

How Corporate Governance affects the Dividend Payout Policy? Evidence from Oil & Gas sector in North America

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XV International Accounting Research Symposium
Fundación Ramón Areces
Madrid, June 24th-28th, 2019

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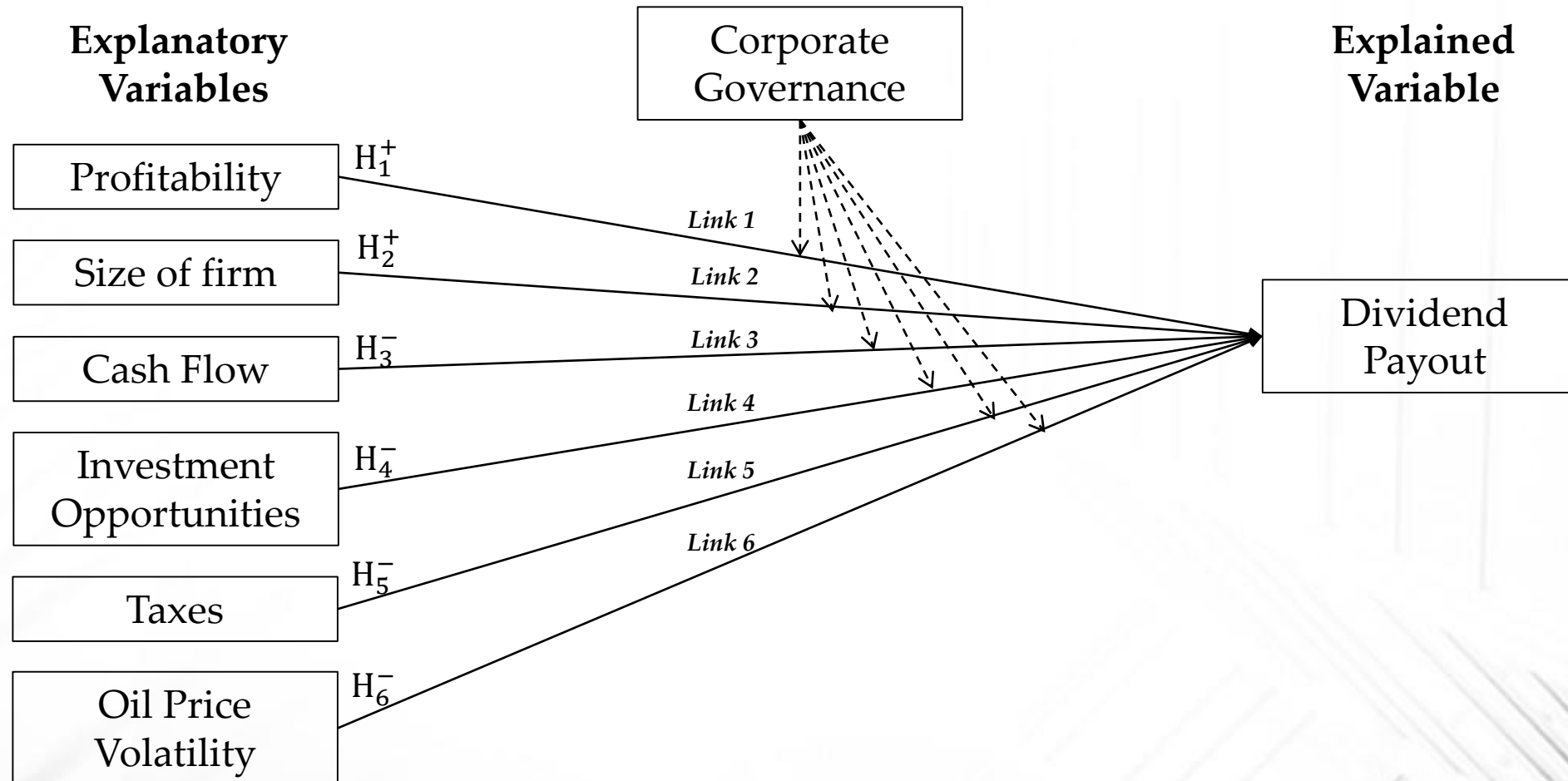
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Research Question and Setting

What variables determine the dividend payout policy in the oil and gas industry? Does corporate governance influence this relationship?

Research Question and Setting



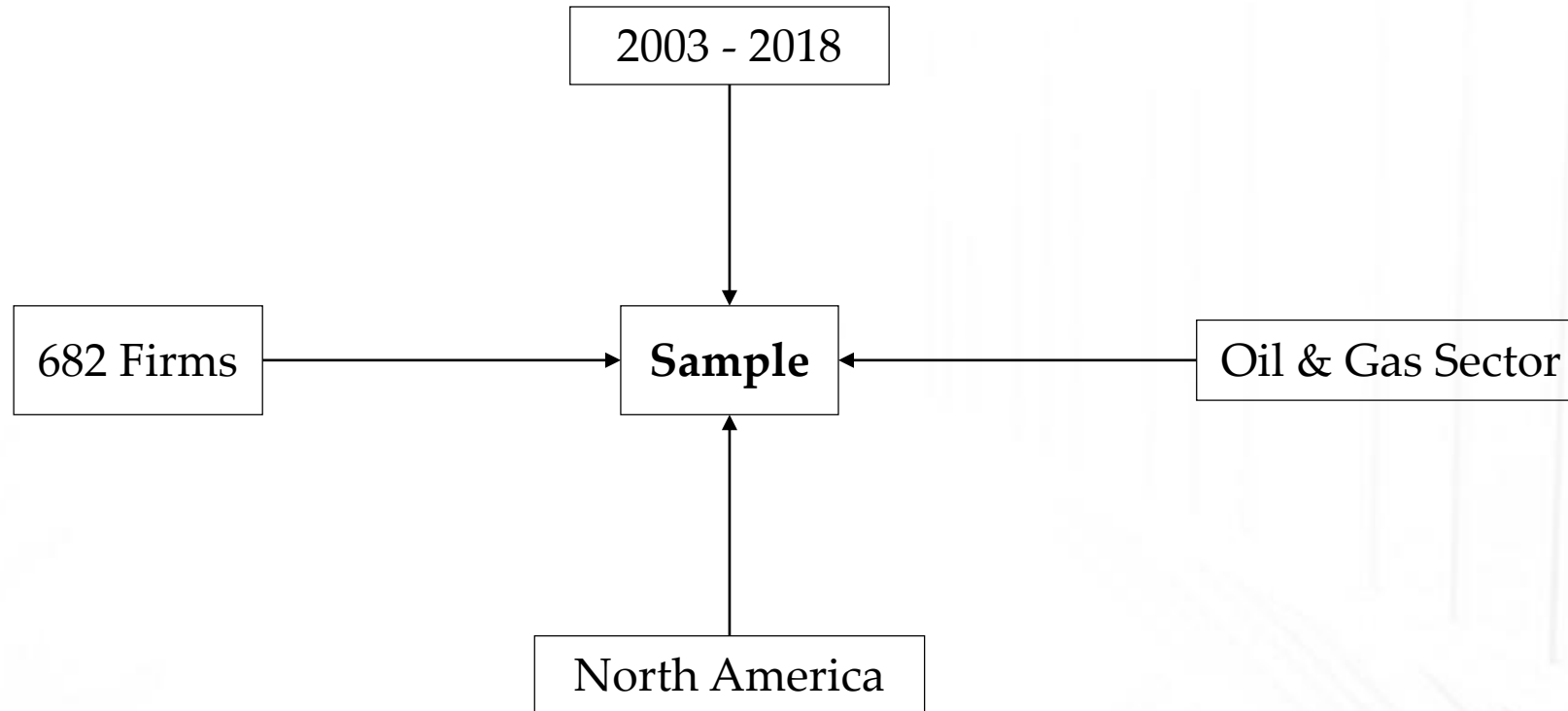
Research Literature

Determinants	Criteria	References
Target pay-out ratio, profits after taxes, dividend paid current year, dividend paid last year.	Empirical Analysis	Lintner, 1956
Profits, investment and indebtedness	Empirical Analysis	Dhrymes & Kurz, 1964
Dividend per share paid last year, profits per share and depreciation per share	Empirical Analysis	Fama & Babiak, 1968
Profits, cash flows and dividend paid last year.	Empirical Analysis	Chateau, 1973
Total dividend and net earnings after taxes.	Empirical Analysis	Walter, 1952
Net profits after taxes, amortization recoveries, change in sales level and index of liquidity.	Empirical Analysis	Darling, 1957

Research Literature

Determinants	Criteria	References
Four contractual governance provisions and three ownership variables. Control variables: Size, growth opportunities, financing activities, performance and investment.	Empirical Analysis	Atanassov & Mandell, 2018
CEO pay slice, repurchase / Total assets, total debt / Total assets and effective tax rate.	Empirical Analysis	Chintrakarn et al., 2017
Retained earnings, book-to-equity, ROA, sales growth, firm size, cash flow and per capita GDP.	Empirical Analysis	Chang et al., 2018
Ownership, dividend paid, employees, assets and capital expenditure.	Empirical Analysis	Paniagua, Rivelles & Sapena, 2018
Insider ownership, dividend payout in last year, ROA, retained earnings to total assets, etc.	Empirical Analysis	Balachandran et al, 2017

Research Method



Research Method

- Database: **Eikon by Thomson Reuters.**
- **Data refinement** due to lack of information.
- Statistical analysis through **panel data.**
- Software: **Stata**

$$\gamma = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n + \varepsilon$$

Problems

Moderation variable

Corporate Governance

What variables can we select?

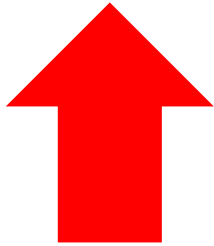
Board Gender Diversity
Non – Executive Board Members
Independent Board Members
Board Cultural Diversity
(...)

Escarce information → Increase sample?

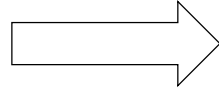
Analyze another type of variable

CSR
Environmental
Macroeconomic data

Contributions



High importance of the sector



The fossil fuels represents **eighty-one percent of the total world energy production**, setting oil and gas (henceforth O&G) new production records in many countries

Source: IEA - International Energy Agency, 2018. World Energy Balance: Overview

Need to manage efficiently



Focused on the Financial Performance and Corporate Governance

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