

Effect of Firm Life Cycle on Dividend Payout of Listed Manufacturing Firms in Nigeria

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Abstract

The study looked at how the firm life cycle affected dividend payments to Nigerian manufacturing companies that are publicly traded. Firm life cycle was represented by the following stages: firm introduction (FINT), firm growth (FGRT), firm maturity (FMAT), firm shakeout (FSHK), and firm decline (FDEC), while dividend payout was represented by the dividend payout ratio (DPO). Data for the study were gathered from the annual reports and accounts of the listed manufacturing firms in Nigeria for the period ending in 2016–2022 using an Ex Post Facto design. The data analysis was done using a panel least squares model, and the results show that there is a significant and positive relationship between firm maturity stage and dividend payout of manufacturing firms in Nigeria at a level of significance of 5%, but not between firm introductory stage, firm growth stage, firm shakeout stage, or firm decline stage. The study comes to the conclusion that, in contrast to other firms, the maturity life cycle stage determines the dividend payout of listed manufacturing firms in Nigeria. As a result, the dividend payout of manufacturing firms in Nigeria is significantly influenced by the firm's maturity life cycle stage. The study suggests that managers should concentrate on board oversight and financial management appropriately, particularly during the maturity stage, to prevent slipping into the following stage, which is the restructuring stage or decline stage.

Keywords: Firm Life Cycle, Dividend Payout, Firm Introductory Stage, Firm Growth Stage

1.0 Introduction

The need for capital market-listed securities to remain an integral part of the investment process has led to an increasing need to improve the information available to investors around the world. Information about companies' dividend behavior is intended to maintain the interest and participation of investors locally and internationally and to facilitate investments. The theory of dividend policy is generally associated with the desire to increase the value of a company and maximize shareholder wealth. The aim of dividend distribution is to gain the trust of investors and compensate for the effect of financial information asymmetry between management and shareholders. Dividend policy remains a controversial topic in corporate finance due to its impact on business. According to Abubakar (2021), dividend policy appeared to be a puzzle due to its complexity, and such a description dates back to the seminal works of Litner (1956) and Miller and Modigliani (1958). Bhattachary, Chang, and Li (2019) contend that dividend policy is a long-standing controversy in finance, with many questions left unanswered and some questions answered in contradictory ways. The ideal and most frequently asked question in the dividend literature remains: What determines the foundations on which dividend policy is built? Therefore, it is necessary to conduct a study on the factor that motivates companies to pay dividends. From the literature it was found that factors such as profitability, liquidity, growth, systematic risk and the company life cycle is one of the important factors that can explain dividend distribution.

However, the development of dividend distributions is determined not only by how much the company earns, but also by where the company is in its life cycle. Various scholars have empirically addressed the effects of corporate life cycle and dividend payout, including Omaliko, Mordi and Okpala (2023), Aigbovo and Osagie (2021), Aryani and Dina (2020), Diyan (2020), and Bayat and Nosharh (2018), among others have empirically addressed the corporate life cycle and dividend payout, with a focus on individual country perspectives, and provide conflicting evidence on the corporate life cycle and dividend payout. For example; Budiarmo (2019) previously tested the life cycle theory by testing whether the propensity to pay dividends is related to the life cycle theory and free cash flow, as measured by retained earnings to total capital. The result shows that dividend payers are generally mature companies, which is consistent with life cycle theory. Aigbovo and Osagie (2021) examine the sectoral effect of corporate life cycle stage on dividend payout of listed non-financial companies in three selected sub-Saharan African countries including: South Africa, Nigeria and Kenya during the period 2007 to 2017. The study found that the mix of earned and contributed capital has a direct and significant impact on dividend distribution in seven out of ten analyzed sub-sectors, while firm age has an inverse and significant impact on dividend distribution in six out of ten analyzed sub-sectors. The study concludes that dividend distribution aligns with life cycle theory.

In addition, the results of the study by Umar-Mai and Setiwan (2021) are consistent with the findings of Aryani and Dina (2020), which showed that dividend payment policy is consistent with the prediction of life cycle theory. In addition, using the cash flow approach, Azmi and Bertuah (2020) examined the impact of life cycle stage on the dividend policy of manufacturing companies in Indonesia between 2014 and 2018. They found that considering growth and maturity life cycle stages as well as return on capital of a company have a positive and had a significant impact on the dividend distribution. Therefore, the study concludes that companies in their growth and

maturity phase pay dividends as they have tried to show the shareholder that the company is in good financial and profitable shape. In contrast, Dempsey, Gunasekarage, and Trouong (2019) showed that companies with high growth prospects have a negative relationship between growth and dividend payout. Furthermore, Fahim, Khurshid, and Tahir (2015) discovered that financial leverage has a statistically significant and negative effect on dividend payout. In this sense, Ihejirika and Nwakonma (2012) reported a negative relationship between life cycle stage and dividend payout propensity in Nigeria.

Despite existing studies, dividend policy remains an unresolved issue in corporate finance. From the existing studies, most of these studies were conducted in developed countries such as USA, Indonesia, Australia, etc. Only a few have been detected in Africa such as Kenya, South Africa and Nigeria. However, little attention has been paid in Nigeria as the few studies conducted in Nigeria have focused on the propensity to pay or not pay dividends, determinants of dividend payout, dividend policy and firm performance, but none of these authors have focused on the impact of firm life cycle concentrated in the dividend distribution. The need to conduct this study in Nigeria arises from the fact that there are specific institutional factors and financial structures in each country. Therefore, each country has different and unique factors that determine its dividend policy. The main contribution of this study is that it helps shed additional light on the issues surrounding the impact of corporate life cycle on dividend payout as it extensively examines the relationship between life cycle stages and dividend payout, which remains unexplored in emerging economies such as Nigeria. To the best of our knowledge, there is no study on the impact of business life cycle in Nigeria. Therefore, this study will contribute to knowledge and fill the gap by examining the impact of corporate life cycle on dividend payment in Nigeria, focusing on listed manufacturing companies in the Nigeria Exchange Group. In achieving this objective, the following hypotheses were formulated:

H₀₁: Firm introduction stage has no significant effect on dividend payout of manufacturing firms in Nigeria.

H₀₂: Firm growth stage has no significant effect on Dividend Payout of manufacturing firms in Nigeria.

H₀₃: Firm maturity stage has no significant effect on Dividend Payout of manufacturing firms in Nigeria.

H₀₄: Firm shakeout stage has no significant effect on Dividend Payout of manufacturing firms in Nigeria.

H₀₅: Firm decline stage has no significant effect on Dividend Payout of manufacturing firms in Nigeria.

2.0 Business Rationale

2.1 Firm Life Cycle

All living organisms, including humans, animals, and plants, have life cycles or curves. These beings are born, develop, mature, and ultimately pass away. These living systems have unique behavioral patterns to deal with the challenges of each stage of their life cycle as well as the challenges of transitioning from one stage to the next (Bayat and Noshahr, 2018). A company's life cycle is depicted as having stages, which have an impact on both its operational and strategic decisions (Ntungufhadzeni, Wolmarans & Hall, 2021). Mueller is credited with creating the idea of the firm life cycle (1972). When assessing profitability and stock returns, a company's cash flow captures its life cycle and outperforms other life cycle metrics (Jasminder, 2019). The operating, investing, and financing cash flow patterns would be used to categorize a life cycle into introduction, growth, maturity, shake-out, and decline stages. Thus, the idea of the "firm life cycle" is explained by the sequence of phases that a company goes through while conducting its business. A company's life cycle is a normal path for growth. It illustrates the gradual phases that a business goes through as it develops, from ideation to traction and from the first slow growth stage to rapid growth.

Dickinson (2011) points out that there are five stages in a firm's life cycle that can have an impact on the dividend policy of the company: introduction, growth, maturity, shakeout, and decline.

2.1.1 Firm Introduction Stage

This is the beginning of a company's existence. At this point, the owner or founder of the business finances it, with possible bank loans for additional funding. Every business launches with the introduction of a new product or service. The firm's initial market entry is known as the "firm introduction stage.". During this phase of the business life cycle, a company seeks to increase consumer awareness of its goods and services in markets with little to no competition. This stage is also a time to invest a lot for future growth. Firm at this stage has its capital requirements met by the owner or founder or could obtain loan from bank. Once the firm makes adequate publicity either by promotion or theory branding, it can look at other aspect such as pricing as well as distribution. Pricing a product in introductory stage is very important to gain market share. Usually, this phase is focused on advertising and marketing campaigns. Firms at this stage work on testing distribution channels and try to educate potential customers about its product. The introduction stage is the prime stage for the promotion and creating awareness about the perceived benefits. This initial stage is also important as once the image is set into the mind of the consumers, it is difficult to break it. Firm has to put a lot of effort at this stage to ensure that customers are aware of the firm products which are introduced in the market. Introduction stage requires higher investments as firm brand and products needed to be promoted.

At this point, the firms' main concern is making sure that customers are aware of the business and the products it offers, so they don't really consider the competition. Initial discounts and promotions may help to promote the product during the introduction phase, but the main goal should be to add value for the customers rather than to maximize profits right away. Initial investments must be made by the company to guarantee that customers are aware of the services

it provides. Making sure that the firm's products are positioned correctly at this point presents a challenge. Sales are currently low but gradually rising. Businesses concentrate on marketing in order to advertise their comparative advantages and value propositions to the target customer segment. However, due to low revenue and high startup costs, businesses are more likely to lose money at this stage. Finally, although the cash flow is negative during the early stages, it dips even lower than the profit. This is a result of initial start-up costs being capitalized, which may or may not be reflected in business profits, but are unquestionably reflected in cash flow.

2.1.2 Firm Growth Stage

In the life cycle of a firm, the growth stage is the second. Product growth, sales, revenue, and profits are all increasing during the growth stage. It's a time of explosive expansion. At this point, making money is just as important to the company as covering the expenses from the launch phase. When sales surpass the break-even point, the company begins to turn a profit. Consumers are starting to buy in during the firm growth stage because they have accepted the company's product or services in the market. This indicates that, hopefully, demand and profits are increasing at a steady, fast rate. During the growth stage, the product's market is expanding and competition is starting to emerge. As they observe the company's success, possible rivals will want to join the market. The growth stage is crucial for businesses because it allows them to reach their target market share and forecasted goals. The company concentrates on increasing sales market share relative to competitors during the growth stage, following the high investment and sluggish sales in the first stage. During the growth stage, the company must contend with an established rival for business and secure a substantial portion of the revenue. Businesses in this stage reach a saturation point in terms of sales, revenue, and profits.

The maturity stage is the stage that follows this one. At this point, the company faces a lot of obstacles. The company must contend with competition from numerous established businesses to limit product entry into the market. Another issue the company faces is that rivals may lower their prices, making the product unviable during the company's growth phase. As a result, the product might not be profitable for the company, forcing it to be discontinued. Businesses must make sure that all of these obstacles are removed by choosing the best course of action and taking a proactive stance toward the issues at hand. Since the company is aware of the potential problems' timing and location, it has an early bird advantage. At this point, the company is in the process of becoming public, which opens up more options for funding sources. At this point, companies will be able to consider equity issues in the form of guarantees, common stock, and other equity options, according to Aryani and Patricia (2020).

2.1.3 Firm Maturity Stage

During the maturity stage, a company's sales and business expansion are stagnant and there is intense competition. According to Yahaya et al. (2019), this is the point at which businesses must exercise greater discrimination in order to escape the maze that intense competition has created. In the maturity stage, efficiency is increased through increased innovation (Jasminder, 2019). A mature company declares dividends rather than aiming to hold onto profits because it does not value a higher rate of return on investment than the market rate. Due to diminishing profitable investment opportunities during the maturity phase, profits are distributed rather than reinvested,

which further lowers risk and agency costs that develop as the company continues to accumulate cash flows to invest in projects with a negative net present value (Jasminder, 2019). The longest stage in a company's life cycle is the maturity stage. At this point, businesses most likely realize that in order to differentiate their product from rivals, they must improve its features. Businesses that move into this stage will see a sharp rise in cash flow and profit that is reflective of prior investment. Since the company can now meet its financial needs internally, internal funds will become more appealing as a source of funding alternative, and the need for external funding starts to decline at this point (Aryani&Patricia, 2020).

2.1.4 Firm Shakeout Stage

Typically, the term "firm shakeout stage" refers to an industry's consolidation. Some companies naturally disappear because they can't develop with the market or are still producing negative cash flows. Some businesses merge with rivals or are bought out by those who were successful in securing larger market shares during the growth stage. As the industry matures, the growth rate of revenue, cash flows, and profit starts to slow down at the shakeout stage. Slowing growth, fierce competition, and declining profitability define this stage. When weaker competitors realize they can no longer sustain themselves through sales or profits, they sell off their assets, file for bankruptcy, or are bought out by stronger competitors.

2.1.5 Firm Decline Stage

The firm life cycle ends with this stage. At this point, sales reach their peak and then start to decline. As new competitors begin to dominate the market, businesses that have reached this stage will see a steady decline in revenue and profit (Aryani and Patricia, 2020). Most products will eventually see a decline in sales. This might be the result of trends, innovations, or shifting consumer tastes, among other things. The firm dissolves during the decline stage as a result of slower, stagnant, or negative growth. The company must restructure or reengineer at this stage to avoid going out of business (Yahaya et al., 2019). In the decline stage, prices fall and the growth rate declines. The industry's growth will stagnate or slow down during the decline stage. Firms are at this stage of their recovery or withdrawal strategy. Small businesses that entered during a shakeout stage perish during the decline stage (Dickinson, 2011).

2.1.6 Dividend Payout

Dividend payout was defined by Aigbovo and Osagie (2021) as the percentage of total profit distributed as dividends to common shareholders. The entire percentage of a company's earnings that is distributed to shareholders as dividends is referred to as the "dividend payout," and it is usually expressed as a percentage. While some businesses distribute all of their profits to shareholders, others only do so for a portion of their earnings. One of the most important topics discussed by investors, shareholders, governments, and academics is dividend distribution. The goal of dividend payout is to decide whether to pay a dividend or not, as well as the amount and distribution pattern. The dividend policy is the declaration that directs how a company distributes profits to its shareholders. The term "dividend policy" describes the procedures that management uses to decide how much to pay out as dividends and how much and when to distribute cash to shareholders over time (Ahmed, 2019).

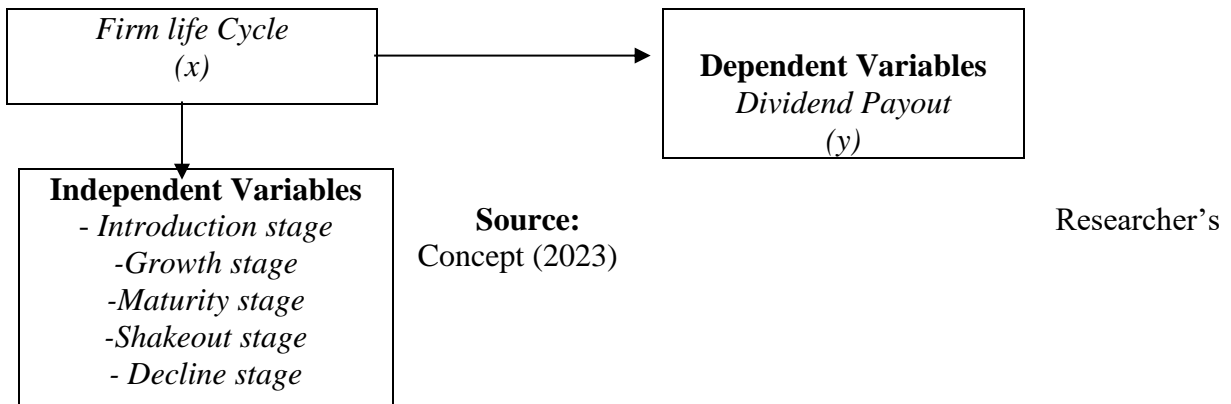
Hauser (2013) defines a dividend as the part of a company's net earnings that the director recommends to be distributed to shareholders in accordance with their ownership stake in the business. Essentially, a dividend is the portion of an organization's profit that remains after taxes have been paid and is owed to the company's shareholders. The Latin term "dividendum," which meaning "things to be divided," is where the word "dividend" originated (online dictionary, September, 2021). Marko (2015) asserts that the controversy surrounding firm dividends has a lengthy history and is intertwined with the growth of the firm. The first firm dividends were paid out in Holland and Great Britain in the early sixteenth century when the ship's captain began selling financial claims (voyage proceeds) to investors.

The decision about dividends and cash distribution to shareholders is influenced by a wide range of firm characteristics. Numerous studies (Umar and Setiwa, 2021; Munzhele, Wolmarans & Hall, 2021; Alzoubi, 2019) have demonstrated the relationship between dividends and a company's fundamental attributes, including its size, age, growth potential, profitability, maturity, and life cycle, as well as more discretionary attributes like leverage. The availability of cash, which is greatly impacted by the stages of a company's life cycle, the ease with which debt can be substituted for equity, the stability of earnings, government tax policy, legal restrictions, and the chief executive officers' exercise of management control are all factors that impact dividend policy. There are four common types of dividend policies, as reported by MadhuriThkur and DheerajVaidya (2022). Regular Dividend Policy: Under this type of policy, the company follows the procedure of paying out dividends to its shareholders annually. The business keeps any excess profit if it generates abnormally high profits. A stable dividend policy requires the company to distribute a fixed percentage of its annual profits to shareholders in the event that it experiences a loss in any given year. Investors view the company that is implementing this policy as risky. The company cites an irregular dividend policy as the reason, stating that dividend payments vary based on profit margins. Irregular Dividend Policy: In this case, the business asserts that it is not required to distribute dividends to shareholders. The dividend policy of the company is to pay no dividend to shareholders, regardless of profit or loss. The board of directors will determine the amount and rate of dividend. There won't be a payout ratio of any kind. The entire profit is kept by the business. It will be reinvested back into the business plan of the company in order to accelerate its growth without running into problems with liquidity.

Dividend payout can be determined using a variety of metrics. Shareholders may receive dividends in the form of cash or stock. Dividends or stock repurchases are the two ways to distribute cash dividends, according to Abu (2012). Depending on the country's tax laws, these dividends may be paid out in cash and occasionally taxable to the recipient or treated as franked investment income in the year they are received. Dividends paid in additional shares or equity of the issuing company are known as "share dividends.". In general, stock dividends are paid out according to the number of shares held. According to the literature reviews of different researchers, dividend payout can be calculated using the dividend payout ratio. Dividend payout ratio is calculated by Aryani and Dina (2020) by dividing dividend per share by the company's earnings per share. Dividend payout ratio was calculated by Aigbovo&Osagie (2021) as the sum of all annual dividend payments divided by the company's net profit. Dividend intensity was used by Afza&Mirza (2011) as a substitute proxy for Pakistan's dividend policy. Natural logarithm of preceding year dividend was used by Murtiana&Yulianto (2018), Ihejirika&bNwakanma (2012), and Azmi&Bertuah (2020) to

calculate dividend payout. We'll also use the dividend payout ratio as a substitute proxy for Nigerian dividend payout after Aigbovo&Osagie (2021).

2.1.7 The Diagram of Conceptual Framework



2.2 Theoretical Framework

The following theories—which support dividend payout and the firm life cycle—are taken into consideration in this study. Agency/free cash flow theory and life cycle theory are two of its components. It is assumed that the theory on which this research project is based is both known and accepted.

2.2.1 Life-Cycle Theory

Mueller Dennis first proposed this theory in 1972. He created a theory about the life cycle of a company and used it to formulate a dividend payment hypothesis. According to the life cycle theory, a company's dividend policy ought to be contingent upon its stage of development. In order to take advantage of investment opportunities and lower uncertainty, businesses in their early stages must reinvest their income. This theory aligns with the desires of shareholders, who want to own shares of a company that can make money with competitive products and turn a profit over the long term. The market will become more saturated, increasing competition, and reducing opportunities for profitable investments. Because mature companies at this stage typically generate higher cash flows from their investments, they are required to distribute dividends to their shareholders.

Agency problems might not arise in the early stages of a company's life cycle because management incentives are in line with shareholders' interests. This is due to the abundance of lucrative investment opportunities, high growth rate, and high return. Internally generated income is typically insufficient to take advantage of all available investment opportunities. As a result, businesses look to external markets for funding, which puts management activities under scrutiny. Mueller (2011) added that managers of start-ups and small businesses typically own a sizable portion of the company's shares, which helps them to align their interests with those of other

shareholders. Issues with agencies are more likely to arise as the company moves into the maturity phase. The management of the company begins to pay dividends to shareholders at this point in the life cycle. All profitable investment opportunities vanished at the same moment. When managers keep making unprofitable investments, agency problems arise. Investments are only made to prevent businesses from expanding, enhancing the wealth and power of the investors at the expense of the wellbeing of the shareholders. DeAngelo et al. (2006) expand on Mueller's theory by identifying the stage of a company's life cycle that is connected to the ratio of retained earnings to total equity (RE/TE). It continues by saying that businesses with low RE/TE are typically in the early stages of development and reliant on outside funding, whereas businesses with high RE/TE are typically more established and have accumulated significant profits.

2.2.2 Agency/ Free Cash Flow Theory

Jensen and Meckling first proposed this theory in 1976. The relationship between the principals and their agents is described by this theory. The conflict of interest between shareholders and management is the main topic of this theory. Maximizing shareholder wealth and conducting business responsibly are management's primary goals. An agency problem occurs when a company has excess cash flow that could be allocated to profitable projects but is instead used for the shareholders' and company's personal gain. Investment requirements and dividend payments are related. Businesses require funds for additional investments, and they must choose a dividend savings plan to finance these needs for the least amount of money. According to Alzoubi (2019), managers typically allocate free cash flow to unprofitable projects instead of paying out excess resources to shareholders, even though all projects with positive net present values when discounted at the applicable cost of capital require an excess of free cash flow to be funded. Furthermore, investment policies have an impact on dividend policy; companies with higher revenue growth rates, both current and prospective, tend to pay out smaller dividends. According to Alzoubi (2019), the conflicts that revolve around managers' use of free cash flow can be mitigated by dividend policies, which give shareholders less control over the firm's resources in exchange for dividend payments.

This theory is crucial to this study because it clarifies the relationship between the organization's principals—its owners or shareholders—and its agents—its management. This theory makes an additional effort to condense and address the issues that result from the relationship between a principal and an agent. With examples from Nigeria, the aforementioned theories clarified the nature of the relationship anticipated from the interaction between firm life cycle attributes and dividend payout. The life cycle theory was chosen for this study because it outlines how the firm's stage in its life cycle affects the decision to pay dividends.

2.3 Empirical Review

The impact of the firm life cycle on dividend payout has been the subject of numerous studies conducted worldwide. This section of the study examined the empirical results of earlier research from the perspectives of various nations. Imbron and Panggabean (2021) employed firm size and debt to equity ratio as control variables in their analysis and presentation of data on cash position, collateralizable assets, and firm life cycle with regard to dividend policy. The manufacturing companies that were listed between 2015 and 2017 on the Indonesia Stock Exchange and the

Philippines Stock Exchange are included in the population. Of the total samples collected, 84 came from Indonesia and 81 from the Philippines. The data was analyzed using the quantitative data analysis method. Using the E-views application, a statistical method comprising of tests for classical assumptions, panel data regression, hypothesis testing, and descriptive statistics was used to calculate the data. The outcome showed that, for both Indonesian and Philippine samples, cash position significantly influences dividend policy, but debt to equity ratio, firm size, collectable assets, and firm life cycle did not significantly affect either country's dividend policy.

The dividend policy determinants of Nigerian listed consumer goods firms are examined by Mohammed and Tirimisiyu (2021). Over the course of five (years) (2015–2018), a sample of nine listed consumer goods companies in Nigeria were the subject of an ex post facto research design. The panel secondary data that was taken from the annual reports of a sample of Nigerian consumer goods companies that were listed was analyzed using the standard pooled regression technique. According to the study, business risk significantly influences the dividend policy of Nigerian listed consumer goods companies. Additionally, the study discovered that dividend policy is significantly positively impacted by life cycle. As a result, the study suggests that managers take into account the key factors influencing the dividend payout ratio when creating the right dividend policy for a company. Investors can select companies for superior investment opportunities based on the dividend payment policies of the companies.

In the context of South Africa, Ntungufhadzeni, Munzhele, and Hall (2021) examined the dividend life cycle hypothesis. From 2006 to 2015, a panel data set comprising 119 sample companies listed on the Johannesburg Stock Exchange was utilized to test the hypothesis. The data was analyzed using a combination of basic and dynamic panel data estimators. Dividend payout ratio is a dependent variable, and changes in total assets, SIZE, RE/TE, ROA, and EVA are independent variables. The dividend life cycle hypothesis is widely accepted by South African businesses, according to the study. The companies that were under consideration for growth projects were found to have lower dividend payments. Additionally, businesses in their growth stage have demonstrated a greater level of tenacity in their pursuits, which enables them to generate greater value for shareholders in the form of dividend payouts than other companies.

Using the dynamic panel data regression technique and the system generalized method of moments (system GMM), Aigbovo and Osagie (2021) investigate the sector-wise effect of firm life cycle stage on dividend payout of listed non-financial firms in three Sub-Saharan African countries: South Africa, Nigeria, and Kenya. Their research spans the years 2007 to 2017. The results of the empirical analysis showed that, in seven of the ten subsectors examined, the earned/contributed capital mix has a direct and significant impact on dividend payout, while, in six of the ten subsectors examined, firm age has an inverse and significant impact.

The accuracy of life cycle theory prediction in elucidating dividend payment policies during an Indonesian company's initial public offering was evaluated by Umar-Mai and Setiawan (2021). Dividend Payout Ratio, a proxy for the dividend policy, is the dependent variable in this case, and the independent variables were AGE, SIZE, ROA, Total Sales (year c) to Total Sales (year b), and Retained Earnings to Total Equity (RE/TE). The study's sample consisted of all businesses that went through an IPO on the Indonesia Stock Exchange between 2000 and 2017. Ordinary least square was utilized to address the second goal, while the binary logistic regression model was

employed to assess the data in order to achieve the first. The findings indicate that the dividend payment policies of companies conducting their first year of initial public offerings align with the predictions made by life cycle theory. The propensity to pay dividends was demonstrated by the favorable and noteworthy effects of RE/TE, return on assets, firm age, and firm size. It is further demonstrated by the noteworthy and positive effects of firm size and return on assets on the dividend payout ratio, as well as the noteworthy and negative effects of growth opportunity.

Diyan (2020) looked at the firm life cycle and evaluated the dividend payout of companies included in the Jakarta Islamic Index between 2011 and 2020 during an uncertain event. According to Chay and Suh (2009), the study measures the dividend policy in two ways: the dividend to earnings ratio and the firm's propensity to distribute dividends (1 if the firm pays dividends and 0 otherwise). The independent variables were contributed capital mix, ownership, and control. Twenty data sets from twenty companies listed in the Jakarta Islamic Index served as the study's sample. In order to address the issue, this study uses a logit model and pooled regression to investigate firm dividend policy. The outcome demonstrates that ownership and firm life cycle stage have a major influence on dividend payout.

Azmi and Bertuah (2020) looked into how Indonesian manufacturing companies' dividend policies were affected by life cycle stages using the cash flow approach. 31 consumer goods companies that were listed between 2014 and 2018 on the Indonesian stock exchange comprised the sample size. Data from the financial statements of a chosen consumer goods industry were subjected to an ANOVA test and logistic regression analysis. As dependent variables, dividend-paying companies (1) and companies that do not pay dividends (0) were used. It is found that a company's growth and maturity life cycle stages, as well as return on assets, had a positive and significant effect on dividend policy when using assets growth, corporate debt, and investment cash flow as control variables. Companies pay dividends during their growth and maturity stages in an effort to demonstrate to the shareholder that the company is in sound financial and profitable condition.

The impact of life cycle on dividend policies of Indonesian manufacturing companies was examined by Aryani and Dina (2020). 61 manufacturing companies' sample sizes from 2014 to 2018 were used. Selected manufacturing companies' financial statements were used to calculate time series data. The dependent variable was the dividend payout ratio (DPR), and the independent variable (life cycle stages) was retained earnings to total equity (RE/TE). Multiple linear regression analysis was the data analysis method employed, and the SPSS 16 software was used. Using and not using control variables, the study found that the life cycle variable had a positive and significant impact on dividend policy.

Ahmed (2019) looked into how profitability and liquidity affected the dividend payout ratio in the banking industry in the United Arab Emirates. The sample size is comprised of 18 banks out of 24 that were quoted on the United Arab Emirate stock exchange between 2005 and 2012. The theories were tested using multiple regression analysis and correlation. The dividend payout ratio was employed as the dependent variable, and earnings per share, return on equity, return on assets, loan to deposits, and return on assets were used as the independent ratios. The study's primary conclusion is that there is a substantial correlation between dividend payout and liquidity.

Alzoubi (2019) looked into how a firm's cash holding decisions are impacted by various stages of the firm's life cycle. 141 non-financial companies that were listed on the Amman Stock Exchange between 2000 and 2016 make up the sample size. Analysis of panel data was done. The cash ratio was the dependent variable, and the life cycle stages were the independent variables. The controlling variables were firm size, profitability, financial leverage, and dividend payment. The results indicate that decisions about cash holding are unimportant during the introduction and growth stages, but become significantly correlated during the maturity and decline stages. While the firm's profitability and dividend payments are significantly positively related to cash holding decisions, the firm's age and financial leverage are also significantly and negatively related to cash holding decisions.

The stages of the firm life cycle, transition, and dividend policy in the United States were studied by Bhattacharya and Li (2019). The sample size consists of companies that were listed on the Nasdaq, American Stock Exchange, and New York Stock Exchange between 1989 and 2012. Dividend pay/out ratio was the dependent variable, and independent variables were proxied by RE/TE. According to the study, there is a nonlinear relationship between the propensity to pay and the five stages of a firm's life cycle. When a company moves from one stage of its life cycle to another, theoretically consistent changes in payout policy are also captured by the cash flow-based proxy.

With data from Australia, Dempsey, Gunasekarage, and Trouong (2019) looked at the relationship between dividend payout and firm growth. The sample size is 120 companies that were listed on the Australian Securities Exchange between 2000 and 2014. While the natural log of market capitalization, leverage, return on assets (ROA), earnings-to-price ratio, and growth in total assets were independent variables, the dividend payout ratio is a dependent variable. According to the study, businesses with strong growth prospects generally exhibit a negative correlation between growth and dividend payout.

In order to perform an accurate prognosis of Indian companies, Jasminder (2019) tested the predictive capability of a firm life cycle proxy during the five stages of the life cycle. For the study, SandP BSE 500 companies were chosen, and the sample period was 11 years, starting on January 1, 2005, and ending on December 31, 2015. Five stages were used to categorize the firm's life cycle: introduction, growth, maturity, shakeout, and decline phase. Such classification is based on cash flow patterns. In predicting the occurrence of a dividend payment event at the maturity stage of a firm's life cycle, all four independent variables—company size, the percentage of cumulative retained profits as of total equity, the total equity to total asset ratio, and return on total assets (ROA)—prove to be significant contributors.

According to the life cycle and catering theories, Budiarmo, Subroto, Sutrisno, and Pontoh (2019) looked at how Indonesian businesses behaved in relation to these theories while assuming that investors want to get the most out of their stock investments through dividends, capital gains, or both. We looked at 212 companies that were listed on the Indonesia Stock Exchange between 2010 and 2020. Dividend payers and non-dividend payers, as well as higher, lower, and non-dividend payers, were used to measure the dependent variable (dividend policy). Systematic and idiosyncratic risks are present in the independent variables such as retained earnings/total equity, return on assets, market-to-book value, firm size, dividend premium, and control variables. To test

the hypothesis, regression and multi-nominal regression were used. The results of this study suggest that mature Indonesian firms' dividend policies support the life cycle theory and are at odds with the catering theory.

In Kenya, Murekefu and Ouma (2019) looked at the connection between dividend payout and firm performance. Data was gathered between the years of 2002 and 2010 from the annual reports of companies listed on the Nairobi Stock Exchange. Net profit after tax, total assets, and revenue were the independent variables, and net profit margin was the dependent variable. Net profit after tax was used to measure actual dividends paid out and firm performance. The analysis of regression was used. 41 companies listed on the Nairobi Stock Exchange make up the sample. The outcome supports dividend policy.

Bayat and Noshahr (2018) looked at how corporate policies are impacted by a firm's life cycle. The Tehran Stock Exchange's listed companies made up the population. A sample of 130 businesses was chosen for the study, which ran from 2012 to 2016. Investment, capital expenditure, debt, and cash holdings were used as dependent variables, whereas firm growth was used as an independent variable. To test the hypotheses, data were collected using a library with multiple regressions and panel data. The findings showed that while firm growth has a positive and significant impact on capital expenditures, it has no appreciable influence on firms' investment. Furthermore, the level of debt and cash holdings of the companies are unaffected significantly by their growth.

Murtiana and Yulianto (2018) investigated how retained earnings to total equity (RE/TE) in the lifecycle stages of manufacturing companies affected their propensity to pay dividends by controlling profitability, sales growth, and firm size. This study also explains the company's dividend payment patterns before and after the global financial crisis, particularly with regard to subprime mortgages. Retained Earnings to Total Equity (RE/TE) was used as the independent variable, and the control variables were profitability (ROA), sales growth, and firm size (logarithms of the total assets). The dependent variable was measured as the dividend payout ratio. It made use of regression qualitative response analysis. 75 manufacturing companies that were listed on the Indonesian Stock Exchange between 2005 and 2016 made up the sample. According to the findings, manufacturing companies that were listed on the Indonesian Stock Exchange between 2005 and 2016 tended to pay dividends at a mature stage both before and after subprime mortgages. Compared to the start-up, growth, and decline stages prior to and following the Subprime Mortgage crisis, manufacturing companies have a higher chance of paying dividends when they are in the maturity stage.

The propensity to pay dividend was examined by Budiarmo (2017), who tested the free cash flow and life cycle theories. By using 138 companies that were listed on the Indonesia Stock Exchange between 2010 and 2015 as a sample, the study conducted logistic regression to examine the potential factors of the companies that might pay dividends. The independent variables in this study are SIZE, ROA, RETA, DEBT, and PBV (Investment Opportunities), while the dependent variables are 1 for dividend payers and 0 for non-dividend payers. According to the analysis' findings, firms that pay dividends are typically mature firms, which is consistent with life cycle theory. Additionally, these mature firms are bigger, more successful, have higher earnings and debt, and have fewer investment opportunities. The impact of the firm's age and financial leverage

on its dividend policy was evaluated by Turki (2015). The first of two hypotheses, which examined the impact of the firms' financial leverage, and the second, which examined the impact of the firms' aging on their dividend policy, were developed. The sample assimilated in the study comprises of 38 Kuwait Stock Exchange listed companies from different industries. The investigation was conducted over a five-year period, from 2009 to 2013. Fixed effect panel regression and Ordinary Least sq\, were used to test the hypotheses. The findings show a inverse relationship between dividend payout and financial leverage of the companies.

Using panel data analysis, Marko (2015) examined the impact of factors related to the firm life cycle of dividends on a company's dividend decision on the Creation Stock Exchange Market for the years 2003 to 2011. Earned equity divided by common equity and earned equity divided by total assets was used to measure the firm life cycle. The market/book value, the company's relative growth in sales, and the relative growth of total assets were used to measure the investment opportunity, and the log of book value/total asset was used as a stand-in for the company's size. Dividend payout was approximated using earnings per share / dividend per share. The foundation of the firm life cycle theory of dividends is the idea that as a company gets older, its capacity to turn a profit surpasses its capacity to identify profitable investment opportunities. The findings indicate that, in contrast to the firm life cycle theory of dividends, mixed investment possibilities have a significant positive impact on dividends. According to discriminant analysis, there are significant differences between companies that pay dividends and those that do not in four out of six variables that are associated with the firm life cycle theory of dividends.

Fahim, Khurshid, and Tahir (2015) identified the factors that affect the financial sector's dividend payout in Pakistan. Dividend payout is the dependent variable, and financial leverage, investments, liquidity, returns on equity, and size are independent variables that influence DPO. Data were gathered from 2007 to 2013 over a seven-year period. However, the sample for this study is only comprised of a few Pakinstani listed financial firms. Out of 181, a sample of 53 financial institutions is chosen. Panel data analysis, descriptive statistics, and correlation matrix were all used. To quantify the factors that determine DPO and their effects on it, a random effects model is chosen. The findings indicate that, for the selected financial firms of Pakistan, financial leverage has a statistically significant and adverse impact on dividend payout, whereas advances to deposit ratio, return on equity, investment, and size have a favorable and statistically significant impact on dividend payout.

For the years 2007 to 2011, Moghanloo and Ali (2015) looked into the effects of life cycle and free cash flow with a focus on dividend policy at Tehran Stock Exchange listed companies. The study was ex-post factor researches and practical. Regression analysis was used to evaluate the relationships between the variables in a sample of 57 businesses. The findings indicate a direct correlation between the life cycle and free cash flow. Free cash flow is based on a company's life cycle, its growth, and the maturity of its highest free cash flow experiences. Kouser, Luqman, Yaseen, and Azeem (2015) used life cycle variables to examine how the financial crisis affected the dividend payout policy. The Logit model is used to forecast the likelihood of paying the dividend in order to verify this relationship. Using the Fama and French (2001) method, a sample of 285 non-financial sector companies listed on the KSE was chosen. For the years 2001 to 2011, this relationship is examined using panel data. The analysis of the data using SPSS reveals that the

dividend has changed significantly throughout the crisis. This study has demonstrated that during times of crisis, businesses tend to maintain high levels of liquidity.

The impact of company life cycle on dividend policy of companies listed on the Tehran Stock Exchange was examined by Moshtagh, Reza, Hossein, and Mehdi (2014). This was accomplished by looking at 105 companies that were listed on the Tehran Stock Exchange between 2006 and 2012 (735 firm years). The hypothesis was tested using panel data analysis and the Generalized Least squares (GLS) method. According to the study's findings, the stages of a firm's life cycle have an impact on dividend policy. In other words, the dividend policy differs significantly depending on the stage of the life cycle.

3.0 Methodology

Ex Post Facto design was chosen for the study because the secondary data it used was preexisting and could not be altered. The study's population comprises all 66 manufacturing firms that were listed on the Nigerian Exchange Group (NGX) as of December 31, 2022, covering the period from 2016 to 2022, under the following sectors: consumer goods, industrial goods, oil and gas, ICT, healthcare, and conglomerate. Purposive sampling is the method of sampling that was used in this investigation. This was used to identify all the companies whose financial statements for the period under review contain comprehensive and detailed information. Thus, our sample size consisted of 50 firms totaling 350 observations. The annual reports and annual accounts of Nigeria's listed manufacturing companies provided the study's data. A panel least square regression model was employed to investigate the impact of the firm life cycle on the dividend distribution of Nigerian companies.

3.1 Measurement and Operationalization of Variables

Table 1: Variable Measurements

Variables	Measurement	A Priori Expectations
Dependent		
Dividend Payout	DPS/EPS	Aigbovo & Osagie (2021)
Independent Variables		
Introductory Stage	Negative operating cash flow, negative Investment cash flow and positive financing cash flow; dummy variable of 1 otherwise 0	Azmi & Bertuah, (2020)
Growth Stage	Positive operating cash flow, negative investment cash flow and positive financing cash flow; dummy variable of 1 otherwise 0	Azmi & Bertuah, (2020)
Maturity Stage	Positive operating cash flow, negative Investment cash flow and negative	Azmi & Bertuah, (2020)

financing cash flow; dummy variable of
 1 otherwise 0

Shakeout Stage	Positive operating cash flow, positive investment cash flow and positive financing cash flow; dummy variable of 1 otherwise 0 OR Negative operating cash flow, negative investment cash flow and negative financing cash flow; dummy variable of 1 otherwise 0	Dickinson (2011)
Decline Stage	Negative operating cash flow, positive investment cash flow and positive or negative financing cash flow; dummy variable of 1 otherwise 0	Azmi & Bertuah (2020)

Source: Empirical Survey (2023)

3.2 Model Specification and Justification

The effect of firm life cycle on dividend payout of manufacturing firms in Nigeria was examined using the model of Azmi and Bertuah (2020), which was adapted and modified for the study. Thus, this is depicted as:

$$\text{Azmi and Bertuah (2020): } \text{DIV}_{it} = \alpha + \beta_1 \text{ROA}_{it} + \beta_2 \text{IN}_{it} + \beta_3 \text{GR}_{it} + \beta_4 \text{MT}_{it} + \beta_5 \text{KL}_{it} + \beta_6 \text{CR}_{it} + \beta_7 \text{AG}_{it} + \beta_8 \text{DAR}_{it} + \beta_9 \text{AI}_{it} + \varepsilon_{it}$$

The functional model modified for the study is shown below as thus:

$$\text{DPO} = \text{F}(\text{FINT}, \text{FGRT}, \text{FMAT}, \text{FSHK}, \text{FDEC})$$

The econometric form of the regression modified and designed for the study is expressed as thus:

$$\text{DPR}_{it} = \alpha + \beta_1 \text{INT}_{it} + \beta_2 \text{GRT}_{it} + \beta_3 \text{MAT}_{it} + \beta_4 \text{SHK}_{it} + \beta_5 \text{DEC}_{it} + \varepsilon_{it}$$

Where:

DPR = Dividend Payout Ratio

FINT = Introductory Stage

FGRT = Growth Stage

FMAT = Maturity Stage

FSHK = Shakeout Stage

FDEC = Decline Stage

$\beta_1 - \beta_5$ = Coefficient of Regression Equation

β_0 = Constant coefficient (intercept) of the model

ε = error term

4.0 Findings and Discussion

Table 2: Descriptive Statistics

Variables	Observations	Mean	Standard Deviation	Maximum	Minimum
<i>DPR</i>	50	0.70	0.238	2.21	0.02
<i>INT</i>	50	0.68	0.128	1	0
<i>GRT</i>	50	0.23	0.389	1	0
<i>MAT</i>	50	0.28	0.670	1	0
<i>SHK</i>	50	0.42	0.444	1	0
<i>DEC</i>	50	0.49	0.235	1	0

Source: STATA 15 Computational Results (2023).

The dividend payout ratio (DPR) mean for the sampled firms was 0.70, as Table 2 above demonstrates. This suggests that a company's life cycle has no bearing on how much dividends it pays out. The study's minimum value was 0.02, and its maximum value was 2.21. The need for this study is justified by the differences in the sampled firms' maximum and minimum DPR values, which refute the theory that a firm's dividend payout ratio is determined by its life cycle. For the sampled firms, the introductory stage (INT) mean value was 0.68. Accordingly, companies at the introductory life cycle stage are those whose INT values are 0.68 and higher. As a result, during its startup phase, this type of company would rather have no dividend payout policy or distribute a much smaller portion of earnings at a risk level of 23.8%. For the study, 0 was the lowest value and 1 was the maximum. We assume that firms with such variations pay no dividend, and the variations in the maximum and minimum INT values among the sampled firms justify the need for this study.

For the sampled firms, the mean growth stage (GRT) value was 0.68. This indicates that firms with GRT values of 0.14 and higher are in the firm life cycle's growth stage. As a result, such a company pays its shareholders a relatively small dividend at a 12.8 percent degree of risk. The study's maximum value was 1, while its minimum value was 0. Assuming that firms with such variations do not pay dividends, the variations in maximum and minimum GRT values among the sampled firms justify the need for this study. For the sampled firms, the mean value of maturity stage (MAT) has the highest value of 0.23. Accordingly, businesses with MAT values of 0.23 and higher are at the maturity life cycle stage. As a result, because they do not feel the need to devote a significant portion of their earnings to business expansion, such companies are more likely to have a relatively high dividend payout ratio at a high degree of risk of 67 percent. The study's maximum value was 1, while its minimum value was 0. The variation in maximum and minimum MAT values among the sampled firms supports the need for this study because we presumptively expect higher dividend payments from firms with greater variation.

For the sampled firms, the mean value of the shakeout stage (SHK) was 0.42. In other words, companies having SHK values of 0.42 are in the shakeout stage of their company life cycle. This

suggests that a company of that kind would pay a dividend that is either very small or nonexistent at a risk level of 44.4 percent. For the study, 0 was the lowest value and 1 was the maximum. The need for this study is justified by the differences in the sampled firms' maximum and minimum SHK values, as we assume that these firms pay no dividends. For the sampled firms, the average decline stage (DEC) value was .49. Accordingly, companies at the declining life cycle stage are those whose DEC values are 0.49. This suggests that a company like this doesn't pay dividends because companies in the shakeout stage eventually fail. For the study, 0 was the lowest value and 1 was the maximum. The need for this study is justified by the differences in the sampled firms' maximum and minimum DEC values, as we assume that these firms do not pay dividends.

Table 3: Regression Result on Effect of Firm Life Cycle on Dividend Payout of Listed Manufacturing Firms in Nigeria.

Source	SS	df	MS			
Model	.699387634	5	.139877568	Number of obs =	50	
Residual	1.09874621	44	.024971505	F (5, 44) =	5.6015	
Total	1.79813384	49	.0366966	Prob> F =	0.0000	
				R-squared =	0.8234	
				Adj R-squared =	0.8022	
				Root MSE =	0.2688	

DPR	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
INT	.9098744	.5754533	1.58	0.786	-.8374654	1.345736
GRT	.8976743	.6895741	1.30	0.349	-.1098761	1.497553
MAT	.7602234	.3093248	2.46	0.004	.0636434	1.299856
SHK	.6098573	.5664325	1.07	0.670	.1098721	1.370982
DEC	.8098442	.6796546	1.19	0.231	.1859098	1.290987
_cons	.8997743	.2454612	3.67	0.000	1.197635	.4098744

Source: Result output from STATA 15.

The model's "R-Square" coefficient of determination is 0.8234%, meaning that the variables taken into account for roughly 82.34% of the change in the dependent variable, the dividend payout ratio (DPR), while the stochastic error term accounts for the remaining 24.89% of the change. According to the F-statistic value of 5.6015 and the corresponding P-value of 0.0000, the OLS Pooled regression model is statistically significant at the 1 percent level overall. This suggests that the regression model is appropriate for statistical inference, fits all of the study's selected variables, and is valid.

In addition, table 3 presents the precise results for each explanatory variable in the model. This is shown below as thus:

H₀₁: Firm introduction stage has no significant effect on dividend payout of manufacturing firms in Nigeria.

The relationship between the firm's introductory life cycle stage (INT) and dividend payout ratio (DPR) is positive and insignificant, with a P-value (significance) of 0.786 for the model, which is

greater than the 5 percent level of significance adopted. This hypothesis was tested, and the results of the OLS model are shown in Table 3. Similarly, the model's positive coefficient of 0.909 suggests that companies in their introduction stage of life cycle would rather adopt a policy of paying out no dividends or distribute relatively little in the way of earnings. The null hypothesis, which maintains that the firm introduction stage has no discernible impact on the dividend payout of manufacturing firms in Nigeria, was thus accepted and the alternative hypothesis was rejected.

H₀₂: Firm growth stage has no significant effect on dividend payout of manufacturing firms in Nigeria.

After testing this hypothesis, the OLS model's result, as shown in Table 3, shows that there is a positive and non-significant relationship between firm growth stage (GRT) and dividend payout ratio (DPR). The model's P-value (significance) is 0.349, which is greater than the 5 percent level of significance that was used. Similarly, the model's positive coefficient of .898 shows that companies in the growth stage of their life cycles give their shareholders comparatively little or no dividends. The null hypothesis, which maintains that firm growth stage has no discernible impact on dividend payout of manufacturing firms in Nigeria, was thus accepted and the alternative hypothesis was rejected.

H₀₃: Firm maturity stage has no significant effect on dividend payout of manufacturing firms in Nigeria.

This hypothesis was investigated, and the OLS model's findings, which are presented in Table 3, show that there is a positive but insignificant relationship between firm maturity stage and dividend payout ratio (DPR). The model's P-value (significance), which is below the chosen level of significance of 5%, is 0.004. Additionally, the model's positive coefficient of 0.760 shows that firms in their mature stages of development pay high dividends because they do not feel the need to devote a significant portion of their profits to business growth. We therefore accepted the alternative hypothesis, which claims that firm maturity stage has a significant impact on dividend payout of manufacturing firms in Nigeria, and rejected the null hypothesis.

H₀₄: Firm shakeout stage has no significant effect on dividend payout of manufacturing firms in Nigeria.

This hypothesis was investigated, and the OLS model's findings, which are presented in Table 3, show that there is a positive but insignificant relationship between the firm shakeout stage and dividend payout (DPR), with a P-value (significance) of 0.670 for the model, which is higher than the adopted level of significance of 5%. Additionally, the model's positive coefficient result of 0.609 shows that firms at this stage essentially do not pay dividends. As a result, we accepted the null hypothesis, which claims that the firm shakeout stage has no discernible impact on the dividend payout of manufacturing firms in Nigeria, and we rejected the alternative hypothesis.

H₀₅: Firm decline stage has no significant effect on dividend payout of manufacturing firms in Nigeria.

This hypothesis was investigated, and table 3 presents the OLS model's findings. 1 shows a positive and insignificant relationship between the firm declining stage and dividend payout (DPR), with a model P-value (significance) of 0.231, which is greater than the 5 percent level of significance chosen. We also rejected the alternative hypothesis and accepted the null hypothesis, which maintains that firm decline has no discernible impact on dividend payout of Nigerian manufacturing firms. Similarly, the model's positive coefficient of 0.809 indicates that firms at declining stages of life cycle pay no dividend and also succumb easily to death

4.1 Discussion of Findings.

Firm Introductory Stage (INT) and Dividend Payout (DPR). INT was discovered to have a favorable and negligible impact on our dependent variable, a proxy for DPR among the Nigerian manufacturing companies cited in our study. At a 5% level of significance, this influence is statistically insignificant. This implies that companies do not pay dividends to shareholders when they are just starting out.

Firm Growth Stage (GRT) and Dividend Payout (DPR). Among the quoted Nigerian manufacturing firms, GRT was found to have a positive and negligible impact on our dependent variable proxy, DPR. The statistical significance of this influence on the guarantee of corporate dividend payout is low. implies that companies in their growth stage give their shareholders a dividend that is either very small or nonexistent.

Firm Maturity Stage (MAT) and Dividend Payout (DPR). MAT significantly and favorably impacted DPR, our dependent variable proxy among the Nigerian manufacturing companies cited. At the five percentile, this influence is statistically significant. This means that companies that are nearing maturity will probably have a high dividend payout ratio because they do not see the need to devote a significant portion of their profits to growing their company.

Firm Shakeout Stage (SHK) and Dividend Payout (DPR). SHK was identified as having a favorable and negligible impact on our dependent variable proxy as SHK among the Nigerian manufacturing companies quoted. At a 5% level of significance, this influence is statistically insignificant. This implies that a company in the shakeout stage does not pay dividends.

Firm Decline Stage (DEC) and Dividend Payout (DPR). Based on our research, we discovered that, among the Nigerian manufacturing companies cited, DEC had a positive and negligible impact on our dependent variable proxy, DPR. At the five percentile, this influence is statistically negligible. This implies that businesses do not distribute dividends to shareholders when they reach a mature stage.

5.0 Conclusion and Recommendation

The study, which created a model fit on the firm life cycle using (INT, GRT, MAT, SHK, and DEC), observes that, of the five firm life cycle categories that were looked at, maturity stage (MAT) has the greatest degree of influence on firm dividend payout (DPR) according to the study's model. This is followed by growth stage (GRT), shakeout stage (SHK), decline stage (DEC), and introductory stage (INT). Consequently, the firm life cycle (INT, GRT, SHK, & DEC) does not

affect the dividend distribution of manufacturing companies in Nigeria, with the exception of (MAT). Drawing conclusions from this, the study shows that listed manufacturing firms in Nigeria that pay dividends rely more on their maturity life cycle stage than on other firm life cycle stages. Thus, dividend payments by Nigerian manufacturing companies are significantly impacted by the maturity life cycle stage of the firm.

In lieu of t, this, the study suggests that, in order to address the issues of managerial opportunism and dividend payout, all firms, regardless of their stage in the life cycle, should engage in effective corporate monitoring. While creating a suitable dividend policy for a company, managers ought to take the major determinants stage of the firm life cycle into account. The results of the study indicate that there is a strong tendency for dividend payout at this stage, which means that regulatory bodies like the Security and Exchange Commission (SEC) should keep a close eye on companies that are in the maturity stage. In order for managers and the board of directors to make well-informed decisions regarding dividend payout, they should be aware of the importance of the firm life cycle and be able to pinpoint the firm's current stage.

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