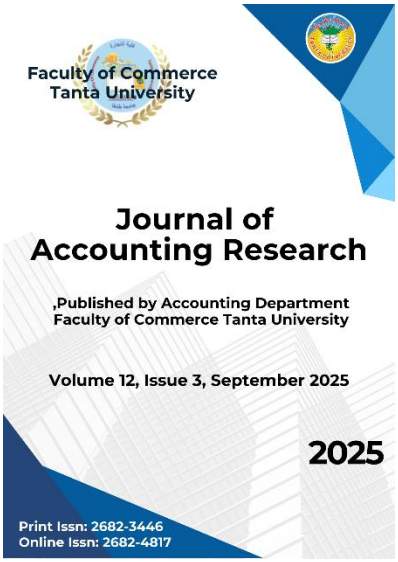

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Examining the impact of financial statements readability on payout policy and the moderating role of ownership concentration

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Examining the impact of financial statements readability on payout policy and the moderating role of ownership concentration

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Abstract

This paper seeks to examine the impact of financial statements readability (FSR) on payout policy (PoP); furthermore, it explores the moderating effect of ownership concentration (OC) on this association. Findings showed contradictory results that deliver an argument about whether the readability of the financial statements delivers higher or lower payouts. The hypotheses are empirically assessed using a research sample of 558 observations of non-financial firms publicly traded on the Egyptian Exchange (EGX) across the years 2014 to 2022. Moreover, file size is used as a measure for the financial statements' readability after converting from PDF into plain text, and cash dividend per share over earnings per share is used for measuring payout policy. The attained result of this study shows a positive, though statistically non-significant, impact of FSR on PoP. Nevertheless, OC significantly moderated the impact of FSR on PoP, thus strengthening the positive direction. Considering that the current paper is among the earliest research papers to consider the moderating influence of OC on the FSR-PoP association in emerging markets, it affords several suggestions for several stakeholders in Egypt and other developing markets, emphasizing OC's key role in enhancing dividend quality in the Egyptian market. Furthermore, the present study aids the expansion of knowledge in the prior research on the impact of FSR on PoP, offering fresh insights on the influence of OC as most within the present state of knowledge has mainly concentrated on the impact of FSR on PoP, making this research bridge the gap within existing studies.

Keywords :Financial statements readability, payout policy, Ownership concentration, Egypt.

1. Background

Companies' functioning and financial status are key signs across the economy's overall wellbeing. Management is responsible for providing detailed financial statements that offer a comprehensive overview of an enterprise's operations and financial position. These statements refine the informativeness and meet the prerequisites of several decision makers (Jayasree & Shette, 2020; Metwally *et al*., 2024a; Seifzadeh *et al.,* 2021). An emerging focus of these statements is the inclusion of ac-counting narratives (Clatworthy & Jones, 2003). As ElSayed *et al.* (2021), Metwally *et al.* (2021), & Metwally & Diab (2021) suggest, financial reports should incorporate a diverse set of narrative and quantitative information as both are crucial. Therefore, readability recreates a vital role in guaranteeing active communication between the management and stakeholders (Hasan *et al.,* 2020). Company management is obligated to

provide stakeholders, including shareholders, investors, financial analysts, and regulatory bodies with detailed information concerning its financial and functioning accomplishments toward assisting their decision-making (Dalwai *et al.,* 2021; Jayasree & Shette, 2020; Metwally, 2022). This perspective contradicts signaling theory, which suggests that narrative disclosures in company reports can sometimes be used to mask unfavorable developments that could impact their competitive standing (Abdelazim *et al.,* 2023).

Furthermore, impression management theory suggests that poor profit firms may employ complicated language in their statements, leading to information asymmetry and opacity, because users find it harder to understand (Ajina *et al.,* 2016). To settle these problems, regulatory authorities tend to continually revise the rules governing behavior and rules governing disclosure in financial statements in order to be reported in a clearer and more transparent manner (Diab *et al.,* 2023; Metwally *et al.,* 2024b). Consistent with emerging market mechanisms, the Egyptian government collaborates closely and regularly in conjunction with accounting and auditing standard-setting bodies to enrich the quality of financial reporting (Metwally, 2022; Mohamed & Metwally, 2024). The Egyptian Stock Exchange (EGX) has undertaken structural changes to match international stock market practices, including reviewing governance codes related to the audit commit-tee monitoring role and the board of directors' supervision functions (Khlif & Samaha, 2016). Nevertheless, these efforts do not appear sufficient, as previous studies note serious inadequacies in governance practices in organizations, especially onboard responsibility, accountability, transparency, and disclosure of information (Ebrahim & Fattah, 2015; Metwally, 2022; Metwally *et al.,* 2021; Metwally *et al.,* 2024a).

Prior research provides evidence that these weaknesses lead to lower quality financial statements, which in turn have detrimental effects on the functioning of capital markets (Hasan & Habib, 2020) These include: greater forecast bias and forecast dispersion among analysts (Lehavy *et al.,* 2011), greater unpredictability of stock re-turns over time (Loughran & McDonald, 20114), higher debt financing costs and co-variance of stock returns with bankruptcy risk (Ertugrul *et al,* 2017), and a wider response time of investors to new information (You & Zhang, 2009). More understandable writing has been associated with higher buy-and-hold returns on individual shares of stock (Lawrence, 2013), increased managerial resource allocation effectiveness (Biddle et al., 2009), and increased forecasting precision of management (Guay *et al.,* 2016).

In addition, Loughran and McDonald (2011) revealed that longer and complicated narratives are usually associated with an environment where corporate information is poorly reported, resulting in higher unexpected earnings and a more pronounced variation of analysts' estimates for narratives that are difficult to interpret. These consequences unveil how the complexity or length of financial statements can influence capital market participants. Earlier works have absorbed the association between financial statements readability (FSR) and liquidity, cash holdings, and payout policies. These studies conclude that if the disclosure is difficult to read, there is a tendency to hold a lot of cash, have a lot of liquidity, and minimize payouts (Baghoomian *et al.,* 2021; Chowdhury *et al*., 2020; Hasan & Habib, 2020; Hsieh *et al.*, 2016). This study extends the FSR, payout policy (PoP), and ownership concentration (OC) literature (Baghoomian *et al.*, 2021; Chowdhury *et al.,* 2020; Harada & Nguyen, 2011; Hasan *et al.,* 2023; Hasan, 2020; Hasan & Habib, 2020; Hsieh *et al.,* 2016; Khan, 2022; Mehdi *et al.,* 2017)

by illuminating a blind spot within the disclosure and dividends payout literature. Consequently, this study aims to examine the extent to which ownership concentration moderates the impact of FSR on PoP. Early studies focused on agency and signaling theoretical framework to account for the effect of financial statements readability on dividend payout policy (Baghoomian *et al.,* 2021; Chowdhury *et al.,* 2020; Hasan & Habib, 2020; Hsieh *et al.,* 2016), and the relationship between OC and PoP (Dalwai *et al.,* 2023; Harada & Nguyen, 2011; Hasan *et al.*, 2023; Khan, 2022). Despite an extensive search, no prior studies have specifically addressed the moderating influence in the association between FSR and PoP. This absence highlights a key underexplored area within existing prior work, especially regarding the complex impact of OC on PoP levels within the FSR framework.

By the end of the 20th century, the Egyptian economy had undergone significant transformations, evolving from a state-run to a liberalized economy since the 1990s due to the implementation of various economic reform programs. This transition highlights the extensive restructuring efforts undertaken in the region during this period (Ali et al., 2024; Mohamed & Metwally, 2024). During the late 1990s, alterations and enhancements were installed with the aim of developing the country's financial and reporting practices, including accounting standards, towards a more transparent and reputable stock exchange market (Metwally, 2022; Metwally *et al.,* 2021). With regard to the contemporary positioning of Egypt's local financial market, remains substantial needs to be achieved in terms of development, deregulation, and internationalization because without this, the market cannot logically serve as a comparison to the US or UK markets (Diab *et al.,* 2023; Diab & Metwally, 2020).

Furthermore, considering the various accounting practices at play, Egypt still has a long way to go, given the structural impediments that hinder broad adoption, such as government interference (Diab & Metwally, 2020). A typical state in several emerging markets, involving Egypt, is the absence of coherent regulatory frameworks, the interplay of politics with business institutions resulting in ineffective monitoring of the institutions, low levels of transparency and disclosure, and poor governance (Bremer & Elias, 2007; Desoky & Mousa, 2012; Metwally, 2022; Ntim & Soobaroyen, 2013; Rahman & Zheng, 2022).

Given these complexities, Egypt offers interesting context for researching the relationship between FSR and PoP, particularly when considering the moderating role of OC. This study seeks to assess if Egypt's evolving regulatory, governance, and accounting frameworks develop effective influence over the PoP. Specifically, this study asks: (1) What impact does FSR have on PoP? (2) How does OC influence the FSR-PoP relationship? The empirical evidence uncovers that there is a non-significant positive impact of FSR on PoP. Further, OC was spotted to have a strong positive and notable moderating influence, as it reinforces the association concerning FSR and PoP. So, findings suggest indication that OC stands as one of the aspects affecting PoP.

The present work offers numerous important offerings to the present scholarly knowledge. Fundamentally, much of the prior work has focused on developed economies, which operate under different business conditions than developing nations such as Egypt. Notably, Egypt is a principal developing economies in Africa and one of the key financial hubs in the Middle East and North Africa (MENA) region (Ali *et al.,* 2024; Metwally, 2022; Mohamed & Metwally, 2024). Its economic and institutional landscape shares common features with other

MENA countries, particularly following the sociopolitical shifts caused by the 2011 and 2013 uprisings (Diab *et al.,* 2023; Metwally *et al*., 2024a; Metwally *et al.,* 2024b). Also, the present work inspects the moderating influence of OC on the association between FSR and PoP in Egypt's evolving market environment. In addition, the findings offer actionable suggestions for several stakeholders including investors, corporate stakeholders, and policymakers in developing markets with comparable economic, political, and institutional contexts. Finally, this research sets itself apart by applying signaling and agency theories as foundational models, helping to build testable hypotheses and interpret the study's results in a theoretically grounded manner.

The subsequent section of this work is ordered in this manner: Section 2 introduces the theoretical foundation, examines the related literature, and formulates the hypotheses. Section 3 defines the research methodology and the data collection method. Section 4 proposes empirical findings and interpretations. Section 5 considers the robustness checks. Finally, Section 6 wraps up the paper with a recap of the results, limitations, and guidelines for future scholarly work.

2. Literature review and hypotheses development

2.1. Readability of financial statements and dividends payout

Theoretically, the principal purpose of financial statements is to present financial data clearly and understandable. However, several theories explain why these reports are difficult to comprehend and why business managers might deliberately obscure information (Hassan et al., 2022). The current work employs agency and signaling theories, both of which provide valuable frameworks for understanding the complexities surrounding the clarity of financial report disclosures. Agency theory concentrates on the association concerning owners (principals) and managers (agents), stress the need for transparent communication between them (Metwally, 2022; Metwally *et al.,* 2021). Signaling theory further emphasizes the significance of annual financial statements as crucial communication channels between management and external stakeholders (Abdelazim *et al.,* 2023). This is particularly significant given the inherent agency problem originating in the split between ownership and management responsibilities (Jayasree & Shette, 2020). Overall, financial reporting aims to simplify the interpretation of financial data primarily through annual reports.

The study of financial statements is gaining attention in the literature, as it is a key information source for active participants in capital markets (Hasan & Habib, 2020). A major challenge with these reports is that a crucial part of them consists of qualitative content, known as narrative disclosures, which are incorporated into sections like management reports and corporate governance reports (Lo *et al.,* 2017; Metwally, 2022; Metwally *et al.,* 2021). This narrative evidence is essential for gaining insights into a company's operating conditions, historical performance, future potential, and risk possibility (Abdelazim *et al*., 2023; Clarkson *et al.,* 1994; Metwally & Diab, 2021). De-spite their potential value, narrative disclosures can be difficult to accurately interpret because of managers' attempts to intentionally obscure information (Hasan, 2020).

Existing literature suggests that financial statements that are harder to read have a range of negative impacts on capital markets. Some of these consequences include a wider dispersion

of analysts' estimates (Lehavy *et al.,* 2011), enlarged unpredictability in terms of share yields (Loughran & McDonald, 2014), higher costs of debt, greater risks of share price collapses at some point (Ertugrul *et al.,* 2017), and slow investor responses towards 10-K filing information (You & Zhang, 2009). These statements, however, suggest that a positive state with greater and clearer exposure has been documented to result in improved returns in buy-and-hold strategies of non-institutional investors (Lawrence, 2013), increased equity trading liquidity, more analysts and mutual funds' coverage (Lang & Stice Lawrence, 2015), further capital utilization efficiency enhancement (Biddle *et al.,* 2009), promotion of trading activity (De Franco *et al.,* 2015), and better corporate forward-looking (Guay *et al*., 2016).

However, Baxamusa *et al.* (2018) noted that better comprehensibility of documents is also associated with higher cumulative excess returns observed in the three-day window preceding and following strategic alliance announcement dates. As argued by Loughran and McDonald (2011), impenetrable, complex, and even more difficult to read texts greatly highlight the narrative yet inform the reader that the given environment is not quite an information-rich context and is believed to relate to the presence of greater unexpected earnings and a higher spread of analysts' forecasts. Such findings can as-sist managers and directors in understanding the impact of the more costly exercise of producing longer or less readable financial statements for their shareholders. Based on this existing body of knowledge, some studies have focused on FSR as it regards liquidity, cash holdings, and payout policy. In conclusion, these studies find that less disclosure readability is related with more cash reserves, higher liquidity rates, and less payouts. (Baghoomian *et al.,* 2021; Chowdhury *et al.,* 2020; Hasan & Habib, 2020; Hsieh *et al.,* 2016).

As of a theoretical standpoint, these findings can be explained by applying agency theory because financial markets have several hurdles whose sources often vary, but one common source is the disparity between company managers and stockholders. Managers tend to stock up more than what is necessary in cash to allow them to fulfill such self-centered needs expansion endeavors that do not necessarily sound economic sense. However, this action tends to be against the interests of investors looking forward to making returns. The payment of dividend assists in this by forcing firms to look for more funds from outside their scope, thereby exposing them to greater control by the markets. (Easterbrook, 1984, Hasan & Habib, 2020). Accordingly, seeking the protection of free cash flow holders by managers may lead towards a lack of disclosure readability, which means covering unprofitable projects and not paying dividend. Moreover, the lack of clarity in the reports hides the value of the investment, interferes with the supervision of investor activities, and raises the costs of finance. This situation results in companies retaining profits instead of paying them out as dividend to shareholders, as suggested by (Chowdhury *et al.,* 2020; Hasan, 2020).

In contrast, other studies suggest that firms experiencing high information asymmetry caused by complex financial and annual reports may modify their dividend policies to signal financial transparency and mitigate agency conflicts (Satt & Iatridis, 2023). Prior research suggests that dividend help mitigate the managerial misuse of free cash flow through limiting the funds accessible on behalf of unprofitable projects. For instance, Grossman and Hart (1980) discusses that higher dividend payouts demonstrate management's commitment to shareholders through

signaling-reduced agency issues. Similarly, Jensen (1986) finds that paying dividend lowers agency costs by restricting cash managers from wasting otherwise.

Additionally, Baker and Powell (1999) report that CFOs of public firms traded on the NYSE view dividend announcements as signals of undisclosed positive information. La Porta et al. (2000) formalize the idea across alternate model, which posits that firms with limited transparency use dividend to build trust with minority shareholders by reducing the cash available for potential misuse. Consequently, firms producing complex financial or annual reports may pay higher dividend to mitigate the negative consequences of information asymmetry, particularly when faced with limited analyst coverage or significant bid/ask spreads (Satt & Iatridis, 2023). Therefore, we express our preliminary hypothesis as follows.

H1: Financial statements readability significantly affects payout policy.

2.2. Moderation effect of ownership concentration

The link among ownership concentration, ownership structure, and payout policy has received considerable attention in the field of financial research (Hasan et al., 2023; Khalfan & Wendt, 2020; Khan, 2022; Ngo et al., 2020). Prior research indicates that firms should avoid paying dividend while issuing new equity, while retaining earnings for investment is more cost-effective than raising funds through equity issuances. One reason for this is that issuing new equity can be expensive due to information asymmetry; investors may suspect that firms issue shares when stocks are overvalued and demand a discount. Consistent with the pecking order theory, firms should prioritize internally generated funds first, subsequently consider debt, and shot to share issuance solely as a final possibility when financing new projects (Myers & Majluf, 1984).

In anticipation of potential future investment opportunities, firms may choose to hold back cash by reducing their dividend payments. However, many still pay dividend when issuing new equity, creating a puzzling scenario explored by financial theorists. La Porta *et al.* (2000) proposed dual reasonings: the outcome model and substitute model. According to the outcome model, strong shareholder control forces managers to disburse cash through dividend to reduce the likelihood of cash retention. By contrast, the substitute model presumes that managers apply strong dividend payout policies to create a reliable and attractive market image, thereby facilitating access to cheaper external funding.

Similarly, Jensen (1986) states that dividend are loyal to the interests of shareholders in a manner in which other governance mechanisms are not. On the other hand, Mori (2010) and Mori (2015) emphasize tax strategies in this context, arguing that firms can both issue equity and pay dividend if controlling shareholders attach higher value to effective dividend taxation strategies relative to the cost of setting up new funds. These theories underscore the intricacy of interactions between governance, financing, and dividend payout policies in a firm (Ngo *et al.,* 2020). Contemporary finance theories explain how managers can effectively reconcile dividend payments and the expectations of shareholders to receive from them. According to Warther (1993), managers are not able to initiate change because they believe that paying high dividend payout is necessary so that shareholders do not put their hands where they should not, which is referred to as the “sleeping dogs” theory. Based on this, Zwiebel (1996) and Myers

(2000) provide models that determine the level of dividend that should be paid to avoid provoking a negative dividend sentiment among shareholders.

Additionally, scholarly work on corporate governance points to that the large equity holders are encouraged to track firm manager performance (La Porta *et al.,* 2000; Shleifer & Vishny, 1986). Since managers may be removed by controlling shareholders, they might also resort to paying dividend to satisfy such shareholders, while selling equity to invest in projects that seem to be disadvantageous to minority shareholders. This dual strategy usually puts ordinary investors in a disadvantaged position because of the costs involved in the issuance of equity and the extra tax burden. Nevertheless, if controlling shareholders benefit from such an arrangement, they can motivate managers to follow such policies at the expense of small investors (Ngo *et al.*, 2020).

The existence of major shareholders such as individual investors, governments, as well as institutional investors significantly contributes to shape the corporate's payout policy, influencing both minority and non-controlling stakeholders. In companies with a concentrated owner-ship structure, shareholder concentration may prefer holding on to cash for his or her other personnel objectives and, in the process, lower payouts to minority investors (Andres *et al.,* 2009; Wang *et al.,* 2009 Laing). This tendency is even more so in companies that have a cross-ownership structure, where a corporate insider with controlling shareholders' connections has authority over the control of corporate funds, especially in situations where there is a recession (Tran, 2020). As a result, unutilized cash re-sources can be invested in dubious ventures, overpriced takeovers, or even used for the purchase of shares in related companies (Baek *et al.,* 2006; Khalfan & Wendt, 2020). On the contrary, a socio for better payouts, such as concentrated ownership, may sometimes be a strength where there are numerous major stakeholders where this kind of behavior is common (Crane *et al*., 2016). This tendency is usually more noticeable in organizations that are found in countries where the culture is more individualistic and there are poor protections for creditors, that is, where ownership concentration is more significant in determining currency payout policies ownership concentration is more significant (Byrne & O'Connor, 2017; Wendt & Khalfan, 2020).

It is now apparent that the literature is rich in studies concentrating on the direct relationship between OC and PoP. Nevertheless, little attention has been given to explore the moderating influence of OC on the relationship between FSR and PoP. Nevertheless, antecedent research underscores the established connection between OC, FSR, and PoP. Informed by existing theoretical frameworks and prior empirical evidence, we anticipate that OC will significantly moderate the link concerning the impact of FSR on PoP within the Egyptian market setting. So, the current research hypothesis outlined as

H2. Ownership concentration moderates the link concerning the impact of financial statements readability on pay-out policies.

3. Research Design

3.1. Sample and Data Collection Explanation

The current investigation uses a quantitative research methodology utilizing data collected based on firms listed on the Egyptian Exchange (EGX) based on the EGX100 index. The present work empirically examines the moderating effect of firms' ownership concentration on the association of financial statements readability (FSR) and payout policies (PoP). The sample covers 63 non-financial firms registered on the Egyptian Exchange. The EGX-100 market index encompasses the 100 highest publicly listed firms. Consequently, data used in the current research for the sample design were compiled from the companies' published yearly financial reports across the authorized websites, Bloomberg, Asharq and Mubasher Masr. As shown in Table 1, nine industries were selected, exhibiting listed Egyptian non-financial companies covering the period from 2014 to 2022, making final observations of 558 after excluding all financial institutions (banks and insurance companies) due to their specefic accounting characteristics and distinct financial reporting requirements consistent with the International Financial Reporting Standards (IFRS) (Abdelazim *et al.,* 2023; Metwally & Diab, 2023; Metwally *et al.,* 2024b).

Table 1 .Industry Classification.

Industry	Companies	Observations	Percentage
Basic Resources	9	81	14.5%
Building Materials	6	54	9.6%
Food, Beverage, and Tobacco	9	78	14.0%
Health Care & Pharmaceuticals	7	61	11%
Textile & Durables	4	36	6.5%
Real Estate	17	152	27.2%
IT, Media and Communication Services	4	33	6%
Tourism and Entertainment	5	45	8.0%
Industrial Goods, Services, and Automobiles	2	18	3.2%
Total	63	558	100%

3.2 Research Model for Hypotheses Testing

The following identified variables were used in Models 1 and 2 by employing Fixed, Pooled and Random effects ordinary least square regression technique with robust standard errors to remediate the issues of heteroscedasticity and autocorrelation to assess the impact of FRR on DP. The estimated regression models coded dividend payout policy for DIVE; FILE represents financial report readability; CON reflects ownership concentration; ROA denotes return on assets; ROE implies return on equity; SIZE symbolizes company size; LEV signifies leverage; CUR represents current ratio; CASH denotes cash and cash holdings; MTB implies market-to-book ratio and FILE*CON delivers the collaborative influence of both independent and moderator variables. Accordingly, the estimated regression for Research Model 1 was employed to analyze the first formulated hypothesis

$$DIVEit = \alpha + \beta it\ FILE + \beta it\ ROA + \beta it\ ROE + \beta it\ SIZE + \beta it\ LEV + \beta it\ CUR + \beta it\ CASH + \beta it\ MTB + \varepsilon it, \quad (1)$$

Then, the estimated regression for Research Model 2 was adopted to analyze the second hypothesis

$$DIVEit = \alpha + \beta it\ FILE + \beta it\ CON + \beta it\ FILE*CON + \beta it\ ROA + \beta it\ ROE + \beta it\ SIZE + \beta it\ LEV + \beta it\ CUR + \beta it\ CASH + \beta it\ MTB + \varepsilon it, \quad (2)$$

3.3 Variables Definition and Measurement

Financial statements readability is the independent variable, company ownership concentration is the moderator, and payout policy is the dependent variable.

3.3.1 Independent Variable: Financial Statements Readability "FSR"

Following the suggestions of Dalwai *et al.* (2023), De Franco *et al.* (2015), Li (2008), and Luo *et al.* (2018), the file size proxy serves as a highly associated with readability attributes than other proxies, incorporating the Fog index and Flesch Reading Ease, through which the measurement used for financial statements readability is file size, which implies a meaningful, reliable measurement of financial reports readability. As suggested by Hassan *et al.* (2022), we downloaded the financial statements as PDF files and then converted them into plain text files to measure their size; therefore, according to the size proxy, the bigger the size of the financial report, the less readable it is. For robustness check purposes, this study also employs the natural logarithm of the length representing the volume of yearls financial statements pages, following Luo *et al.* (2018), as an alternative measure. Another point to add is that most readability measurements other than size and length are proposed for English-speaking countries, which are different from countries in the MENA region, especially Egypt, as Arabic is the main language used to prepare the financial statements of the publicly traded firms in Egypt.

3.3.2 Moderator: Ownership Concentration "OC"

Based on Li *et al.* (2008) and Shahveisi *et al.* (2017), ownership concentration is measured as the entrie of the percentage of holding shares by each shareholder owning beyond of 5 per cent of the company's equity.

3.3.3 Dependent Variable: Payout Policy "PoP"

Following Nguyen and Bui (2019) and Chang et al. (2018), we measure DP as each firm's cash dividends per share over its earnings per share (EPS).

3.3.4 Control Variables

Aligned with prior literature, the following variables that are estimated to impact dividend policy were named as controls: return on assets (ROA), return on equity (ROE), firm size, leverage, current ratio, cash, cash holdings, and market-to-book ratio. Return on assets is an accounting-based guide computed by Metwally *et al.* (2024b) using the company's reported net income divided by its total assets, return on equity is calculated by dividing each observation's net income by its total equity, as cited by Muttakin and Subramaniam (2015). The measurement of firm size, as referred by Bozzolan *et al.* (2015), uses the log of a'srm its total assets, and leverage is measured by the ratio of the company's total debt to total assets, as cited by Hsieh *et al.* (2016) & Fisher *et al*. (2020). In addition, we measure the current ratio for liquidity purposes based on each company's current assets over its current liabilities, as stated by Fisher *et al.* (2020). In addition, cash and cash holdings represent the proportion of cash and short-term investment of each firm's total assets, as cited by Samet and Jarboui (2017) and De Cesari and Ozkan (2015). Furthermore, we measure the market-to-book ratio according

to Habib and Hasan (2020) and Xu et al. (2018), who measure the market value of equities divided by the book value of total assets.

Table 2 .below recaps the variables used in the current research and their measurement:

Variable	Definition	Measurement	Literature
Dependent Variable			
Payout Policy (DIVE)	Cash dividends payout policy for a specific firm over a specified period	Cash dividends per share over earnings per share	Nguyen *et al.* (2019) & Cheng *et al. (*2018)
Independent Variable			
Financial Statements Readability (FILE)	The clarity and simplicity used to make the financial statement easy to understand	Size of each financial statement file after converting from PDF into plain text	Dalwai, et al., 2023, Luo *et al.,* 2018; De Franco *et al.,* 2015; Loughran and McDonald, 2014; Li, 2008
Moderator			
Ownership Concentration (CON)	Reference for if shareholders are having more than a specified percentage of ownership	Sum of the ratio of shares controlled by shareholders retaining above 5% of the company's equity	Shahveisi *et al.* (2017) and Li *et al.* (2008)
Control Variables			
Return on Assets (ROA)	Reference for the return on the total amount of assets	Net income divided by total assets	Metwally, *et al.,* 2024
Return on Equity (ROE)	Reference for the return on the total amount of equity	Net income divided by total equity	Muttakin and Subramaniam, 2015
Firm Size (SIZE)	Natural logarithm of total assets.	Log of assets	Bozzolan *et al.,* 2015
Leverage (LEV)	Use of borrowings to fund assets acquisition	Total debt is divided by total assets.	(Hsieh *et al*. 2016) and (Fisher *et al.* 2019)
Current Ratio (CUR)	Reference for the current assets on the current liability	Current assets divided by current liabilities	Fisher *et al.* 2019
Cash and Cash Holding (CASH)	Reference for the proportion of cash holding by the company	Amount of cash and short-term investment	Samet and Jarboui, (2017) and De Cesari and Ozkan, 2015
Market to Book Ratio (MTB)	Market value of common stock over assets book value	Market value of equities divided by book value of total assets	Hasan and Habib (2020) and Xu et al. (2018)

Table 2 – Research's Variables Measurement

4 Empirical Analysis

4.1. Descriptive Statistics

Table 3 exhibits the descriptive statistics for 558 observations, including the mean, standard deviation, minimum, and maximum values, for financial reporting readability, ownership concentration, dividend policy, and control variables. The data cover the period from 2014 to 2022 of financial report readability, ownership concentration, and dividend policy alongside controls used in the current research. The file size delivered an average size of 4.936, accompanied by a standard deviation of 0.389; the minimum was 2.303, while the maximum was 5.829. Ownership concentration presented an average of 65.9%, which was supplemented by a standard deviation of 0.1727; the minimum percentage recorded was 6.5, and the maximum was 100 percent. The dividend ratio to EPS gives an average of 132051 times alongside with a standard deviation of 366775 and a minimum of -306018 and a maximum of 3425587. Regarding the current study's control variables, ROA presents an average of 5.8% with a standard deviation of 0.084, while ROE shows a mean of 16.3% with a standard deviation of 0.728, firm size shows a mean of 14.67, with a standard deviation of 10.9; leverage reports an average of 0.520 with a standard deviation of 0.232, current ratio demonstrates an average of 2.18 times with a standard deviation of 0.014, cash and cash holdings show a mean of 714149 with a standard deviation of 1715039, and the last market to book ratio shows a mean of 0.8283 with a standard deviation of 1.07.

Table 3 . *Descriptive Statistics*

Variable	Observations	Mean	SD	Min	Max
FILE	558	4.936301	0.389028	2.302585	5.828946
CON	558	0.659301	0.172718	0.065000	1.000000
DIVE	558	138003	372306	0	3425587
ROA	558	0.058473	0.083781	-0.221315	0.404881
ROE	558	0.163067	0.728210	-4.651963	13.62682
SIZE	558	14.66673	10.90412	10.90412	18.90753
LEV	558	0.520103	0.014030	0.014030	1.209463
CUR	558	2.176271	0.231933	0.231933	70.59180
CASH	558	714149.5	1715039	17.88000	19715750
MTB	558	0.828265	1.077159	0.000000	9.249154

4.2. Correlation Matrix

According to the results in Table 4, the correlation matrix of the current research variables showed some significant and non-significant relationships. As observed from the Table, a significant positive correlation exists between the current study's dependent variable DIVE and the independent variable FILE beside controls such as ROA, SIZE, CASH, and MTB at P < 1 per cent, and a significant positive relationship with variable LEV at P < 10 per cent. Further correlation analysis showed a significant positive relationship between FILE and controls as SIZE, LEV, and CASH at P < 1%, while it showed a significant negative relationship at P < 5 per cent with CUR. In addition, the moderating variable CON produces a significant positive correlation at P < 1 per cent with SIZE and CUR, while the relationship is significant at P < 5 per cent with ROA and CASH and a significant positive correlation with ROE at P < 10 per cent. Lastly, a significant positive relationship is observed between ROA, ROE, and MTB at P < 1%, in addition to a significant positive correlation with CASH at P < 5%; however, there is

a significant negative relationship between ROA and LEV at P < 1 per cent. However, there was a positive relationship between ROE and LEV at P < 1 per cent. Furthermore, there is a significant negative correlation between SIZE and CUR and MTB at P < 1 per cent; however, a significant positive correlation was indicated between SIZE and LEV and CASH at P < 1 percent respectively. As presented in Table 5, we use variance inflation factor "VIF" test to assess the multicollinearity included in the regression analysis, the highest value of VIF is 1.954 that is below the conventional cutoff at 10 in addition to mean VIF expresses 1.42 that is less than 2 and therefore it is concluded that there is no significant multicollinearity occur surrounded by our current research variables as indicated by Hair et al. (2006) and Rakia et al. (2024). For the assurance of the absence of multicollinearity, the highest correlation coefficient is shown in Table 4 between SIZE and CASH variables at 0.584300, which is less than the threshold of multicollinearity concerns, as suggested by Gujarati (2003) at 0.680, which would significantly adversely affect the regression analysis; however, this does not exist in the current results.

Table 4 . Correlation Matrix of the Research Variables

Variable	DIVE	FILE	CON	ROA	ROE	SIZE	LEV	CUR	CASH	MTB
DIVE	1.0000									
FILE	0.132416***	1.0000								
CON	-0.061353	-0.016790	1.0000							
ROA	0.113680***	-0.011402	0.060061**	1.0000						
ROE	0.015695	0.052436	0.064545*	0.128639***	1.0000					
SIZE	0.294528***	0.325810***	0.146192***	0.047098	0.051287	1.0000				
LEV	0.041985*	0.233551***	-0.011954	-0.317201***	0.122934***	0.390919***	1.0000			
CUR	-0.048424	-0.091336**	0.127103***	-0.007984	-0.026252	-0.236974***	-0.361585***	1.0000		
CASH	0.150917***	0.164491***	0.106582**	0.091170**	0.047407	0.584300***	0.198244***	-0.062547	1.0000	
MTB	0.110304***	0.036102	-0.030013	0.336221***	0.038398	-0.149323***	-0.283700***	0.252461***	-0.099447**	1.0000
For significant correlation indication, *** p < 0.01, ** p < 0.05 and * p < 0.10										

Table 5 . The VIF Results of the Research Variables

Variables	VIF
DIVE	NA
FILE	1.172515
CON	1.057161
ROA	1.691722
ROE	1.022436
SIZE	1.950439
LEV	1.954311
CUR	1.268217
CASH	1.536519
MTB	1.117380
Mean VIF	1.42

4.3. Panel Data Analysis

The following are the outcomes of the panel regression analysis to assess the strength of the association among the independent and dependent variables, thus forecasting the variation in the dependent variable if the independent variable changes. Therefore, this study employs panel data analysis using pooled cross-sectional and time-series analyses to explore the impact of FSR on PoP, in addition to testing the moderating effect of ownership concentration and other control variables for 63 listed non-financial companies in Egypt from 2014 to 2022. We analyzed the re-search models using fixed effects (FE), random effects (RE), and pooled ordinary least squares (POLS) regression; however, we encompass results from the applicable model relying on the use of the Welch test, Breusch-Pagan test, and Hausman test, as presented in Table 6. Table 6 shows that the Welch test signifies that the FE model is more appropriate than the POLS model because the p-value is less than 5 per cent. Moreover, following the Breusch-Pagan test, the RE model is proper for use when the P value is less than 5 per cent. Finally, as specified by the Hausman test, which supports the FE model and accordingly rejects the RE model, the p value is less than 5 per cent (Bosh-nak, 2021).

Table 6 . Welch test, Breusch-Pagan test and Hausman test

Test	p-value
Welch	0.00000
Breusch-Pagan	0.00000
Hausman	0.0271662

The outcomes of the FE model for the impact of financial statements readability on payout policy are offered in table 7. It displays that a positive association exists between the independent variable FILE and the dependent variable DIVE, with a coefficient of 0.00228; however, this relationship is insignificant as the p value exceeds 10 per cent. However, a negative relationship exists between the control variables ROA, LEV, and the dependent variable DIVE with coefficients of -0.02172 and -0.0001, respectively, and this relationship is significant because the p-value is less than 1 per cent. On the contrary, a positive relationship exists between the control variables SIZE and MTB and the dependent variable DIVE with

coefficients of 0.00491 and 0.00078; these relationships were significant because at p value less than 1 per cent and less than 10%, respectively. Moreover, the FE model has an R2 of 0.351; thus, the independent variable and controls can explain only 35 per cent of the change in the dependent variable DIVE. The illustrated panel data analysis according to the FE model supports the rejection of the alterante hypothesis H1 and accepts the null hypothesis H0; thus, the readability of companies' financial statements has no relationship with the suggested payout policy.

Table 7 . Panel Data Analysis for Financial Reports Readability and Dividends Policy

Variables	Fixed effects "FE" regression model		
	Coef.	t-ratio	p-value
FILE	0.00227718	1.297	0.1995
ROA	−0.0217264	−2.866	0.0057***
ROE	1.61896e-05	0.1097	0.9130
SIZE	0.00491602	3.356	0.0014***
LEV	−0.0146241	−4.151	0.0001***
CUR	0.000103765	1.324	0.1905
CASH	−1.27135e-010	−0.2041	0.8390
MTB	0.000786925	1.854	0.0685*
Cons	6.96928	348.2	<0.0001***
R2	0.350798		
(F) value	3.767027***		
Durbin-Watson	1.643616		
Observations	558		
Notes: ***, **, and * reflect significance at 1, 5 and 10% levels, respectively.			

Based on the findings presented in Table 8, the Random Effects (RE) model was selected over the Fixed Effects (FE) and pooled ordinary least-squares (POLS) models. The Welch test denoted that the FE model was chosen over the POLS model (p-value < 0.05). The Breusch-Pagan test suggested that the RE model was appropriate (p < 0.05). Finally, the Hausman test supported the selection of the RE model over the FE model (p-value > 0.05).

Table 8 . Welch test, Breusch-Pagan test and Hausman test

Test	p-value
Welch	0.0000
Breusch-Pagan	0.0000
Hausman	0.0618853

In accordance with the panel data analysis of the moderating influence of owner-ship concentration in the relationship between FSR and PoP that is illustrated in Table 9. The Table expresses a positive link between the independent variable FILE and the dependent variable DIVE with a coefficient of 0.02337 and p-value of 0.0015, indicating a 1 per cent level of significance. Besides, it is shown that there is a positive association between the moderating variable CON and the dependent variable DIVE with a coefficient of 0.153456 and p-value of 0.0040, displaying a 1 per cent level of significance. Moreover, the interaction of the moderating variable CON and the independent variable FILE shows a positive association with

the dependent variable DIVE, with a coefficient of 0.03258 and p-value of 0.0025, which is significant at the 1 per cent level. Further, there is a positive relationship between the control variables SIZE and MTB with the dependent variable DIVE, with coefficients of 0.003, 0.0011 respectively and were significant as the p value was less than the 1 per cent level. However, there was a negative association among the control variables ROA, LEV, CASH, and the dependent variable DIVE with coefficients of -0.00112, -0.005489, and -0.0000, and these relationships were insignificant as the p-value was higher than the 10 per cent level of significance. Finally, the adjusted R2 for the RE model is 0.139246, thus revealing that the independent variable FILE alongside the moderator CON explains 13.9 per cent of the changes in the dependent variable DIVE and 86.07 per cent of the changes in the dependent variable remain unexplained by the RE model. Moreover, the Dur-bin-Watson value is 1.66, which is close to 2, thus supporting the RE model's validity and homoscedasticity assumption and accordingly enhancing the trustworthiness of the current findings and analysis. The panel data investigation of the RE model supports the acceptance of the second alternative research hypothesis H2 and rejects the null hypothesis H0, showing that companies with higher financial statements readability and ownership concentration adopt a higher payout policy.

Table 9 . Panel Data Analysis for Financial Reports Readability and Dividends Policy Moderated by Ownership Concentration

Variables	Random effects "RE" regression model		
	Coef.	t-ratio	p-value
FILE	0.0233737	3.169	0.0015***
CON	0.153456	2.882	0.0040***
FILE*CON	0.0325815	3.026	0.0025***
ROA	−0.00112235	−0.1645	0.8693
ROE	0.000125639	0.2552	0.7986
SIZE	0.00307168	5.460	<0.0001***
LEV	−0.00548902	−1.620	0.1051
CUR	4.56878e-06	0.02962	0.9764
CASH	−1.67755e-010	−0.4001	0.6891
MTB	0.00115932	2.699	0.0070***
Cons	6.89089	183.9	<0.0001***
R2	0.139246		
(F) value	10.01074***		
Durbin-Watson	1.656537		
Observations	558		
Notes: ***, **, and * reflect significance at 1, 5 and 10% levels, respectively.			

4.4. Discussion of the Findings

According to the first research hypothesis (H1) which examined the relationship between financial statements readability "FSR" and payout policy "PoP" of non-financial public companies registered on EGX, the evidence does not uphold a statistically significant impact of financial statements readability, as measured by file size, on payout policy, computed by cash dividends per share over earnings per share (EPS). Hence, H1 was rejected. This result contradicts with the findings of Satt and Iatridis (2023) and La Porta *et al.* (2000), who stated

that less readability of financial statements is correlated with increased corporate payouts. How-ever, prior studies, such as Hasan and Habib (2020), Koo *et al.* (2017), Bai et al. (2019), Chowdhury *et al.* (2020), & Zadeh (2020), uncovered that firms with higher transparency, thus having better readability of their financial statements, are accompanied by better dividend payout policy.

Regarding the second research hypothesis (H2), which scrutinizes the moderating effect of ownership concentration ("OC") on the association between financial statements (FSR) and payout policy (PoP), supports the conception that large shareholders, including individuals, governments, and institutional investors, significantly impact the corporate's earning distribution policy. Companies with concentrated ownership, controlling shareholders may be less inclined to retain cash for their own benefit and more likely to increase payouts to minority and non-controlling investors (Shleifer & Vishny, 1986; Warther, 1993; Zwiebel, 1996). Moreover, the moderating variable "OC" positively influences the impact of FSR on PoP, thus implying that as the sophistication of financial statement decreases, a percentage of 5 per cent or more of ownership results in a higher dividend payout policy. These results are in logic with those of previous studies (La Porta *et al.,* 2000; Myers, 2000; Shleifer & Vishny, 1986; Warther, 1993; Zwiebel, 1996).

5 Robustness Analysis

To validate the current research findings, we used a different measurement for the independent variable "Financial statements readability." Therefore, an alternate measurement is utilized to assess readability as the length of the sum of pages in financial statements. Length of the financial statements coded with "LEN" bis used as a measurement for the financial statements readability in the literature proxied by the natural logarithm of the sum of pages of financial statements according to Dalwai and Mohammadi, (2021), Luo *et al.,* (2018); De Franco *et al.,* (2015) and Li, (2008) who mentioned that long financial statements make it uninteresting and challenging to realize. Accordingly, Table 10 and Table 11 present the findings of the robustness analysis conversant with evaluating the robustness of the results under changes in companies' financial statements readability using equivalent measurement LEN. The findings and analysis presented are robust with the aim of bringing another measurement of financial statements readability, as the outcomes of the model were matching the preceding outcomes of the previous model used in Tables 7 and 9.

Table 10 and Table 11 shows the robustness analysis of the panel data to report the moderating function of ownership concentration on the association between the independent variable financial statements readability and the dependent variable payout policy using the RE model. The Table demonstrates a positive relationship between the independent variable LEN and the dependent variable DIVE with a coefficient of 0.0008, and this association is significant with a p-value less than 1 cent level. In addition, there is a positive association between the moderating variable CON and the dependent variable DIVE with a coefficient of 0.036439, and this relationship is significant at a p-value less than 1 per cent. Moreover, the moderating role of CON strengthens the relationship concerning the independent variable LEN and the dependent variable DIVE, measured through the interaction LEN*CON with a coefficient of 0.001139, and it is significant with a p-value less than 1 per cent. Accordingly, the robustness

results verified the earlier findings from the panel data analysis using file size as the primary measurement for the independent variable of financial statements readability.

Table 10 . Robustness Analysis for Financial Reports Readability and Dividends Policy

Variables	Fixed effects regression model		
	Coef.	t-ratio	p-value
LEN	0.0000032	0.4561	0.6499
ROA	−0.0217933	−2.897	0.0052***
ROE	0.0000015	0.1030	0.9183
SIZE	0.00525378	3.592	0.0006***
LEV	−0.0149166	−4.238	<0.0001***
CUR	0.00000941	1.221	0.2268
CASH	−.0134396	−0.2143	0.8311
MTB	0.000781632	1.832	0.0718*
Cons	6.97441	341.4	<0.0001***
R2	0.349717		
(F) value	3.741494***		
Durbin-Watson	1.642012		
Observations	558		
Notes: ***, **, and * reflect significance at 1, 5 and 10% levels, respectively.			

Table 11 . Robustness Analysis for Financial Reports Readability and Dividends Policy Moderated by Ownership Concentration

Variables	Random effects regression model		
	Coef.	t-ratio	p-value
LEN	0.000856955	4.049	<0.0001***
CON	0.0364391	3.003	0.0027***
LEN*CON	0.00113908	3.832	0.0001***
ROA	−0.000697058	−0.1021	0.9187
ROE	9.14687e-05	0.1871	0.8516
SIZE	0.00277647	4.881	<0.0001***
LEV	−0.00566189	−1.652	0.0985*
CUR	−2.90905e-05	−0.1879	0.8509
CASH	−1.54116e-010	−0.3685	0.7125
MTB	0.00114705	2.681	0.0073***
Cons	6.97776	633.0	<0.0001***
R2	0.164150		
(F) value	10.72275***		
Durbin-Watson	1.661281		
Observations	558		
Notes: ***, **, and * reflect significance at 1, 5 and 10% levels, respectively.			

6. The endogeneity issue

Because of the endogeneity concerns the GMM method was employed to validate the robustness of the findings, as it accounts for simultaneity bias, reverse causality, and omitted variable effects. It further allows for the regulation of definite temporal and specific factors and the reduction of endogeneity biases.

Table 12 suggests that the conclusions are still valid following the consideration of whichever endogeneity issues. Moreover, the Hansen J check for redundant identifying restrictions were manipulated to estimate the suitability of the instruments. According to

the AR (2) p-values and inferior ratio of instruments to groups, the findings verify the instruments' applicability and reliability. The consolidated GMM outcomes promote the early outcomes. Upon accounting for the potential influence of omitted variables and reverse causality concerns, the current study's conclusions fundamentally remain unaffected.

Table12 . Results of regression analysis using GMM

Variables	Model 1		Model 2	
	Coef.	t-ratio	Coef.	t-ratio
DIVEt-1	0.3667	2.582**	0. 38496	2.342**
FILE	0.001479	0.335	0.001219	1.910*
CON	------	------	0.01951	2.270***
FILE*CON	------	------	0.004516	2.310**
ROA	−0.03649	−1.866*	-0.04486	-0.708
ROE	0.040828	0.986	0.04862	1.163
SIZE	0.002406	1.925*	0.02415	1.872*
LEV	−0.011309	−2.050**	-0.01537	-1.230
CUR	0.001897	0.963	0.00196	0.892
CASH	−1.88e-10	−0.1053	−4.64e-10	0.220
MTB	0.00759	1.961*	0.008355	2.081**
Cons	6.7529	15.061***	6.7503	15.301***
AR1(p-value)	0.003		0.004	
AR2(p-value)	0.248		0.268	
Sargan test(p-value)	0.247		0.276	
Hansen test(p-value)	0.239		0.241	
Notes: ***, **, and * reflect significance at 1, 5 and 10% levels, respectively.				

7. Conclusion, limitations, and future research

The ongoing study analyzes the impact of FSR on PoP using a sample of 63 Egyptian non-financial public firms traded on the Egyptian Exchange (EGX). The sample comprised 558 observations from 2014 to 2022. Moreover, the present analysis investigates the moderating effect of ownership concentration on the connection between FSR and PoP. Current results show that the association between FSR and PoP is positively insignificant, indicating that firms that produce higher levels of readability in their financial statements will be involved in higher levels of payouts and vice versa. This result opposes the findings of Satt and Iatridis (2023) and La Porta *et al.* (2000), who stated significant impact and specified that less readability of financial statements is accompanied with higher corporate dividend payouts. Moreover, this outcome is in-consistent with past studies that claimed positive relationships, such as Hasan and Habib (2020), Koo *et al.* (2017), Bai *et al.* (2019), Chowdhury *et al.* (2020), and Zadeh (2020), who found that firms with higher transparency, thus having better readability of their financial statements, are accompanied by better dividend payout policy.

As far as the existing literature suggests, this investigation is set to be the earliest to study the moderating effects of ownership concentration on the impact of FSR on PoP in a developing economy, specifically Egypt. Moreover, our conclusions reveal that ownership concentration act as a strong moderator in the relationship between FSR and PoP, as its presence strengthens their relationship and shows that firms engaged in high readability and transparency practices if pressured by a high percentage of ownership concentration would pay higher levels of

dividend. These findings encourage the opinion that the existence of large shareholders, including individuals, governments, and institutional investors, significantly affects a firm's payout policy, impacting both minority and non-controlling investors. In firms with concentrated ownership and higher levels of financial statements readability, controlling shareholders may prefer not to retain cash to serve their own interests and increase payouts to smaller investors (La Porta *et al.,* 2000; Myers, 2000; Shleifer & Vishny, 1986; Warther, 1993; Zwiebel, 1996).

Although this study affords meaningful insights, several limitations should be acknowledged. First, it focuses exclusively on non-financial public corporations registered on the Egyptian Exchange (EGX) from 2014 to 2022. Further studies might broaden the scope by exploring firms in other African markets, particularly within the greater middle east, where limited research exists on payout policies. This expansion is especially relevant given the shared economic and political shifts that many MENA countries experienced following the Arab Spring. Second, this study's utilization because of data gathered from non-financial firms also lowers the scope of the research. However, different industries are governed by different accounting rules, which may affect their disclosures and, thus, the clarity of their financial statements. Thus, the results may not be valid for the larger population of listed firms in Egypt. These aspects should be addressed in future studies to improve the breadth and depth of knowledge in this area.

This study is beneficial for Egyptian firms, investors, and regulatory authorities. As the conclusions point out, it is important to educate shareholders about management practices and their impact on their goals. This will assist in the establishment of effective cash management systems that integrate optimal internal controls and can issue clear and concise financial statements. The study also emphasizes the necessity to issue easy-to-read, straightforward financial statements to instill certainty in the business's capability to manage its operations to its stakeholders. It is crucial for firms to make financial statements easier to read to enhance their reliability and to help investors make informed choices.

Domestic and foreign investors should consider these conclusions when investing in companies listed in Egypt. Different or more detailed sources of information other than financial reports and dividend announcements are also recommended for use by investors. It is also important to keep in mind such firms, which are highly Cumhuriyet University Journal of Economic and Administrative Sciences 196 readable and pay out dividends regularly, as well as other factors that may reduce abuse by management, such as the governance and ownership structure of the corporation. The findings also pointed out the direction for developing better regulations for investment to secure the rights of shareholders. Strengthening such legal regimes could enhance investors' confidence and improve the attractiveness of the Egyptian market for overseas investments and hence encourage competitive and clean business operations in the country.

To conclude, the present research opens avenues for further exploration by recommending a broader sample that includes a sample of financial firms registered under the EGX, especially in matters related to enhancing financial report dissemination and minimizing information asymmetry concerning the level of dividends paid. Further research could also entail examining firm types within the EGX as well as non-listed firms, thereby reinforcing the available evidence.

In addition, including variables such as political connections as moderators would enable the explanation of the intricacies involved in financial statements readability and ownership concentration. The present study does not focus on governance mechanisms aimed at restraining managerial opportunism; hence, it provides scope for future research. Thus, it would be beneficial to investigate how various sides of corporate governance, for instance board structure and size, the regulatory of board meetings, and gender equality influence the impact of FSR on payout policy. Approach of this kind would of-fer a broader depth on governance aspects that affect the reporting and public disclosure of financial information.

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الدور المعدل لتركز الملكية على العلاقة بين قابلية القوائم المالية للقراءة وسياسة توزيعات الأرباح

يهدف البحث إلى دراسة واختبار تأثير قابلية القوائم المالية للقراءة على سياسة توزيعات الأرباح، بالإضافة إلى دراسة واختبار مدى تأثير تركز الملكية على هذه العلاقة كمتغير معدل.

ويختبر البحث الفروض على عينة من ٥٥٨ مشاهدة لشركات غير مالية مقيدة بالبورصة المصرية خلال الفترة من ٢٠١٤ إلى ٢٠٢٢، وقد تم قياس قابلية القوائم المالية للقراءة بحجم ملف التقارير المالية بالميجابايت، كما تم قياس سياسة توزيعات الأرباح من وخلال نسبة التوزيعات النقدية للسهم إلى ربحية السهم.

وتوصلت النتائج إلى وجود علاقة غير معنوية موجبة بين قابلية القوائم المالية للقراءة وسياسة توزيعات الأرباح، كما أن الأثر التفاعلي لتركز الملكية والقابلية للقراءة أظهر وجود تأثير إيجابي ومعنوي على سياسة توزيعات الأرباح.

وتعد تلك الدراسة من أوائل الدراسات – في حدود علم الباحث – التي اهتمت بدراسة أثر تركز الملكية كمتغير معدل على العلاقة بين القابلية للقراءة وسياسات توزيعات الأرباح في سوق ناشئ مثل بيئة الأعمال المصرية، مما يمثّل إسهاماً في الأدب المحاسبي، كما تسهم نتائج الدراسة التطبيقية في توجيه اهتمام الجهات التنظيمية، والمستثمرين، والمساهمين، في مصر وغيرها من الأسواق الناشئة بأهمية دور تركز الملكية في تعزيز جودة توزيعات الأرباح.

الكلمات المفتاحية :قابلية القوائم المالية – سياسة توزيعات الأرباح – تركز الملكية – مصر