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ABSTRACT

This paper empirically investigates the impact of corporate governance factors (i.e. board size, board independence and CEO ownership) and firm-level control variables (i.e. firm size, firm growth and firm profitability) on the dividend payout policy among the service sector companies of Malaysia that are listed on Bursa Malaysia. Ordinary least square model was used to estimate the results. Sample consisted of 113 service sector firms from the period of 2009 to 2013. The results show that the profitable companies with large boards and less growth tend to pay higher dividends. Findings can be interpreted as that the profitable companies are sharing their profits with their shareholders in terms of dividends to give positive message to the market.

Keywords: Corporate governance, dividend payout policy, control variables, service sector

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