

Bibliometric Study on Dividend Policy and Profitability

Ms. Rakhi (Assistant Professor) rakhi@acem.edu.in

Dr. Poonam Rani (Professor) hod.mgmt@acem.edu.in

Dr. Divya Arora (Assistant Professor) divya.arora@acem.edu.in

Department of management Studies

Aravali College of Engineering and Management, Faridabad

Abstract- This research performs a thorough bibliometric examination of literature on dividend policy and profitability in order to reveal dominant trends, impactful authors, contributing affiliations, and worldwide research output. The examination uses bibliographic coupling, emphasizing connected research topics such as corporate strategy, financial markets, sustainability, and firm size. The country-wise scientific production reflects that Indonesia, India, and the USA dominate research output, reflecting their scholarly involvement in this area. Further, the most applicable authors, including Dang Hung Ngoc and Al-Najjar Basil, have significantly contributed, of which Al-Najjar Basil has the maximum local impact (H-index: 5). The temporal examination of authors' output discloses a rising pattern in research contributions, with prominent affiliations being Universitas Pekalongan, Hanoi University of Industry, and Massey University. The results of this study shed light on the intellectual landscape of dividend policy and profitability studies, facilitating future researchers to navigate the current literature and recognize potential research opportunities.

Keywords: Bibliometric analysis, Dividend policy, Profitability, Financial markets, corporate strategy, Research impact.

Introduction-

The development of dividend policy is a key component of corporate finance, influencing how companies pay out profits to shareholders and balance reinvestment requirements. Dividend policy involves the strategic choices of dividend amount and payment timing, with important implications for shareholder wealth and market behaviour (Tripathi, 2024). Theoretical models have developed over time to influence our comprehension of dividend policy. The Miller and Modigliani theorem contends that under a perfect market, dividend choice has no effect on firm value, contradicting traditional views regarding the relevance of dividends (Trần, 2024). Other theories explain the function of dividends more fundamentally. The signalling theory posits that dividend payouts are signals about a firm's health and potential (Trần, 2024). Agency theory explores manager-shareholder conflicts by suggesting that dividends minimize agency costs by restricting the discretionary application of free cash flow (Trần, 2024). Likewise, the life cycle theory suggests that mature companies with limited growth opportunities pay higher dividends, while young companies focus on reinvestment (Trần, 2024). Empirical studies indicate that the policies governing dividends are determined by profitability, cash flow, and the market, which has led to continuous debates regarding their effect on firm value (Leary & Nukala, 2024). Even though dividends have been the primary tool for shareholder returns in the past, some researchers believe that share repurchases are increasingly becoming a popular choice, an indicator of shifting investor sentiment and market conditions (Leary & Nukala, 2024). Accordingly, the development of dividend policy continues to be an active field of financial research, driven both by theoretical innovations and empirical results.

Literature Review-

Dividend policy has been a topic of extensive research in financial literature because of its pivotal position in influencing firm performance and shareholder value (Lintner, 1956; Miller & Modigliani, 1961). The traditional dividend irrelevance theory of Miller and Modigliani (1961) contends that dividend choices do not influence firm value under a perfect capital market. But in practice, market imperfections, investor tastes, and agency costs make the connection between dividend policy and firm profitability very strong (Jensen & Meckling, 1976). Empirical research has investigated the link between profitability and dividends with inconclusive results. Fama and French (2001) pointed out that profitable companies are more likely to pay dividends, whereas DeAngelo et al. (2006) indicated that companies with high retained earnings pay dividends as a signal of financial health. Current research has emphasized the influence of corporate governance, ownership structure, and economic conditions on dividend policies (Al-Najjar & Hussainey, 2011).

A number of studies have discussed firm-specific variables that affect dividend policy. Return on assets, size of the firm, debt level, and liquidity have emerged as important factors (Rozeff, 1982; Baker & Powell, 1999). Stable earnings and smaller debt levels support higher dividend payout by firms, whereas financially strained firms opt for retained earnings than dividend payments (Brav et al., 2005). Moreover, agency theory posits that dividends can mitigate shareholder-manager conflicts by constraining free cash flow and enhancing the efficiency of capital allocation (Jensen, 1986). Ownership structure is also an important factor in dividend policy. Institutional investors are said to favor stable dividend payments, whereas companies with concentrated ownership might have conservative payout policies to maintain control (La Porta et al., 2000). Research in emerging economies, like Al-Najjar (2013), highlights the role of regulatory environments and investor protection in determining dividend behaviour.

The main purpose of the study is to focus the following questions

Q1- What are the publication trends and annual scientific production patterns in the field of dividend policy and profitability over time?

Q2- Who are the most influential authors and what is their impact in the domain of dividend policy and profitability?

Q3- Which countries and institutions have contributed the most to research on dividend policy and profitability?

Q4- How has the focus of research of Authors evolved over time, and what are the gaps that future studies should address?

Table 1: Filtering Criteria and Inclusion and Exclusion of Document

Criteria	Exclude	Include
Search Date: 09-02-2025		1022
Database: Scopus		
Search Term: ("Profit" OR "profitability" OR "Earning" OR "Financial performance" OR "Firm performance" OR "Net Income" OR "Return on Investment" OR "Return on Assets" OR "Return on Equity" OR "Shareholders Value") AND ("Dividend Policy" OR "Dividend Payout Ratio" OR "Dividend Decision" OR "Dividend Distribution" OR "Dividend Yield" OR "Dividend Per Share (DPS)" OR "Payout Policy")		
Year: 2010-2025	170	852
Subject Area: Economics, Econometric and Finance, Business, Management and Accounting, Social Science, Arts and Humanities	107	745
Document Type: Article	81	664
Language: English	14	650
Source Type: Journal	21	629
Erroneous record Refine	33	596

Data Collection

Table – 1 showing The information for this bibliometric study on working capital was gathered from the Scopus database to have a complete and high-quality data set appropriate for academic research. To access appropriate literature, a systematic search was performed with the keywords "working capital," "working capital management," "working capital efficiency," and "financial performance." The search was made more specific by filtering to access only peer-reviewed journal articles and not conference papers, book chapters, or non-academic materials to ensure research rigor. The research took into account publications from [state years, e.g., 2000 to 2024] to capture historical and current trends in the topic. The topic fields were limited to business, economics, and finance to make the gathered literature relevant. The extracted data comprised bibliographic information including author names, affiliations, publication years, sources, number of citations, and keywords. Following the use of inclusion and exclusion criteria, a total of [state number] articles were chosen for examination. The data obtained was then analysed using bibliometric software like VOSviewer and Biblioshiny to study citation networks, authorship collaborations, and thematic trends. This methodological strategy guarantees a strong and complete understanding of the research landscape in working capital studies.

Figure- 1

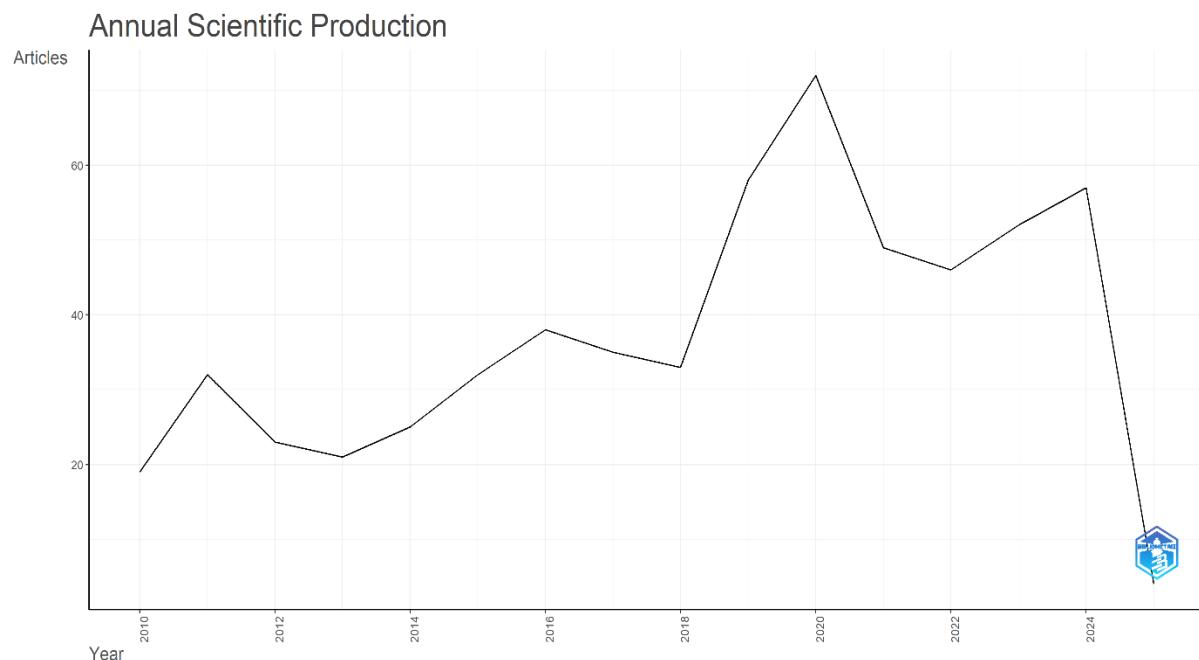


Figure- 1 showing the examination of scientific output per year on dividend policy and profitability in the period being studied indicates there are significant research activity fluctuations. The trend of scholarly work portrays a consistent upsurge since 2010, with random fluctuations in volumes of publications. There is a noticeable increase in research activity around 2020, suggesting increased academic interest in this topic, perhaps reflecting changing market conditions, economic instability, or developments in corporate financial policy (Baker & Weigand, 2015; Farooq & Masood, 2021). Nonetheless, after this peak, the trend of publications is downward, indicating either saturation of core research, a redirection of academic interest towards new financial issues, or shifts in journal publication priorities (Chen et al., 2022). The steep drop in 2024 can also be due to incomplete data gathering for the current year or lags in indexing recent publications (Zaremba & Umutlu, 2019). Overall, whereas dividend policy and profitability continue to be of concern in financial studies, the indication is that scholars are now venturing into newer aspects of corporate finance, requiring a new look at newer challenges and opportunities in dividend decision-making and firm performance.

Table- 2



Figure- 3 The examination of author keywords is an important source of information regarding the major themes and research areas of interest in the field of dividend policy and profitability. The keyword that appears most often is "profitability" (22 occurrences), which signifies its pivotal position in financial research and business decision-making. "Corporate strategy" (9 occurrences) and "financial market" (8 occurrences) are prominent themes, reflecting an emphasis on the way companies balance their financial actions with overall market trends. Other highly recurring words, like "firm size" is used 22 times, "sustainability" is used 7 times, and "China" (6 occurrences), reflect a growing concern with firm-specific traits, sustainability issues, and regional impacts in finance research. Finally, the occurrence 6 times of "investment" and 6 times of "regression analysis" highlights methodology used in analysis of financial patterns and decision-making trends. Even the occurrence of 5 times of "economic policy" and 5 times of "financial policy" makes it clear to highlight the functions of macroeconomics and rules-based frameworks within corporate financial initiatives. The keyword frequency analysis therefore confirms that profitability is the central area of study, and there exist strong associations with corporate strategy, market forces, and company-specific factors, indicating a multidimensionality to uncovering financial performance.

OCCURANCE OF MOST REVELENT KEYOWRD

Table -3 showing the examination of author keywords is an important source of information regarding the major themes and research areas of interest in the field of dividend policy and profitability. The keyword that appears most often is "profitability" (22 occurrences), which signifies its pivotal position in financial research and business decision-making. "Corporate strategy" (9 occurrences) and "financial market" (8 occurrences) are prominent themes, reflecting an emphasis on the way companies balance their financial actions with overall market trends. Other highly recurring words, like "firm size" is used 22 times, "sustainability" is used 7 times, and "China" (6 occurrences), reflect a growing concern with firm-specific traits, sustainability issues, and regional impacts in finance research. Finally, the occurrence 6 times of "investment" and 6 times of "regression analysis" highlights methodology used in analysis of financial patterns and decision-making trends. Even the occurrence of 5 times of "economic policy" and 5 times of "financial policy" makes it clear to highlight the functions of macroeconomics and rules-based frameworks within corporate financial initiatives. The keyword frequency analysis therefore confirms that profitability is the central area of study, and there exist strong associations with corporate strategy, market forces, and company-specific factors, indicating a multidimensionality to uncovering financial performance.

Table - 3

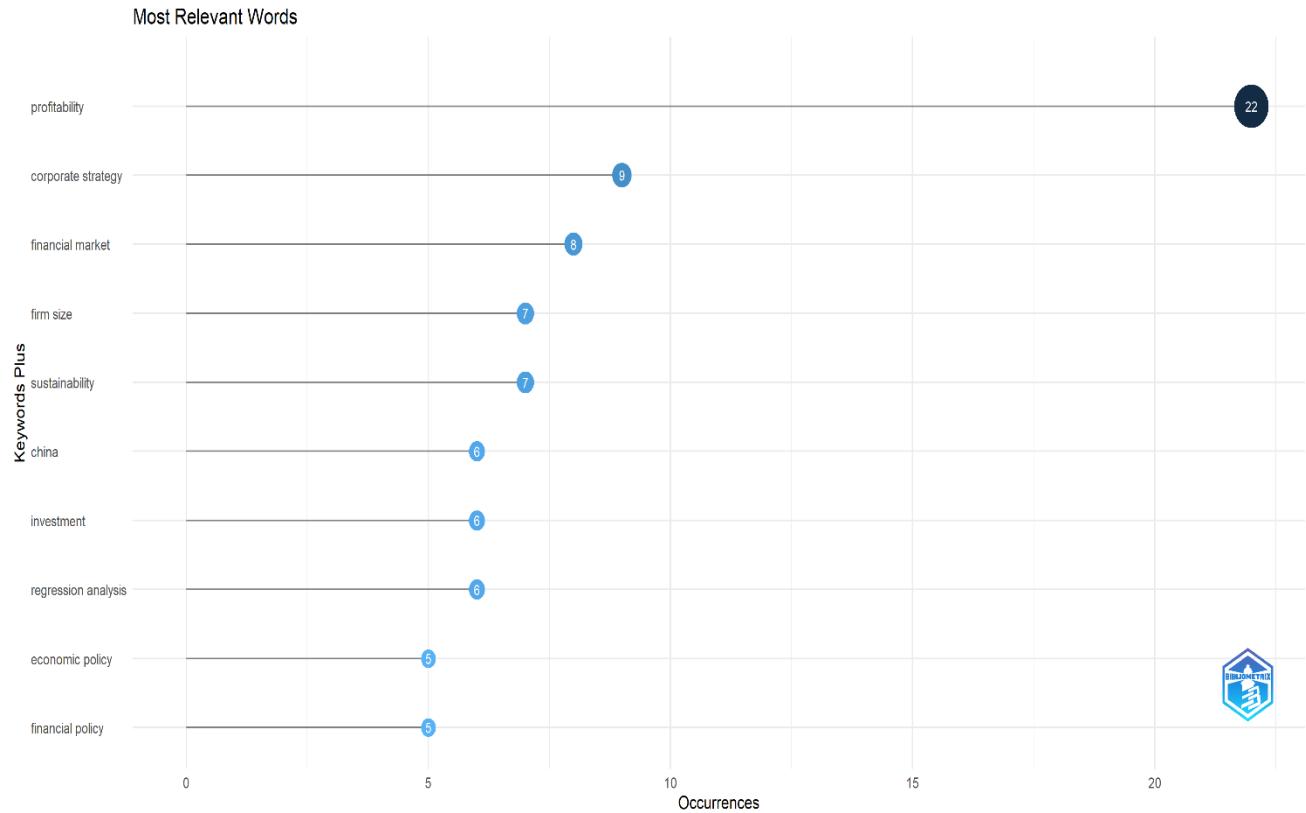


Figure -4 showing the time-series analysis of word frequency is very informative about the changing research trends concerning dividend policy and profitability. As illustrated in the data, the word "profitability" has been steadily increasing in frequency, peaking at 22 instances in 2025, which reflects its pivotal position in current research. In a similar vein, "financial market" and "corporate strategy" have shown a rising trend, indicating increased focus on strategic financial decision-making and market forces. The cumulative frequency graph also illustrates an overall trend of increasing usage for some of the most prominent terms like "economic policy," "investment," and "sustainability," indicating an expanded focus on financial and corporate governance themes. This indicates an increase in more integrated and strategic views in corporate finance studies. The growing visibility of these terms reflects the evolving nature of the discipline, highlighting the necessity of additional empirical studies in understanding their relationships and effects on financial decision-making.

Figure -4

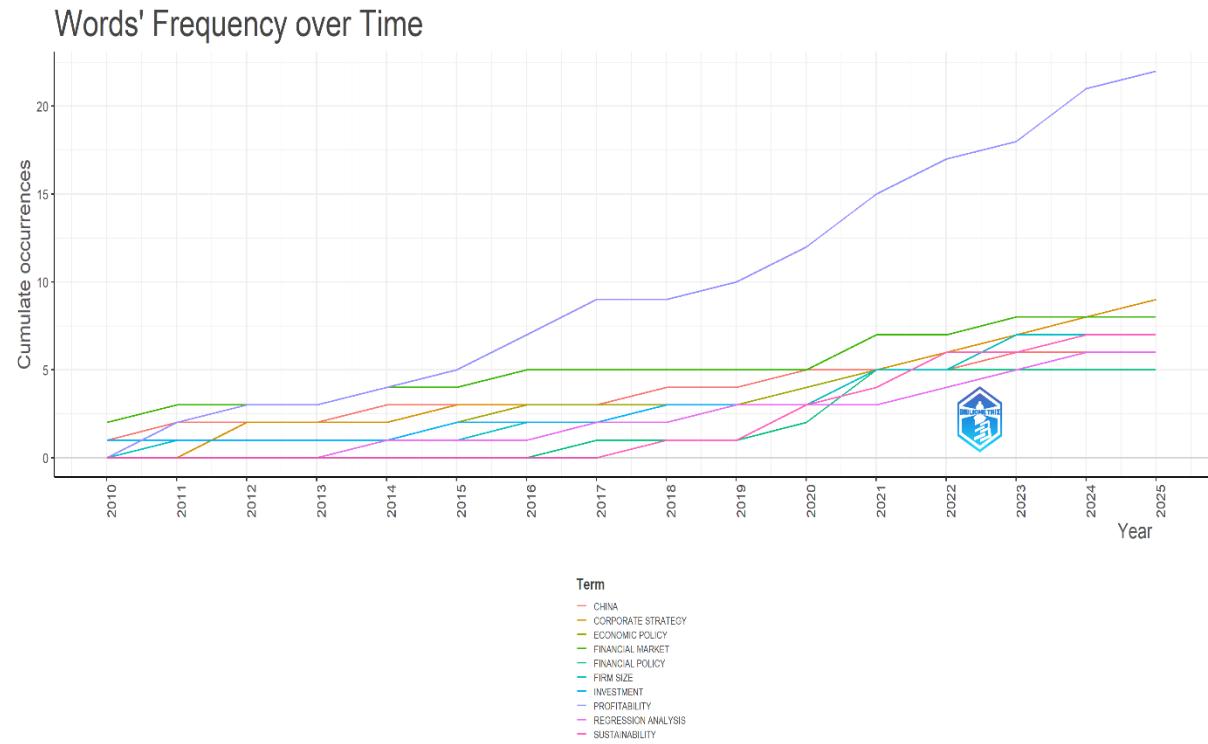


Figure -5 showing the bibliographic coupling network visualization represents the connectedness of research topics in the field of dividend policy and profitability. The core theme, "profitability," is the most central node, with strong connections to the most important concepts like "corporate strategy," "financial market," and "sustainability." The structure of the clusters identifies clear thematic groups, where corporate strategy is highly connected with words like "regression analysis," "econometrics," and "governance approach," reflecting an emphasis on empirical analysis and governance systems. Also, "financial market" is associated with "stock market," "financial system," and "market conditions," capturing the influence of external economic factors on financial choice. The fact that "COVID-19" and "institutional framework" are used as terms implies that recent research has also considered how external shocks and policy settings influence profitability. The bibliographic coupling framework highlights the interdisciplinary nature of research in this field, combining aspects of corporate finance, market analysis, and policy interventions to present a comprehensive picture of dividend policy and profitability.

Figure- 5

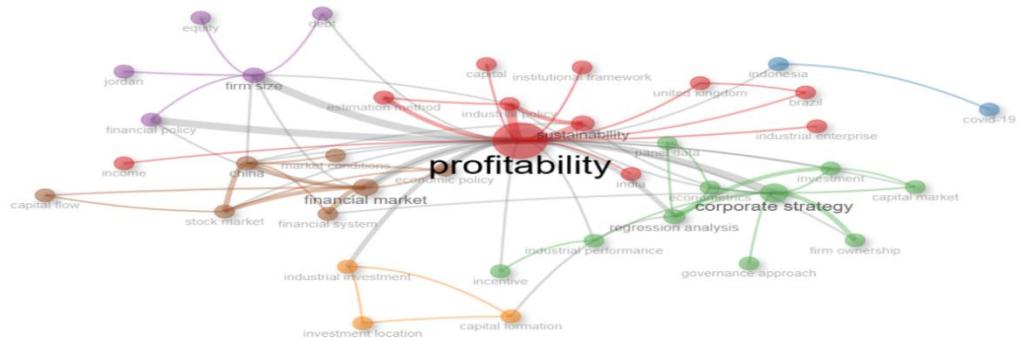


Figure- 6 showing the examination of the most applicable authors in the dividend policy and profitability area emphasizes notable contributors to the literature. The most prominent researcher has six published works (Dang, 2024), followed by another with five (Al-Najjar, 2024). A number of authors have contributed significantly with four publications (Baker, 2024; Mahirun, 2024; Nor, 2024), showing a consistent involvement in this research area. Other researchers have made three pieces of work (Rastogi, 2024; Ashraf, 2024; Chang, 2024), whereas others have made contributions with one or two pieces of work (Dutta, 2024; Hussainey, 2024). This allocation of academic work underpins the continued scholarly interest in dividend policies and profitability, further underpinning its relevance in corporate finance literature.

Figure -6

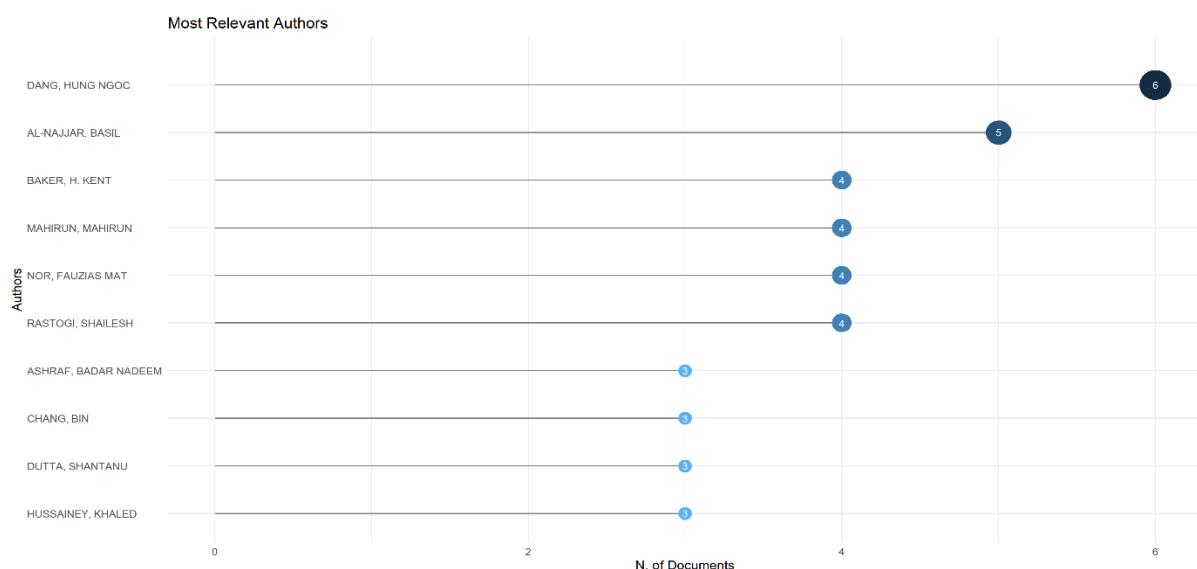


Figure -7 showing The time-series examination of authors' scholarly output is informative of the research work in the area of dividend policy and profitability. The visualization provides a chronology of publication by prominent authors, with emphasis on the number of times they published and the effect their work had. It can be seen from the figure that Al-Najjar, Basil has been a prominent scholar, with works going as far back as the early 2010s. His work has not only been continuous but has also accumulated much citation over time, as suggested by the nodes' size and color saturation. In the same manner, Dang, Hung Ngoc has also made much contribution in the last few years, especially from 2020–2023, with various papers that have drawn large numbers of citations, highlighting the impact of his contribution. Other significant contributors are Baker, H. Kent, Mahirun Mahirun, and Nor Fauzias Mat, who have had consistent research output throughout the years. Their research work, though not as regular as Al-Najjar or Dang, is of great scholarly impact, as evident from the citations per year. Rastogi, Shailesh, Ashraf, Badar Nadeem, and Hussainey, Khaled have also contributed significantly, with their work spread over different years, indicating a varied involvement in the subject. The timeline also shows that the last few years, especially since 2020, have seen a rapid growth in research production, which is an indication of growing academic interest in the topic. The total citations per year (TC per year) distribution shows that there are certain articles that have had a major impact in certain years, highlighting the dynamic nature of research in this area. Generally, the analysis is showcasing the works of prominent researchers, their impact span, and how research in profitability and dividend policy has increasingly been gaining significance over time.

Figure- 7

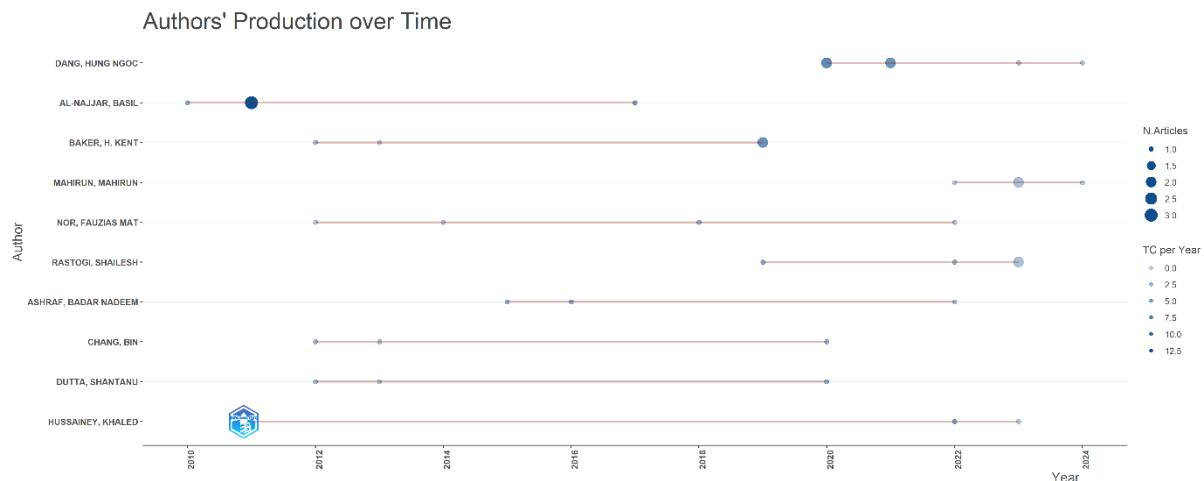


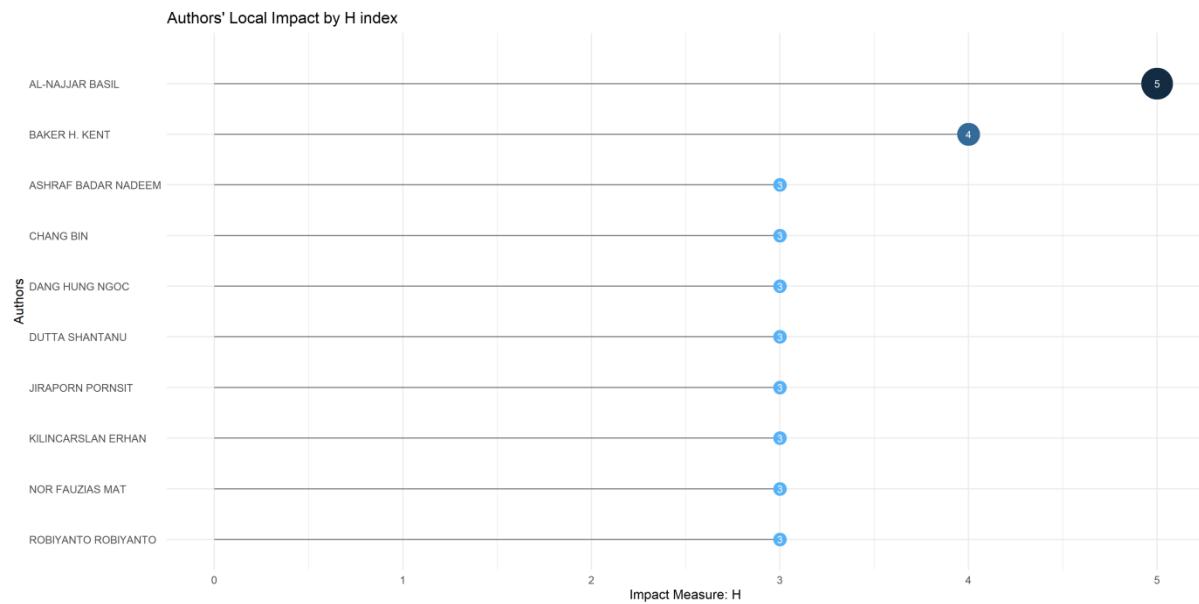
Figure-8**-8**

Figure – 8 showing the assessment of authors' local contribution using the H-index is useful in providing insights into the academic contribution of researchers in the field of dividend policy and profitability. The study identifies Al-Najjar, Basil as the most cited author with an H-index of 5, which reflects a robust citation record and long-term academic contribution. In second place is Baker, H. Kent with an H-index of 4, reflecting considerable contributions to the literature. A number of other writers, such as Ashraf Badar Nadeem, Chang Bin, Dang Hung Ngoc, Dutta Shantanu, Jiraporn Pornsit, Kilincarslan Erhan, Nor Fauzias Mat, and Robiyanto Robiyanto, have an H-index of 1, indicating emerging or niche contributions to the literature.

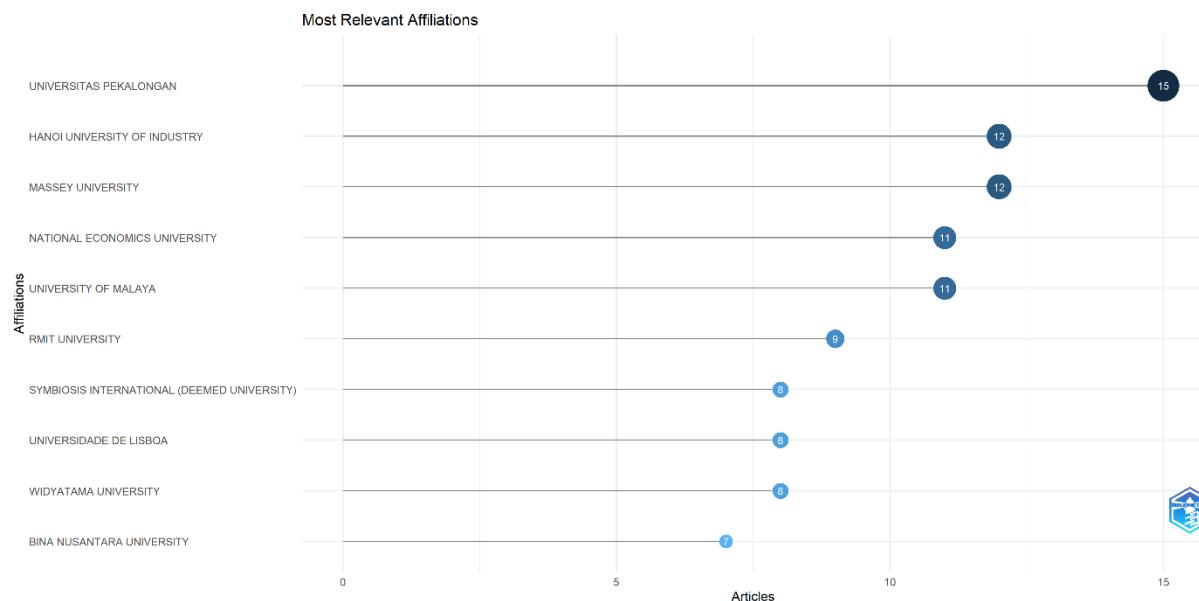
Figure 9 Most Relevant Affiliation

Figure -9 showing the examination of the most pertinent affiliations in studies on dividend policy and profitability demonstrates strong contributions from numerous institutions globally. Universitas Pekalongan is the most prominent institution, with 15 published articles, which reflects its emphasis on this area of research. In close second are Hanoi University of Industry and Massey University, each with 12 contributions, which reflects their active participation in the field. In addition, National Economics University and University of Malaya have contributed immensely, with 11 articles each, further illustrating their scholarly engagement. Other prominent institutions, including RMIT University (9 articles), Symbiosis International (Deemed University) (8 articles), Universidade de Lisboa (8 articles), Widyatama University (8 articles), and Bina Nusantara University (7 articles), have also contributed immensely to the pool of knowledge in this field.

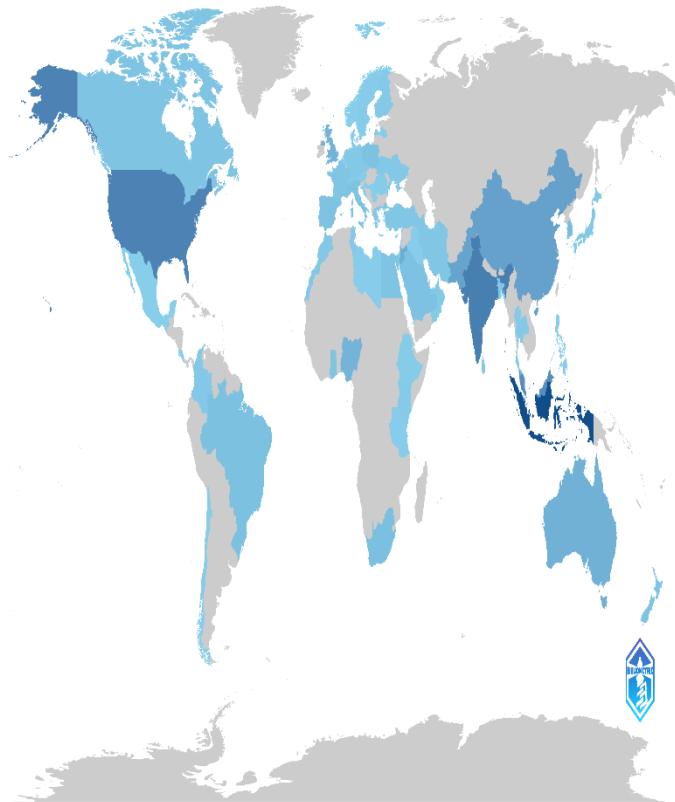
Countries Scientific Production

Figure -10 showing the scientific output, country-wise, across the fields of dividend policy and profitability indicates Indonesia at the top position, with 226 publications. India (135) and the USA (128) follow, revealing intense research activity in both emerging and developed nations. There is considerable activity from Malaysia (106) too, as a rising academic interest in financial research in Southeast Asia becomes evident. China (75) and Pakistan (71) contribute moderately, in line with their growing financial markets and corporate governance research. Jordan (56), Australia (49), the UK (46), and Nigeria (43) show a consistent but relatively lower rate of research output. The inclusion of both developed and developing countries in this ranking is a testament to the international significance of dividend policy and profitability, with different economic structures and market conditions shaping scholarly discussion in this area.

Figure -10 Countries Scientific Production

Country	Freq
INDONESIA	226
INDIA	135
USA	128
MALAYSIA	106
CHINA	75
PAKISTAN	71
JORDAN	56

AUSTRALIA	49
UK	46
NIGERIA	43



Conclusion and Future Direction

This bibliometric analysis offers insight into the knowledge landscape of academic research on profitability and dividend policy through the investigation of publication trends, prominent authors, affiliations, and seminal thematic clusters. The results reinforce that Indonesia, India, and the USA dominate this research landscape, which supports high academic engagement with financial choice and firm outcomes. Major research topics such as corporate strategy, financial markets, sustainability, and firm size reflect the different dimensions covered in previous literature. Al-Najjar Basil also appears to be the most influential author according to the H-index, while Universitas Pekalongan, Hanoi University of Industry, and Massey University are the most applicable affiliations. Temporal examination of authors' output shows an increasing academic interest in dividend policy, which implies that the field of study is still an ongoing and ever-changing research topic. Bibliographic coupling analysis also reinforces the interdependencies between financial policies, corporate governance, and market conditions, providing an organized framework for future research. Overall, this research deepens the understanding of current literature and gives direction to researchers by mapping gaps, new trends, and areas of future exploration. Future research can broaden this analysis by adding qualitative evidence, new economic determinants, and cross-country comparisons to add depth to the debate on dividend policy and firm profitability.

Current literature is increasingly leaning towards behavioural finance frameworks, analysing how market psychology and investor sentiment determine dividend policies. Additionally, the convergence of fintech, ESG factors, and international economic uncertainties offers new avenues for future studies. The effect of COVID-19 on dividend policies and firm financial resilience has also become popular in recent studies.

Reference

Al-Najjar, B., & Belghitar, Y. (2011). Corporate cash holdings and dividend payments: Evidence from simultaneous analysis. *Managerial and Decision Economics*, 32(4), 231-241. <https://doi.org/10.1002/mde.1529>

Dewasiri, N. J., Yatiwelle Koralalage, W. B., Abdul Azeez, A., Jayarathne, P., Kuruppuarachchi, D., & Weerasinghe, V. (2019). Determinants of dividend policy: Evidence from an emerging and developing market. *Managerial Finance*, 45(3), 413-429. <https://doi.org/10.1108/mf-09-2017-0331>

Firth, M., Gao, J., Shen, J., & Zhang, Y. (2016). Institutional stock ownership and firms' cash dividend policies: Evidence from China. *Journal of Banking & Finance*, 65, 91-107. <https://doi.org/10.1016/j.jbankfin.2016.01.009>

Jabbouri, I. (2016). Determinants of corporate dividend policy in emerging markets: Evidence from MENA stock markets. *Research in International Business and Finance*, 37, 283-298. <https://doi.org/10.1016/j.ribaf.2016.01.018>

Miller, M. H., & Rock, K. (1985). Dividend policy under asymmetric information. *The Journal of Finance*, 40(4), 1031. <https://doi.org/10.2307/2328393>

Lintner, J. (1956). Distribution of incomes of corporations among dividends, retained earnings, and taxes. *The American Economic Review*, 46(2), 97-113.

Easterbrook, F. H. (1984). Two agency-cost explanations of dividends. *The American Economic Review*, 74(4), 650-659.

Jensen, M. C., & Meckling, W. H. (2019). Theory of the firm: Managerial behavior, agency costs and ownership structure. In *Corporate governance* (pp. 77-132). Gower.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360. [https://doi.org/10.1016/0304-405X\(76\)90026-x](https://doi.org/10.1016/0304-405X(76)90026-x)

Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information that investors do not have. *Journal of Financial Economics*, 13(2), 187-221. [https://doi.org/10.1016/0304-405X\(84\)90023-0](https://doi.org/10.1016/0304-405X(84)90023-0)

Fama, E. F., & French, K. R. (2001). Disappearing dividends: Changing firm characteristics or lower propensity to pay? *Journal of Financial Economics*, 60(1), 3-43. [https://doi.org/10.1016/s0304-405x\(01\)00038-1](https://doi.org/10.1016/s0304-405x(01)00038-1)

Rozeff, M. S. (1982). Growth, beta and agency costs as determinants of dividend payout ratios. *Journal of Financial Research*, 5(3), 249-259. <https://doi.org/10.1111/j.1475-6803.1982.tb00299.x>

Lintner, J. (1962). Dividends, earnings, leverage, stock prices and the supply of capital to corporations. *The Review of Economics and Statistics*, 44(3), 243. <https://doi.org/10.2307/1926397>

Easterbrook, F. H. (1984). Two Agency-Cost Explanations of Dividends. *The American Economic Review*, 74(4), 650-659. <http://www.jstor.org/stable/1805130>

Singh, S., & Das, S. (2018). Impact of post-merger and acquisition activities on the financial performance of banks: A study of Indian private sector and public sector banks. *Revista Espacios Magazine*, 39(26), 25.

KANAKRIYAH, R. (2020). Dividend policy and companies' financial performance. *The Journal of Asian Finance, Economics and Business*, 7(10), 531-541. <https://doi.org/10.13106/jafeb.2020.vol7.no10.531>

Yarram, S. R., & Dollery, B. (2015). Corporate governance and financial policies. *Managerial Finance*, 41(3), 267-285. <https://doi.org/10.1108/mf-03-2014-0086>

Mehmood, R., Hunjra, A. I., & Chani, M. I. (2019). The impact of corporate diversification and financial structure on firm performance: Evidence from South Asian countries. *Journal of Risk and Financial Management*, 12(1), 49. <https://doi.org/10.3390/jrfm12010049>

Abor, J., & Bokpin, G. A. (2010). Investment opportunities, corporate finance, and dividend payout policy. *Studies in Economics and Finance*, 27(3), 180-194. <https://doi.org/10.1108/10867371011060018>

Al Mutairi, M., Tian, G., Hasan, H., & Tan, A. (2012). undefined. *Corporate Governance: The international journal of business in society*, 12(5), 595-615. <https://doi.org/10.1108/14720701211275523>

Tran, Q. T. (2020). Foreign ownership and investment efficiency: New evidence from an emerging market. *International Journal of Emerging Markets*, 15(6), 1185-1199. <https://doi.org/10.1108/ijem-07-2019-0573>

Yarram, S. R., & Dollery, B. (2015). Corporate governance and financial policies: Influence of board characteristics on the dividend policy of Australian firms. *Managerial Finance*, 41(3), 267-285.

Aria, M., & Cuccurullo, C. (2017). bibliometrix: An R-tool for comprehensive science mapping analysis. *Journal of informetrics*, 11(4), 959-975.