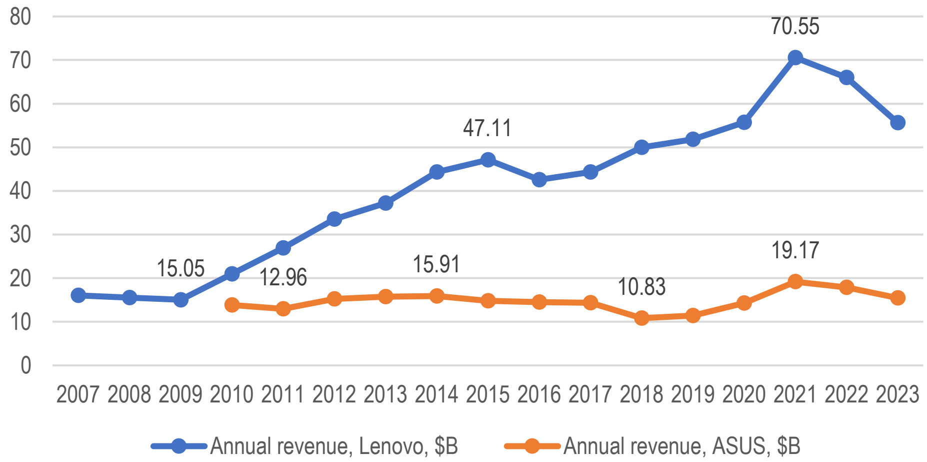


Source: graphed by the author based on CompaniesMarketCap.com (2024)

Figure 1 shows that Lenovo has significantly higher values for End of year Market Cap, Annual revenue, Total liabilities and Shares Outstanding indicators. This may indicate a larger scale of activity, as well as better financial opportunities. In addition, Lenovo is characterized by higher market valuations in terms of P/B ratio. At the same time, ASUS has higher values in terms of Net assets and PS ratio, which also indicates that the company is worthy of investors' attention according to market expectations. At the same time, Dividend Yield and Annual dividend payments of ASUS are significantly higher than those of Lenovo. Given the differences in competitive position, it is important to investigate what influences companies' approaches to dividend policy development.

Analysis of individual indicators of companies in the dynamics identifies other features related to competitiveness. Figures 2 and 3 show a comparison of the trends of such growth indicators of companies as Annual revenue and Annual EPS.

Figure 2. Annual Revenue for Lenovo and ASUS from 2007 to 2023



Source: graphed by the author based on CompaniesMarketCap.com (2024)

According to Figure 2, it can be noted that Lenovo demonstrates a much larger volume and a more stable growth of Annual revenue during the studied period. After 2021, the revenues of both companies are characterized by a certain decline, which could be related to external fluctuations affecting the market.

3.2. Correlation Analysis

The influence of competitive relations on the issuers' dividend policy was studied through a correlation analysis conducted for two groups of the selected indicators at the first stage of the study. Based on the results of the correlation analysis, rectangular matrices were built for the two studied companies - Lenovo and ASUS (Tables 1 and 2).

Table 1. Results of Correlation Analysis between Determinants of Competitiveness and Indicators of Dividend Policy for Lenovo

	End of year Market Cap	Annual revenue, $B	Annual EPS, $	PE ratio at the end of each year	P/B ratio by year	PS ratio at the end of each year	Total liabilities by year, $B	Total debt by year, $B	Net assets by year, $B	Cash on Hand by year, $B	Shares Outstanding at the end of each year, B
Dividend Yield at the end of each year, %	-0.327	0.331	-0.015	-0.079	-0.907	-0.888	0.427	0.505	0.502	-0.028	0.395
Annual dividend payments, $	0.492	0.917	0.449	-0.078	-0.557	-0.759	0.917	0.781	0.902	0.426	0.888

Source: calculated by the author based on CompaniesMarketCap.com (2024)

Table 1 shows that for Lenovo, both indicators characterizing the dividend policy have a very strong inverse correlation with the P/B ratio by year. The indicators have a strong inverse correlation with the PS ratio at the end of each year.

The P/B ratio is defined as the ratio of the share price to its book value. PS ratio is defined as the ratio of price to earnings per share. High values often indicate that the stock is overvalued or that investors expect future growth.

High values of P/B ratio and PS ratio may indicate greater opportunities for companies to reinvest profits for further growth. At the same time, it reduces the share of profits that goes to the payment of dividends. Low values may indicate a lack of growth opportunities, so such companies agree to pay higher dividends. Investors looking for stable income are more likely to invest in companies with lower market valuations, as this can provide higher dividend yields. Lower income is accepted by investors targeting companies where growth is expected — this can bring higher incomes in the future. This explains an inverse correlation between indicators of dividend policy and P/B ratio and PS ratio.

The results obtained in Table 1 give grounds to assume that Lenovo's market valuations significantly affect its dividend policy. In addition to the noted connection with market estimates, the Annual dividend payments indicator for Lenovo is characterized by a direct correlation with the indicators of the capital structure - Total liabilities, Total debt and Net assets. A close relationship between Annual dividend payments and Total liabilities may indicate that dividend payments are financed with the involvement of a larger amount of liabilities. This is acceptable for large companies that operate relatively stably, because they are able to both pay dividends and service debts. A close relationship between Annual dividend payments and Net assets may indicate a company's broader ability to pay dividends as its assets grow.

The relationship between Annual dividend payments and Shares Outstanding indicates that the company size expressed through the number of shares, can affect dividend payments. Annual revenue is also closely related to Annual dividend payments, because the ability to pay dividends directly depends on the volume of annual income.

Table 2 contains the results of the correlation analysis for ASUS. The same set of indicators as in the case of Lenovo was used for the analysis.

Table 2. Results of Correlation Analysis between Determinants of Competitiveness and Indicators of Dividend Policy for ASUS

	End of year Market Cap	Annual revenue, $B	Annual EPS, $	PE ratio at the end of each year	P/B ratio by year	PS ratio at the end of each year	Total liabilities by year, $B	Total debt by year, $B	Net assets by year, $B	Cash on Hand by year, $B	Shares Outstanding at the end of each year, B
Dividend Yield at the end of each year, %	-0.126	0.372	-0.151	0.155	-0.458	-0.595	0.523	0.964	0.397	0.041	-0.324
Annual dividend payments, $	0.270	0.688	0.180	-0.078	-0.268	-0.349	0.726	0.932	0.543	0.126	-0.335

Source: calculated by the author based on CompaniesMarketCap.com (2024)

The results of the correlation analysis show that the Dividend Yield of ASUS is inversely correlated with the PS ratio and Total debt. Annual dividend payments correlate with Annual revenue, Total liabilities, and Total debt.

So, the results of the correlation analysis for the two companies have a lot in common. However, for ASUS there is a more pronounced relationship between dividend policy indicators and liabilities, for Lenovo - with market valuations, income, and net assets.

3.3. Regression Analysis

The previously conducted correlation analysis was supplemented with a regression analysis of dividend policy indicators and determinants of competitiveness. Dividend Yield and Annual dividend payments were the dependent variables. Indicators that had a weak correlation with the dependent variables according to the results of the correlation analysis were removed from further calculations. The results of the regression analysis for Lenovo are presented in Table 3.

Table 3. Results of Regression Analysis for Lenovo

	BETA	Standard error BETA	B	Standard error B	t(16)	p-value
Regression results for the dependent variable: Dividend Yield at the end of each year. %. R=.84774839. R2=.71867733. Adjusted R2 = .68351200. F(2.16)=20.437 p<.00004. Stand. estimation error: .60504						
Free term			0.162516	0.138805	1.17082	0.258814
P/B ratio by year	-0.692715	0.171587	-0.745006	0.184540	-4.03710	0.000955
PS ratio at the end of each year	-0.217706	0.171587	-0.234139	0.184540	-1.26878	0.222670
Regression results for the dependent variable: Annual dividend payments. $. R = 97927140. R2 = 95897247. Adjusted R2 = .92706217. F(7.9)=30.052 p<.00002. Stand. estimation error: .24851						
Free term			0.622020	0.255391	2.43556	0.037638
Annual revenue. $B	1.179962	0.466140	1.085776	0.428932	2.53135	0.032164
P/B ratio by year	-0.117273	0.172561	-0.104386	0.153599	-0.67960	0.513856
PS ratio at the end of each year	-0.097084	0.180749	-0.131465	0.244759	-0.53712	0.604207
Total liabilities by year. $B	-0.545626	0.502056	-0.570048	0.524527	-1.08678	0.305380
Total debt by year. $B	0.065276	0.161697	0.059659	0.147783	0.40369	0.695862
Net assets by year. $B	0.932280	0.279393	1.003453	0.300723	3.33680	0.008704
Shares Outstanding at the end of each year. B	-0.743663	0.335048	-0.998731	0.449966	-2.21957	0.053602

Source: calculated by the author based on CompaniesMarketCap.com (2024)

Based on the results of the regression analysis conducted for Lenovo's dividend policy indicators, it can be concluded that 71.87% of the Dividend Yield can be explained by the independent variables included in the model. Annual dividend payments can be explained by relevant variables for 95.9%. The P/B ratio has a statistically significant influence on the indicator. The free term of the model has a statistically significant influence on Annual dividend payments, which may indicate a significant influence of variables not included in the model, as well as Annual revenue and Net assets. The results of the regression analysis for ASUS are shown in Table 4.

Table 4. Results of Regression Analysis for ASUS

	BETA	Standard error BETA	B	Standard error B	t(16)	p-value
Regression results for the dependent variable: Dividend Yield at the end of each year. %. R = 97668461. R2 = 95391282. Adjusted R2 = .94367122. F(2.9)=93.141 p<.00000. Stand. estimation error: .08132						
Free term			-0.014832	0.026909	-0.55119	0.594917
PS ratio at the end of each year	-0.175780	0.081382	-0.105672	0.048924	-2.15993	0.059074
Total debt by year. $B	0.880659	0.081382	0.267305	0.024702	10.82127	0.000002
Regression results for the dependent variable: Annual dividend payments. $. R = 96253018. R2 = 92646435. Adjusted R2 = .90195246. F(3.9)=37.797 p<.00002. Stand. estimation error: .13352						
Free term			-0.051631	0.040137	-1.28635	0.230423
Annual revenue. $B	0.149117	0.121527	0.061378	0.050022	1.22703	0.250940
Total liabilities by year. $B	0.359525	0.123987	0.163735	0.056466	2.89970	0.017604
Total debt by year. $B	0.625585	0.107268	0.246624	0.042288	5.83199	0.000249

Source: calculated by the author based on CompaniesMarketCap.com (2024)

ASUS's Dividend Yield can be explained by 95.39% by the independent variables included in the model, and Annual revenue — by 92.64%. Total debt has a statistically significant influence on Dividend Yield, Total liabilities and Total debt on Annual dividend payments.

A regression equation was constructed based on the results of the regression analysis. They included all the variables that were included in the regression analysis. Regression equation for Lenovo:

Dividend Yield = 0.162516 – 0.692715 * P/B ratio – 0.217706 * PS ratio

Annual dividend payments = 0.622020 + 1.179962 * Annual revenue + (−0.117273) * P/B ratio + (−0.097084) * PS ratio + (−0.545626) * Total liabilities + 0.065276 * Total debt + 0.932280 * Net assets + (−0.743663) * Shares Outstanding

Regression equation for ASUS:

Dividend Yield = −0.014832 – 0.175780 * PS ratio + 0.880659 * Total debt

Annual dividend payments = −0.051631 + 0.149117 * Annual revenue + 0.359525 * Total liabilities + 0.625585 × Total debt

The presented regression equations can be used to predict Dividend Yield and Annual dividend payments through the values of other indicators that represent independent variables. In addition, these equations help to understand the impact of each of these indicators on Dividend Yield and Annual dividend payments. The obtained results can be useful for investors when making investment decisions taking into account competitive relations.

4. Discussion

Summarizing the results of the analysis, the following conclusions can be drawn for the two companies regarding approaches to maintaining competitiveness and developing competitive relations. For Lenovo, it is more typical to fund dividends through income and net assets. ASUS is more actively using a debt policy to finance dividends, which can be explained by the competitive struggle to attract investors. Lenovo's tendency to pay smaller dividends can be explained by the desire to invest in development, which will provide the company with a higher competitive position. So, the hypothesis regarding the influence of competitive relations on the dividend policy was confirmed.

The results of the study are consistent with the conclusions of other researchers. Danila *et al.* (2020) found that growth opportunities are characterized by a significant negative correlation with dividend yield and debt ratios. From this purpose, the researchers concluded that companies with significant opportunities for growth should not increase debt to solve problems of lack of investment. Companies with broad investment opportunities are more likely to pay low dividends, which can be explained by directing funds to investments. The study also revealed a positive effect of profitability on the dividend policy, in particular, the tendency to pay higher dividends. Pahi and Yadav (2022) concluded that companies with lower competitiveness are more likely to pay high dividends. These results correspond to the author's conclusions, which confirms their reliability.

Some authors compared the dividend policy with the level of general competition in the market. Iqbal *et al.* (2020) found the effect of intense competition on increasing the probability of paying dividends. Kang *et al.* (2021) found that when the market is more competitive, companies with high dividends pay more dividends and companies with low dividends pay less. Besides, the researchers identified a positive impact of dividend reputation on the growth of dividend payments. This area was not part of the author's research, but it directly concerns the influence of competitive relations on dividend policy, and therefore can become a research prospect.

In a number of studies, the relationship between the dividend policy and the company's financial condition is also examined through the analysis of individual indicators. Hermansyah (2023) stated that an appropriate dividend policy can have a positive effect on the company's financial results. The researcher found that companies that tend to pay high dividends have higher growth rates, profits, and financial indicators. At the same time, companies with low profits and high dividends are characterized by worse financial performance. Akhmadi and Januarsi (2021) found that with a higher dividend policy ratio, the relationship between indicators such as profitability and firm value increases. The study also established that the dividend policy is more pronounced in companies with a lower level of financial capital. Munandar *et al.* (2023) proved that the influence of financial indicators on the company's dividend policy is significant. However, the study is theoretical and does not reveal specific influence that the indicators have and which ones.

The observed views are reflected in the author's conclusions, but these conclusions are not confirmed in some studies. Kadim *et al.* (2020) determined that indicators of liquidity, solvency and profitability did not significantly affect the dividend policy of the studied sample of companies. This may be due to differences in the samples of the studied companies. Moreover, some studies use a different set of indicators for evaluation. Pattiruhu and Paais (2020) found that indicators of current ratio (CR), return on equity (ROE) and company size do not have a significant impact on dividend policy. At the same time, debt-to-equity ratio (DER) and return on assets (ROA) have a significant positive impact on dividend policy. Setyabudi (2021) revealed that dividend policy is significantly influenced by institutional ownership, profitability and leverage. The differences found in the studies may be related to the individual characteristics and approaches affecting the dividend policy in different companies. Therefore, the appropriateness of the author's approach can be noted, which studies the specifics of the influence on the dividend policy using the example of specific companies.

Conclusions

The aim of the research was achieved, the impact of indicators of market position and financial stability of companies as determinants of competitiveness on dividend policy was determined. For this purpose, two indicators of dividend policy were determined, as well as eleven determinant indicators of competitiveness. Correlation and regression analyses were carried out between dividend policy indicators and competitiveness determinants using the example of Lenovo and ASUS. The correlation analysis of Lenovo found that a significant correlation is characteristic between Dividend Yield, PE ratio and PS ratio, as well as between Annual dividend payments, Annual revenue, PE ratio, PS ratio, Total liabilities, Total debt, Net assets and Shares Outstanding. An additional regression analysis proved that the P/B ratio has a significant influence on Dividend Yield, and Annual revenue, Net assets and variables not included in the model — on Annual dividend payments. Correlation analysis for ASUS revealed a significant relationship between Dividend Yield, PS ratio and Total debt, as well as between Annual dividend payments, Annual revenue, Total liabilities and Total debt. Regression analysis for ASUS confirmed the significant impact of Total debt on Dividend Yield, as well as Total liabilities and Total debt on Annual dividend payments. In general, the results of the study indicate a more active use of debt policy by ASUS in the competition for investors, while Lenovo takes a more conservative approach. Further directions of research may relate to identifying the connection between dividend policy and global macroeconomic phenomena.

The models obtained as a result of the research integrate the indicators characterizing the dividend policy and the indicators of the financial condition. This allows for new insights for investors, which helps to better understand the factors influencing dividend policy. The findings are important for investors and other stakeholders in the context of providing a better basis for decision-making.

Credit Authorship Contribution Statement

The authors equally contributed to the present research, at all stages from the formulation of the problem to the final findings and solution.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Declaration of Use of Generative AI and AI-assisted Technologies

The authors declare that they have used/not used generative AI and AI-assisted technologies during the preparation of this work.

References

[1] Akhmadi, A., and Januarsi, Y. (2021). Profitability and firm value: Does dividend policy matter for Indonesian sustainable and responsible investment (SRI)-KEHATI listed firms? *Economies,* 9(4): 163. DOI:https://doi.org/10.1016/j.frl.2021.102493

[2] Ali, H. (2022). Corporate dividend policy in the time of COVID-19: Evidence from the G-12 countries. *Finance Research Letters,* 46*:* 102493. DOI: https://doi.org/10.1016/j.frl.2021.102493

[3] Assarzadegan, P., and Hejazi, S. R. (2021). A game theoretic approach for analyzing the competition between national and store brands by considering store loyalty. *Journal of Retailing and Consumer Services* 60: 102449. DOI: https://doi.org/10.1016/j.jretconser.2021.102449

[4] Ben Salah, O., and Ben Amar, A. (2022). Does corporate social responsibility affect dividend policy? Empirical evidence in the French context. *Journal of Global Responsibility,* 13(3): 268-289. DOI:https://doi.org/10.1108/JGR-10-2021-0082

[5] Bykova, S., Zhylin, M., Bulavina, O., Artemchuk, M., and Purhani S. H. (2024). The role of emotional intelligence in making successful financial decisions. *Theoretical and Practical Research in Economic Fields,* 15(1):145-154. DOI: https://doi.org/10.14505/tpref.v15.1(29).14

[6] Cadenovic, J., Deloof, M., and Paeleman, I. (2024). Do dividend policies of privately held firms follow a life cycle? *The European Journal of Finance,* 30(5): 457-480. DOI:https://doi.org/10.1080/1351847X.2023.2206523

[7] CompaniesMarketCap.com. (2024). Largest companies by market cap. Available at: https://companiesmarketcap.com/apple/shares-outstanding/

[8] Dang, H. N., Vu, V. T.T., Ngo, X. T., and Hoang, H. T. V. (2021). Impact of dividend policy on corporate value: Experiment in Vietnam. *International Journal of Finance and Economics,* 26(4): 5815-5825. DOI:https://doi.org/10.1002/ijfe.2095

[9] Danila, N., Noreen, U., Azizan, N. A., Farid, M. and Ahmed, Z. (2020). Growth opportunities, capital structure and dividend policy in emerging market: Indonesia case study. *The Journal of Asian Finance, Economics and Business,* 7(10): 1-8. DOI: https://doi.org/10.13106/jafeb.2020.vol7.no10.001

[10] Ellili, N. O. D. (2022). Impact of environmental, social and governance disclosure on dividend policy: What is the role of corporate governance? Evidence from an emerging market. *Corporate Social Responsibility and Environmental Management,* 29(5): 1396-1413. DOI: https://doi.org/10.1002/csr.2277

[11] Hermansyah, A. M. S. (2023). The effect of dividend policy on corporate financial performance. *Journal of Contemporary Administration and Management (ADMAN),* 1(1): 5-8. DOI:https://doi.org/10.61100/adman.v1i1.2

[12] Iqbal, A., Zhang, X., Tauni, M. Z., and Jebran, K. (2020). Principal–principal agency conflicts, product market competition and corporate payout policy in China. *Journal of Asia Business Studies,* 14(3): 265-279. DOI:https://doi.org/10.1108/JABS-02-2018-0038

[13] Kadim, A., Sunardi, N., and Husain, T. (2020). The modeling firm's value based on financial ratios, intellectual capital and dividend policy. *Accounting,* 6(5): 859-870. DOI:http://dx.doi.org/%2010.5267/j.ac.2020.5.008

[14] Kang, E., and Kim, R. (2021). Product market competition, reputation, and dividend policy. *Applied Economics,* 53(29): 3334-3346. DOI: https://doi.org/10.1080/00036846.2021.1877255

[15] Khan, A. (2022). Ownership structure, board characteristics and dividend policy: Evidence from Turkey. *Corporate Governance: The International Journal of Business in Society,* 22(2): 340-363. DOI:https://doi.org/10.1108/CG-04-2021-0129

[16] Kilincarslan, E. (2021). The influence of board independence on dividend policy in controlling agency problems in family firms. *International Journal of Accounting and Information Management,* 29(4):552-582. DOI:https://doi.org/10.1108/IJAIM-03-2021-0056

[17] Kukaj, D., and Ademi, M. (2024). The impacts of COVID-19 as an external socio-economic factor in the real convergence of the Western Balkan States toward the European Union. *Pakistan Journal of Criminology,* 16(1). DOI: https://doi.org/10.62271/pjc.16.1.591.604

[18] Lotto, J. (2020). On an ongoing corporate dividend dialogue: Do external influences also matter in dividend decision? *Cogent Business and Management,* 7(1): 1787734. DOI:https://doi.org/10.1080/23311975.2020.1787734

[19] Munandar, A., Fatimah, S., Cakranegara, A. A., Kunda, A., and Putri, A. N. (2023). Examining the impact managerial ownership and financial performance on dividend policy. *Jurnal Ekonomi,* 12(1): 66-70. Available at: https://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/view/1066/911

[20] Nambukara-Gamage, B., and Peries, S. T. (2020). The impact of dividend policy on shareholder wealth: A study on the retailing industry of Australia. *Review of Integrative Business and Economics Research,* 9(1):38-50. Available at: https://sibresearch.org/uploads/3/4/0/9/34097180/riber_9-1_02b_t19-021_38-50.pdf

[21] Pahi, D., and Yadav, I. S. (2022). Product market competition, agency cost and dividend payouts: New evidence from emerging market. *Journal of Management and Governance,* 26(3): 925-956. DOI:https://doi.org/10.1007/s10997-021-09570-0

[22] Pattiruhu, J. R., and Paais, M. (2020). Effect of liquidity, profitability, leverage, and firm size on dividend policy. *The Journal of Asian Finance, Economics and Business,* 7(10): 35-42. DOI:https://doi.org/10.13106/jafeb.2020.vol7.no10.035

[23] Pinto, G., Rastogi, S., Kadam, S., and Sharma, A. (2020). Bibliometric study on dividend policy. *Qualitative Research in Financial Markets,* 12(1): 72-95. DOI: https://doi.org/10.1108/QRFM-11-2018-0118

[24] Sari, D. P., Nabella, S. D., and Fadlilah, A. H. (2022). The effect of profitability, liquidity, leverage, and activity ratios on dividend policy in manufacturing companies in the food and beverage industry sector listed on the Indonesia Stock Exchange in the 2016-2020 period. *Jurnal Mantik,* 6(2): 1365-1375. DOI:https://doi.org/10.35335/mantik.v6i2.2494

[25] Setyabudi, T. (2021). The effect of institutional ownership, leverage, and profitability on firm value with dividend policy as an intervening variable. *Journal of Business and Management Review,* 2(7): 457-469. DOI: https://doi.org/10.47153/jbmr27.1632021

[26] Sheikh, M. F., Bhutta, A. I., Rehman, B., Bazil, M., and Hassan, A. (2022). Corporate social responsibility and dividend policy: A strategic choice in family firms. *Journal of Family Business Management,* 12(2): 296-315. DOI: https://doi.org/10.1108/JFBM-10-2020-0096

[27] Sheth, J., Jain, V., and Ambika, A. (2020). Repositioning the customer support services: The next frontier of competitive advantage. *European Journal of Marketing,* 54(7): 1787-1804. DOI: https://doi.org/10.1108/EJM-02-2020-0086

[28] Tomchuk, O., Tserklevych, V., Hurman, O., Petrenko, V., and Chymosh, K. (2021). The efficiency of higher education institutions: Evaluation and management of managers. *Estudios de Economia Aplicada,* 38(4). DOI: https://doi.org/10.25115/eea.v38i4.4046

[29] Trihermanto, F., and Nainggolan, Y. A. (2020). Corporate life cycle, CSR, and dividend policy: Empirical evidence of Indonesian listed firms. *Social Responsibility Journal,* 16(2): 159-178. DOI:https://doi.org/10.1108/SRJ-09-2017-0186

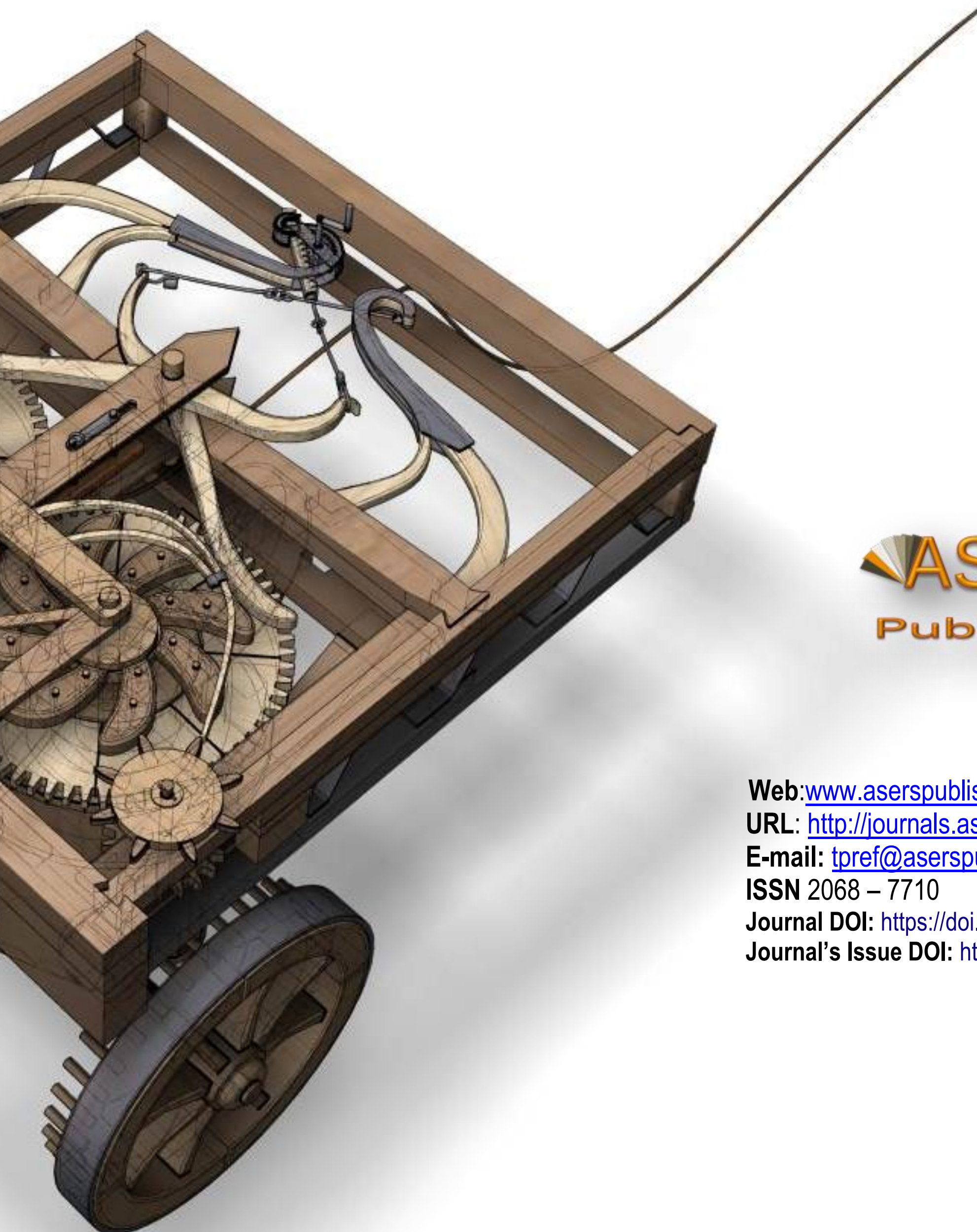
[30] Wahjudi, E. (2020). Factors affecting dividend policy in manufacturing companies in Indonesia Stock Exchange. *Journal of Management Development,* 39(1):4-17. DOI: https://doi.org/10.1108/JMD-07-2018-0211

[31] Yan, Q., and Zhu, H. (2020). Peer influence on dividend policy: Evidence from the Chinese stock market. *Economics Letters,* 192: 109229. DOI: https://doi.org/10.1016/j.econlet.2020.109229

[32] Yilmaz, M. K., Aksoy, M., and Khan, A. (2022). Moderating role of corporate governance and ownership structure on the relationship of corporate sustainability performance and dividend policy. *Journal of Sustainable Finance and Investment,* 1-30. DOI: https://doi.org/10.1080/20430795.2022.2100311

[33] Zahid, R. A., Taran, A., Khan, M. K., and Chersan, I.-C. (2023). ESG, dividend payout policy and the moderating role of audit quality: Empirical evidence from Western Europe. *Borsa Istanbul Review,* 23(2): 350-367. DOI: https://doi.org/10.1016/j.bir.2022.10.012

ASERS



ASERS Publishing

Web:www.aserspublishing.eu
URL: http://journals.aserspublishing.eu/tpref
E-mail: tpref@aserspublishing.eu
ISSN 2068 – 7710
Journal DOI: https://doi.org/10.14505/tpref
Journal's Issue DOI: https://doi.org/10.14505/tpref.v15.3(31).00