

The Relationship among Ownership Structure, Good Corporate Governance on Dividend Persistent of Listed Companies in Stock Exchange of Thailand

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Abstract

The objective of this research is to test the relationship among ownership structure as well as good corporate governance that affects the dividend persistent of listed companies in the Stock Exchange of Thailand. During the years 2016-2020 the total data collected numbered 2,189 samples. Both logistic regression analysis and multiple regression analysis were used to test the hypothesis. The results found that companies with institutional ownership had a positive impact on dividend persistent and dividend payouts. Companies with the largest ownership had a positive impact on dividend payouts. On the other hand, the high free float companies had a negative impact on dividend persistent and dividend payouts. In addition, companies with good corporate governance exhibit a positive impact on dividend persistent, dividend payouts, and dividend payout ratio. Considering the overall results, the ownership structure and good corporate governance affect the dividend payouts of the company.

Keyword: 1) Ownership Structure 2) Good Corporate Governance 3) Dividend Persistent

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Introduction

Investing in the capital market has become especially popular with new investors. In 2021, the number of accounts opened for new trading reached the highest record (New high). At the end of 2021, there were 3,101,457 new investors opening accounts, an increase of trading accounts from 946,557 accounts at 2020 to 5,221,119 in 2021 (Tangsomworapong, 2022, pp. 1-6). The trend of investing in Thailand is increasing as investors are expecting a return on their investments, especially long-term investments. The return may come in the form of cash dividends, stock dividends, or other forms of dividend payments. Dividend payments reflect firm performance and firm growth as sending a promise to investors confidence in the management of firm. If the company has consistently paid dividends every year, investors will respond in a more positive direction which reflects the stability of stock. The Stock Exchange of Thailand has summarized the overall dividend yield (Market Dividend Yield) compared to the regional market at Q1 2021, data shows that the Thai Stock Exchange's dividend yield of 2.42% was higher than the average of the Asian stock exchange of 2.30% (The Stock Exchange of Thailand, 2021, pp. 2-14) which is a good sign for investors.

Decisions about dividend payments are influenced by several factors, notably the holding structure of the firm. La Porta, et al., (2000, p. 27) states that emerging market countries have civil law system has weakened the legal requirements for protecting investors. Therefore, to build trust among investors, the company decides to pay dividends regularly. Research prior looked at the structure of stock holdings

towards dividend payouts, with measuring a dividend by cash dividend payout ratio. In which the results of the studies were inconsistent (Abdelsalam, El-Masry and Elsegini, 2008, p. 953; Bokpin, 2011, p. 61; Setiawan, et al., 2016, p. 230; Ramli, 2010, p. 176; Al-Shubiri, Al Taled and Al-Zoued, 2012, p. 644; Al-Najjar and Kilincarslan, 2016, p. 135). Moreover, the relationship between shareholding structure that affects dividend stability (Dividend Persistent) had not been discovered. Therefore, the question in this research is primarily whether the shareholding structure of each listed company has a relationship and effect on dividend stability. This is because the shareholding structure reflects the decentralization of management power which the shareholders with controlling power and decision making in the company's management will affect the increase in the firm value in the future. As well as the appropriate shareholding structure will result in the company's dividend stability in the long run. The overwhelming majority of the companies listed on the Stock Exchange of Thailand have a concentrated shareholding structure. From this, the main consensus is that the management power is in the hands of the major shareholders. In which benefits the company because of its agile management and faster decision making. When outside investors decide to invest in a company's stock. Their decision is based on their confidence in the group's major shareholders. Therefore, the type of shareholding structure has an impact on the long-term performance of the firm, especially the stability of the company's dividend.

Dividend Persistent refers to a listed company that five-year continuous pays cash

payment on dividends. The consistent dividend payout gives investors confidence in long-term sustainable growth. Dividend persistent is achieved only when paid the dividend in cash alongside maybe different dividend payout rates. Therefore, the dividend payment profits sharing with the shareholders, thus reflecting earning quality of the firm. This information is consistent with Mulchandani, Mulchandani and Wasan (2020, p. 172) who tested the relationship between earnings quality and dividend persistent by measuring an entity's continued dividend payout for at least 5 years and found that firms with dividends persistent will also have high earning quality.

In addition, Ahmed, Ali Shah and Ali Bhatti (2020, p. 1), Kowalewski, Stetsyuk and Talavera (2007, p. 1), Mitton (2004, p. 409) found that good corporate governance is associated with dividend payouts. As well as dividend payout ratios because a good corporate governance is at the heart of business administration. Because of this, the listed companies on the Stock Exchange of Thailand have adopted the principles of good corporate governance as a guideline for firm management. The corporate governance acts as a mechanism to control the operations of the management resulting in the operating process with transparency and accountability. Thai Institute of Directors had performance appraisal in the principles of good corporate governance of listed companies. In which as mentioned previously, is assessed every year and eventually announced a good corporate governance score with an evaluation score of 3-5 points. They found companies that received high scores in a good corporate governance had better profitability ratios than

other companies (Boonlert-U-Thai, Phakdee and Srijunpetch, 2019, p. 11) which will affect the ability and stability of the company's dividend in the future.

From the literature review, we did not find any study of the relationship between good corporate governance affecting dividend persistent in Thailand, this leading us to the second research question: What is the relationship between good corporate governance on dividend persistent? From the above reasons, we are interested in studying the relationship among ownership structure, good corporate governance on dividend persistent of listed companies in Stock Exchange of Thailand. The results of the study are expected to be a benefit for investors, regulators as well as a guideline for business administration.

Research Objective

1. to test the relationship between ownership structures that affect dividend persistent
2. to test the relationship between good corporate governance that affect dividend persistent

Literature Review and Develop Hypothesis

Agency Theory suggest that cash dividends are a tool to reduce agency problems between agents and principals because cash dividends decrease free cash flow that prevents the manager from using cash for non-benefit activities (Jensen and Meckling, 1976, pp. 1-72). Onwards, the agency problem can be measured from ownership structure. Abdelsalam, El-Masry and Elsegini (2008, pp. 956-957) states that shareholding distributions are important to a company's operations because the operations



are based on the votes of its shareholders to determine various strategies. With most of the voting coming from the major shareholders, including the consideration of the dividend payment policy, etc. The d'Udekem (2021, pp. 207-230.) study examined agency problem and dividend persistence in the banks in the United States after the year 2007-2009 financial crisis. From quarterly data in dividend payout for test La Porta, et al.'s theory (2000, pp. 16-27) suggests that dividend policy could be more persistent if the dividend payout reduce shareholder requesting an audit and reassures minority shareholders that manager doesn't recall the stock in the market. The results showed that dividend persistence increases with management conflicts but decreases with strong institutional shareholders. However, Angkasukho, et al. (2012, p. 135) found that minority stakes reduce the likelihood of dividend payouts, with contrary to agency theory. This research applies the agency theory in order to explain the relationship among ownership structures and good corporate governance on dividend persistence.

The Signaling Theory suggest that capital markets are imperfect because of asymmetry information among investors. Therefore, managers are trying to use the dividend as a communication tool to investors and shareholders to consider profitability or future value creation of the business. According to Sirait. and Siregar (2014, p. 103) found that rising dividend rates and dividend persistence affect earning quality. A higher dividend payout is good news for investors as it can predict an increase earning in the future. On the other hand, the decrease of dividend payout reflex decrease earning in the future as well. Therefore, managers are trying

to pay dividend smoothing to give a positive signal to investors since the higher expectations of dividends in the future. In contrast, Lin, Chen and Tsai (2017, p. 11) study in the China Stock Exchange and found that businesses with asymmetry information between managers and shareholders tend to pay low dividends. In conclusion, the researcher applied Signaling Theory to explain the relationship of the conceptual framework.

Dividend Persistent

Dividends can reflect earning quality of the business because dividend payment is paid net profit to shareholders. Therefore, investors can use this information to predict profit or loss in the future. If firms decide to change dividend pay then investors can predict where future earnings are likely to change. Accordance with Tong and Miao (2011, p. 183) found that dividends are related to earning quality, which depends on the number of the dividend payout ratio. Hence, the manager must make a crucial decision in order to determine the dividend policy because dividend policy affects the capital structure of the firm. If the firm are in need to run new projects, then use of retained earnings as working capital is possible. Because of this, the manager must consider the balance of cash flows that are sufficient and appropriate.

Consequently, a consistent dividend payout has attracted more investors to the stocks of listed companies. Al-Malkawi, Bhatti and Magableh (2014, pp. 163-164) claims that the company that is listed on the Muscat Securities Exchange Market in Oman has adjusted dividend payout to more attractive targets with a relatively lower rate of adjustment than developed countries. This can imply that divi-

dividend regularity reflects dividend persistent. This means that companies that pay regular dividends will have enough cash, with cash being the result of good corporate governance (Tong and Miao, 2011, pp. 183-203).

Dividend persistent is defined as a cash dividend along the course of 5 years in a row. The continued dividend payout will help build investor confidence as well as reflecting sustainable growth in the future which a good signal to investors (Mulchandani, Mulchandani and Wasan, 2020, p. 173). In addition, dividend persistent can also be attributed to the company's dividend declaration decision. The dividend payout rates are set differently each year. Therefore, the researcher measure dividend payout with 1) Dividend Persistent, 2) Dividend Payouts, and 3) Dividend Payout Ratio. This research evaluates the relation of owner structure and good corporate governance affecting dividend persistent, dividend payouts, dividend payout ratio.

Owner Structure

Owner Structure reflects the decentralization management power of the company between shareholders and manager, or between the controlling shareholder and the minority shareholder. Most Thai listed companies have a concentrated shareholding and management structure due to the nature of most businesses being family company from the beginning. Therefore, the management power rests in the hands of the major shareholders of the company. External investors make investment decisions based on confidence in the majority shareholders. Because the concentration of shareholding has the advantage of flexibility in management and the major shareholders tend to have ties with the company. Because of having

major ties, major shareholders tend to take long-term benefits and survival of the company as a priority. La Porta, et al. (1999, pp. 1-30) states that in countries with shareholder rights protection laws in which holding by a controlling person does not have a negative effect on the business performance. But instead has a positive effect because it reduces agency costs as controlling shareholders monitor the performance of the company by monitor manager to ensure that the work is managed effectively. From the literature review, it was found that the owner structure can be divided into 4 types: 1) Largest Ownership, 2) Foreign Ownership, 3) Institutional Ownership, and 4) Free float (Ramli, 2010, p. 174; Al-Najjar and Kilincarslan, 2016, pp. 147-148).

Largest Ownership

In majority, Thai companies begin as family businesses. Then after the companies grow and the manager will be listed on the Stock Exchange of Thailand. In order to raise funds from the public. The founder, who is a family member, retains control of the company as a major shareholder with control and management of the company's growth, hence the definition of Largest Ownership is the first largest shareholding of a listed company because it has a significant effect on the company's management policies or operations.

Thailand's capital market is classified as Emerging Market Countries, having a civil law legal system, and is therefore regarded as having a relatively low regulatory and investor protection (Mitton, 2004, pp. 1-6). La Porta, et al. (2000, p. 4) suggest that dividends represent a protection for investors in the emerging markets' capital, dividend payments are what manager should do to maintain the company's reputation



in the capital markets if a listed company pays dividends regularly, then it will attract more investors to invest in the company's stock which will increase the value of the business. Consistency with Ramli (2010, pp. 175-177) found that major shareholders have a positive correlation with the dividend policy of Malaysian listed companies which collected data collected between 2002 -2006. Furthermore, Yusof and Ismail (2016, pp. 94-95) found that the percentage of major shareholders had positive correlation with dividend policy. On the other hand, Thanatawee's (2013, p. 126) study the relationship between the holding structure and the dividend payouts of companies listed on the Stock Exchange of Thailand between 2002 and 2010 found that major shareholders had no relationship with dividend policy decisions but had statistically positively correlated with dividend payout ratio.

It can be concluded that companies listed in Thailand and other developing countries that the major shareholders with decision-makers will have consistent dividend payout to dividend persistent and attract investors to investing in the company's stocks. Hence, Hypotheses 1a – 1c are proposed:

Hypothesis 1: Largest Ownership are positively related to a) Dividend Persistent, b) Dividend Payouts, and c) Dividend Payout Ratio.

Foreign Ownership

A listed company with a controlling shareholder that is foreign own will help enable the company to gain a benefit from technology transfer, innovation, and new knowledge. Which will have a positive effect on the company's performance to increase profits and contribute firm value. Consistent with Saenthaow (2017, p. 18) found that foreign investors are positively correlation with business value. Moreover, this

also benefits investment promotion policies from government agencies.

Bokpin (2011, p. 69) studied the capital structure, good corporate governance, and dividend efficiency of companies listed on the Ghana Stock Exchange and found that shareholding ratio of foreign investors was positively correlated with dividend payout ratio. According to Setiawan, et al. (2016, p. 230) found that foreign shareholder were positively correlated with dividend payouts. In contrast, Al-Najjar and Kilincarslan (2016, p. 151) found that foreign shareholder ratio was statistically negatively correlated with the dividend payout ratio. Therefore, holding shares by foreigners provides an opportunity to help the company grow and expand more businesses, thus tending to pay dividends continuously and with stable dividends. Hence, Hypotheses 2a – 2c are proposed:

Hypothesis 2: Foreign Ownership are positively related to a) Dividend Persistent, b) Dividend Payouts, and c) Dividend Payout Ratio

Institutional Ownership

Shareholding structure by institutional investors which may be in the form of funds, insurance companies, and financial institutions play an important role in formulation management policies and auditing for which decreases the administrative audit process. Mehrani, Moradi and Eskandar (2011, p. 7516) studied shareholding structure and dividend policy in stock exchanges in Iran with collecting 427 samples between 2000 and 2007 and found that the institution shareholder had a negative correlation with the dividend payout ratio, suggesting that institutional holdings are a sign of good corporate governance. It was also found that institutions ownership with rights were positively correlated with good corporate governance.

Consistency with Al-Shubiri, Taleb and Al-Zoued (2012, p. 644) studied shareholding structure and dividend policy in the Jordanian market between 2005 and 2009 found that institutional ownership was negatively correlated with dividend policy. While Sukkaew (2018, pp. 32-41) studied signaling and agency cost reduction by using the dividend policy in Thailand, data collected during the year 2009-2013 found that the percentage of shareholding by institutional investors had no relation to the dividend payout ratio. In addition, the volume of the dividend payout tends to decrease when the largest shareholder is a major shareholder or a financial institution.

In contrast, Abdelsalam, El-Masry, and Elsegini (2008, p. 953) study on the Egyptian Stock Exchange of only 50 companies during 2003-2005, found that institutional holding structures make decisions about dividend payouts and increase payouts because of the shareholding spreads are significant towards the company's operation that company's performance depends on the votes of the meeting to determine various strategies. However, past research has found that is a difference in dividend policy between developed countries and developing countries because the two groups have different characteristics (Claessens, Djankov and Lang, 2000, pp. 81-111). Thanatawee (2013, p. 121) found that institutional holdings had a statistically significant positive correlation with dividend policy and dividend payout ratio in companies listed on the Stock Exchange of Thailand, consistent with Wongprachanukul and Suksonghong (2019, p. 88) suggest that institutional holdings were positively correlated with dividend policy but were not statistically significant. Therefore, it is possible that the holding of

shares by the institution results in the business having good management processes, resulting in efficient operating results that will enable the company to continue paying dividends as well as in consistently each year. Hence, Hypotheses 3a – 3c are proposed:

Hypothesis 3: Institutional Ownership are positively related to a) Dividend Persistent, b) Dividend Payouts, and c) Dividend Payout Ratio.

Free Float

Minority shareholders are investors who are unable to manage the business or closely monitor the business operations. If the business has a large number of minorities shareholders, then the firm chooses to pay dividends to reduce the risk of expropriation. In accordance with La porta et al. (2000) found that an increase in the number of external shareholders will result in a substantial cash dividend. In contrast, Thanatawee (2013, p. 126) found that minority shareholders' ownership had a statistically significant negative correlation with dividend policy and dividend payout ratio of listed companies on the Stock Exchange of Thailand. Consistent with Angkasukho, et al. (2012, p. 135) a higher percentage of minority shareholders have a lower chance of paying dividends, contrary to the agent theory. This may be possible in the context of Thailand; the minority shareholders are not involved in business management decisions. Therefore, there is a chance that the stability of the dividend will decrease because of does not participate in dividend payment decisions, there is a lack of continuity in dividend payments. Hence, Hypotheses 4a – 4c are proposed:

Hypothesis 4: Free float ownership are negatively related to a) Dividend Persistent, b) Dividend Payouts, and c) Dividend Payout Ratio.



Good Corporate Governance

Good corporate governance is the key to conducting business under responsibility to stakeholders and resulting in sustainable business success. Thai Institute of Directors (IOD) has assessed compliance with corporate governance principles of listed companies. and encourage the development of the company's governance with the assessment criteria divided into 5 categories, namely 1) rights of shareholders 2) equitable treatment of shareholders 3) roles of stakeholders 4) information disclosure and transparency and 5) responsibility. The results of the assessment are graded with high corporate governance scores, resulting in higher scores increase business value (Charoenkijjarukorn, 2017, pp. 1-2). Previous studies have shown that companies with a good corporate governance rating have better profitability ratios than those that do not receive a good corporate governance rating (Boonlert-U-Thai, Phakdee and Srijunpetch 2019, pp. 24-25). It was also found that companies with good corporate governance tend to pay high dividends (Mitton, 2004, p. 1; Sukkaew, 2018, pp. 39-40).

In addition, Ahmed, Ali Shah, and Ali Bhatti (2020, pp. 211-212) found that good corporate governance and board diversity have a positive impact on dividend consistency. In contrast, Aydin and Cavdar (2015, p. 73) found that good corporate governance was not correlated with dividend payout rates same as Nguyen, Dang and Dau (2021, p. 893) found that good corporate governance was low dividend yield. Consistency with Mitton (2004, p. 1) studied of good corporate governance and dividend policies in 19 developing countries' stock exchanges include 17 samples were collected in Thailand and found that governance was negatively

correlated with dividend pay in countries have civil law system but not significantly. Moreover, Setiawan and Kee Phua (2013, p. 141) found that corporate governance has a negative correlation with dividend payments which implies that Indonesian companies tend to have a negative correlation with dividend payouts then they paid dividend to compensate the poor corporate governance. Therefore, the concept of good corporate governance is seen as the key to the operation that will affect the sustainability of the business in the long run and can build confidence for investors. Listed companies with high governance scores tend to be more profitable than others (Boonlert-U-Thai, Phakdee and Srijunpetch, 2019, pp. 24-25). As a result, the company can allocate profits to shareholders in the form of dividends continuously and dividends persistent over the long term. Hence, Hypotheses 5a – 5c are proposed:

Hypothesis 5: Good corporate governance are positively related to a) Dividend Persistent, b) Dividend Payouts, and c) Dividend Payout Ratio.

Additionally, it was found that there were other factors affecting dividend persistent, so the researcher defined it as a control variable, consisting of 1) Firm size 2) Firm growth 3) Profitability 4) Leverage 5) Industry Type and 6) Year of operation.

1. Firm Sized: A large enterprise has enough cash flow to be able to use it to pay dividends. Angkasukho, et al. (2012, p. 135) found that if total assets grew by 1%, the company that pay a dividend will increase the dividend payout rate about 0.067%, consistent with Yusof and Ismail (2014) had studied the factors affecting the dividend policy of listed companies in Malaysia and found that firm' size had a statistically

significant influence on the dividend policy. Therefore, firm that are larger measure by total assets will have higher dividend payout, consistent dividend payout, and dividend persistent.

2. Firm Growth: Pecking order theory suggests that firm should used internal capital as a priority for additional investments and avoid issuing shares because shareholders and manager have unequal information (Asymmetric information) therefore may not be able to raise the required amount of funds. Then, if the company expects to have growth opportunities in the near term that require high investment, it has opportunity to pay dividends at a low rate to keep cash flow for investment Therefore, companies with growth opportunities measure by sales growth rates tend to pay lower dividends (Le and Le, 2017, p. 93).

3. Profitability: Firm with high profitability would have pay dividend and have high dividend payout ratios (Chowdhury, Maung, and Zhang, 2014, p. 283) Consistent with Mulchandani, Mulchandani and Wasan (2020, p. 171). had tested earning quality and dividend persistent. The result show that firm with dividend

persistent will also have high earning quality. Therefore, firm with high profitability measure by return on assets (ROA) will have dividend persistent.

4. Leverage refers to the financial structure of a company that indicates its ability to pay debts by using the debt-to-equity ratio (D/E), this ratio shows capital structure that firm's asset are borrowed which giving the firm have obligations to be paid. Therefore, firm with high obligation will tending to decide not to pay dividends or pay less dividends (Bokpin, 2011, p. 61; Chowdhury, Maung and Zhang, 2014, p. 283).

5. Industry Type: The different in industry types may have different operating results and therefore tend to affect dividend payments. Treratdilokkul and Petchchedchoo (2019, p. 86-87) found that the industry type had a positive correlation with the continuity of the dividend payment.

6. Year of operation: The economic conditions each year will affect the operation of different businesses. Therefore, it tends to affect the dividend payout (Le and Le, 2017, p. 98).

Conceptual Framework

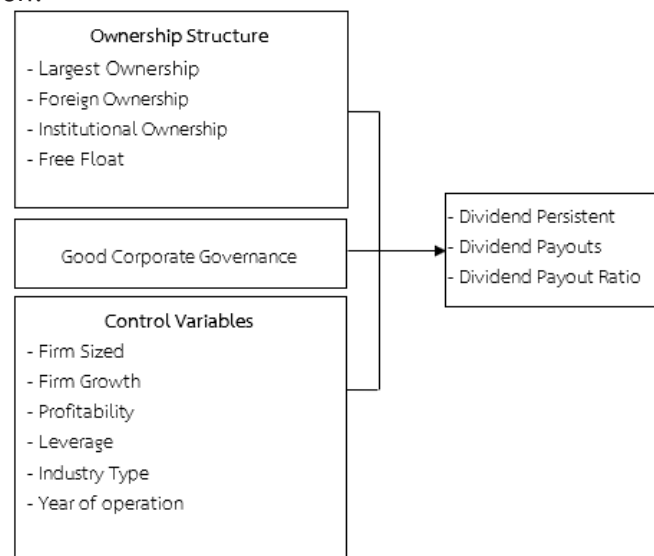


Figure 1 The conceptual framework



Method

Population and Sample: Thai listed firms used to population and sample are 608 firm. Companies belonging to financial sector are 56 firm, mutual fund are 60 funds, Rehabco are 4 firm, and incompletes data are 26 firm were excluded from sample which made the final sample were 462 firm. Data of ownership structure, dividend persistent, and other variable were collected from financial reporting that published on the website Stock Exchange of Thailand (www.set.or.th) and SETSMART data-

base with the data included five-year period (from 2016 to 2020). Good corporate governance was collected from announcement of survey results of corporate governance of listed companies from the Thai Institute of Directors (<http://www.thai-iod.com/en/index.asp>). The total sample were 2,189 sample. Therefore, the sample number was suitable since the number was more than 20 times per 1 variable. The data was statistically analyzed for further hypothesis testing (Trimongkolkul and Chatraphorn, 2012, pp. 96-105) Details are shown in Table 1.

Table 1 Frequency and Percentage of industry type

Industry type	Frequency	Percentage
Agro & Food Industry	239	10.9
Resources	216	9.9
Technology	171	7.8
Industrials	502	22.9
Consumer Products	426	19.5
Property & Construction	187	8.5
Services	448	20.5
Total	2,189	100

Variable Measurements

Independent Variables

$LARO_{it}$ = Largest Ownership calculated as the first largest shareholding divided by total number of shares of firm *i* at time *t* (Le and Le, 2017, p. 92)

$FORE_{it}$ = Foreign Ownership calculated as the foreigner shareholding divided by total number of shares of firm *i* at time *t* (Bokpin, 2011, p. 66)

$ISTU_{it}$ = Institutional Ownership calculated as the institutional shareholding divided by total number of shares of firm *i* at time *t* (Al-Shubiri, Taleb and Al-Zoued, 2012, p. 650)

$FREE_{it}$ = Free Float calculated as the free

float shareholding divided by total number of shares of firm *i* at time *t* (Thanatawee (2013, p. 124)

CGS_{it} = Good Corporate Governance is measured using the good corporate governance score announced by the Thai Institute of Directors (IOD) set to be a dummy variable that take the value of 1 for the score is equal to 5, 4, 3 and zero otherwise (Boonlert-U-Thai, Phakdee and Srijunpetch (2019, p. 17)

Dependent Variables

DPS_{it} = Dividend Persistent is a dummy variable that take the value of 1 for firm which pay cash dividend for 5 years in a row and zero otherwise ((Sirait and Siregar, 2014, p. 107; Mul-

chandani, Mulchandani and Wasan (2020, p. 173).

DPO_{it} = Dividend Payouts is a dummy variable that take the value of 1 for firm which pay cash dividend and zero otherwise (Sirait and Siregar, 2014, p. 107)

DPR_{it} = Dividend Payouts Ratio calculated as the pay cash dividend of firm i at time t divided by net profit of firm i at time $t-1$ (Le and Le, 2017, p. 92)

Control Variables

$LNASSET_{it}$ = Firm size calculated as the natural logarithm of total assets (Chowdhury, Maung and Zhang, 2014, p. 279)

$GROWTH_{it}$ = Firm growth calculated as the different in revenue this year and the prior year divided by revenue at the end of the previer year (Sirait and Siregar, 2014, p. 107)

ROA_{it} = Profitability is measured using return on assets calculated as net income before extraordinary items divided by lagged total assets (Bokpin, 2011, p. 66).

LEV_{it} = Leverage calculated as total liability divided by total equity (Bokpin, 2011, p. 66).

$TYPE_k$ = Industry Type is a dummy variable which have 6 types (Treratdilokkul and Petchchedchoo (2019, p. 79)

TYPE1 is a dummy variable that take the value of 1 for firm in Agro & Food Industry and zero otherwise

TYPE2 is a dummy variable that take the value of 1 for firm in Resources and zero otherwise

TYPE3 is a dummy variable that take the value of 1 for firm in Technology and zero otherwise

TYPE4 is a dummy variable that take the

value of 1 for firm in Industrials and zero otherwise

TYPE5 is a dummy variable that take the value of 1 for firm in Consumer Products and zero otherwise

TYPE6 is a dummy variable that take the value of 1 for firm in Property & Construction and zero otherwise

$YEAR_{it}$ = Year of operation is a dummy variable that take the value of 1 for firm by the number of years from 2016-2020 and zero otherwise (Le and Le, 2017, p. 98)

Statistical Techniques

Descriptive statistical analysis as mean, standard deviation, frequency, and percentage are used to describe data. Logistic regression analysis is used to test hypothesized 1-5a (Equation 1) and 1-5b. (Equation 2) Multiple regression is used to test hypothesized 1-5c (Equation 3). From the relation model and the hypotheses, the following 3 equation models formulated:

Equation 1

$$DPS_{it} = \alpha + \beta_1 LARO_{it} + \beta_2 FORE_{it} + \beta_3 ISTU_{it} + \beta_4 FREE_{it} + \beta_5 CGS_{it} + \beta_6 LNASSET_{it} + \beta_7 GROWTH_{it} + \beta_8 ROA_{it} + \beta_9 LEV_{it} + \beta_{10} TYPE_k + \beta_{11} YEAR_t + \epsilon$$

Equation 2

$$DPO_{it} = \alpha + \beta_1 LARO_{it} + \beta_2 FORE_{it} + \beta_3 ISTU_{it} + \beta_4 FREE_{it} + \beta_5 CGS_{it} + \beta_6 LNASSET_{it} + \beta_7 GROWTH_{it} + \beta_8 ROA_{it} + \beta_9 LEV_{it} + \beta_{10} TYPE_k + \beta_{11} YEAR_t + \epsilon$$

Equation 3

$$DPR_{it} = \alpha + \beta_1 LARO_{it} + \beta_2 FORE_{it} + \beta_3 ISTU_{it} + \beta_4 FREE_{it} + \beta_5 CGS_{it} + \beta_6 LNASSET_{it} + \beta_7 GROWTH_{it} + \beta_8 ROA_{it} + \beta_9 LEV_{it} + \beta_{10} TYPE_k + \beta_{11} YEAR_t + \epsilon$$



Results

Table 2 show the descriptive statistics analysis results average, standard deviation,

minimum, and maximum values. Dummy variables analysis with frequency and percent that show in Table 3.

Table 2 Descriptive analysis results average, standard deviation, minimum, and maximum values

Variables	N	Mean	S.D.	Min	Max
DPR	2,189	2.67	2.71	-.29	15.09
LARO	2,189	54.35	20.94	.00	99.94
FORE	2,189	8.37	15.47	.00	93.34
ISTU	2,189	1.71	5.77	.00	78.75
FREE	2,189	29.68	16.52	.00	91.56
LNASSET	2,189	22.62	1.54	18.45	28.56
GROWTH	2,189	1.08	.98	.00	32.33
ROA	2,189	5.23	8.60	-54.96	59.96
LEV	2,189	1.16	2.01	-2.89	30.62

Table 3 Descriptive analysis results frequency and percent

Variables	N	Frequency Dummy=1	Percent (%)	Frequency Dummy=0	Percent (%)
DPO	2,189	1,626	74.3	563	25.7
DPS	2,189	1,228	56.1	961	43.9
CGS	2,189	1,714	78.3	475	21.7

Inferential statistic

This research used logistic regression analysis and multiple regression analysis for test hypothesized 1-5 (a-c) from equation 1-3. For clear multicollinearity problem, Pearson and Spearman's methods are used to prove, since variables were measured as ratios and artificial groups, found that the overall correlation coefficient was lower 0.80. The highest correlation is largest ownership and free float which correlation coefficient has -.733. However, Variance Inflation Factor (VIFs) is used to ensure

the multicollinearity problem and showed that VIFs range from 1.006 – 2.320 that well below the criterion of 10 then the Tolerance value of the independent variable is considered which all values are not close to 0. Therefore, it can be concluded that independent variables are independent of each other and there is no problem of relationship between independent variables (Trimongkolkul and Chatraphorn, 2012, pp. 96-105) The analysis results are shown in Table 4 and Table 5.

Table 4 Results of Pearson Correlation Analysis

Variables	Correlation coefficients Pearson											
	DPS	DPO	DPR	LARO	FORE	ISTU	FREE	CGS	LNASSET	GROWTH	ROA	LEV
Tolerance				.417	.845	.916	.438	.904	.678	.988	.924	.900

Variables	Correlation coefficients Pearson											
	DPS	DPO	DPR	LARO	FORE	ISTU	FREE	CGS	LNASSET	GROWTH	ROA	LEV
VIF				2.39	1.18	1.09	2.28	1.10	1.47	1.01	1.08	1.11
DPS	1	.661**	.436**	.026	.057**	.104**	-.092**	.253**	.276**	-.073	.281**	-.132**
DPO		1	.474**	.093**	.032	.086**	-.146**	.251**	.271**	-.079**	.346**	-.138**
DPR			1	.024	.081**	-.004	-.049*	.195**	.099**	-.091**	.201**	-.127**
LARO				1	.102**	.024	-.694**	-.041	-.098**	.008	.006	-.072
FORE					1	-.032	-.155**	.013	.238**	.005	-.030	-.001
ISTU						1	-.035	.112**	.223**	-.021	-.023	.105**
FREE							1	-.034	.031	-.002	-.015	.075**
CGS								1	.239**	-.004	.057**	-.044*
LNASSET									1	.022	.080**	.205**
GROWTH										1	.403*	.000
ROA											1	-.111**
LEV												1

Note: *** p < .01, ** p < .05, *P < .10

Table 5 Results of Spearman's Correlation Analysis

Variables	DPS	DPO	DPR	LARO	FORE	ISTU	FREE	CGS	LNASSET	GROWTH	ROA	LEV
DPS	1											
DPO	.661**	1										
DPR	.548**	.608**	1									
LARO	.015	.084**	.040	1								
FORE	.117**	.103**	.106**	-.020	1							
ISTU	.184**	.182**	.118**	.004	.144**	1						
FREE	-.071**	-.123**	-.072**	-.733**	-.036	-.039	1					
CGS	.253**	.251**	.234**	-.037	.073**	.193**	-.032	1				
LNASSET	.269**	.273**	.153**	-.100**	.427**	.301**	.046*	.248**	1			
GROWTH	-.004	-.067**	-.110**	-.045*	.009	.049*	.051*	.061	.069**	1		
ROA	.311**	.370**	.275**	.017	.034	.082**	-.009	.056**	.078**	.227**	1	
LEV	-.092**	-.058**	-.095**	-.150	.136**	.094**	.131**	.100**	.423**	.026	-.122**	1

Correlation coefficients Spearman

Note: *** p < .01, ** p < .05, *P < .10



Table 6 Results of Logistic Regression Analysis in Ownership Structure, Good Corporate Governance on Dividend Persistent (Equation 1)

Variables	B	S.E	Wald	Sig.	Exp(B)
Constant	-11.843	1.072	122.167	.000	1.426
LARO	-.002	.004	.233	.629	.998
FORE	-.003	.004	.976	.323	.997
ISTU	.038***	.012	9.824	.002	1.038
FREE	-.012***	.005	7.235	.007	.988
CGS	1.058***	.129	67.749	.000	2.882
LNASSET	.538***	.046	135.912	.000	1.712
GROWTH	-.625***	.155	16.344	.000	.535
ROA	.087***	.007	138.059	.000	1.091
LEV	-.427***	.055	60.243	.000	.652
TYPE1	.071	.191	.137	.711	1.073
TYPE2	.056	.207	.072	.789	1.057
TYPE3	.399*	.217	3.397	.065	1.491
TYPE4	.106	.158	.453	.501	1.112
TYPE5	.775***	.205	14.350	.000	2.170
TYPE6	-.073	.158	.215	.643	.920
YEAR60	.100	.157	.407	.523	1.105
YEAR61	-.037	.157	.055	.815	.964
YEAR62	.234	.160	2.134	.144	1.263
YEAR63	.355**	1.62	4.816	.028	1.426
Chi-square	625.924				
Sig	.000				
-2 Log likelihood	2371.081				
Cox & Snell R2	.249				

Note: *** p < .01, ** p < .05, *P < .10

Table 6 exhibits the results of logistic regression analysis show that Chi-square statistics is 625.924 that is statistically significant at 0.01 level (Sig = .000), and Cox & Snell Square statistics is 24.9%, implied that the model is suitable. When considering the relationship, it is found that institutional ownership has a significant positive effect, with coefficient of 0.038, on dividend

persistent. This shows that increases the institutional ownership then the company's dividend persistent increases (Thanatawee, 2013, p. 81). Thus, hypotheses 3a is supported.

Good corporate governance has a significant positive effect, with coefficient of 1.058, on dividend persistent. This shows that increases the good corporate governance score then the

company's dividend persistent increase, according to Mitton (2004, p. 1) found that higher corporate governance tend to pay higher dividends, and Sirait and Siregar (2014, p. 103) found that the stability of dividends had an impact on earning quality. In addition, the regular dividend payment also reflects the company's sufficient cash flow and can continue operating the business (Tong and Miao, 2011, p. 183). Hence, hypotheses 5a is supported.

Free float (Minority shareholding) has a significant negative effect at 0.05 level, with coefficient of -0.12, on the dividend persistent. This suggests that the increase minority has weakened the company's dividend stability, according to Thanatawee (2013, p. 126) found that higher minority shareholding have lower chances of paying dividends. Plausible that the minority shareholders do not have the power to make decisions about the company's management policies, especially the dividend policy determine on the major shareholders to make the decision. Hence, hypotheses 4a is supported.

However, Largest Ownership (LARO), Foreign Ownership (FORE) do not have a statistically significant effect on dividend persistent. Wherewith the dividend persistent is a company's having to pay cash dividend for 5 years in a row, may not only be influenced by stock holding structure alone, but also by other factors that enable the company to continue paying dividends, such as cash flow adequacy, according to Thanatawee (2013, p. 126) found that foreign

holdings had no relation to dividend decisions. Hence, hypotheses 1a and 2a are rejected.

For control variables, the result show that Firm Sized (LNASSET) and Profitability (ROA) have a statistically significant positive effect on dividend persistent at 0.01 level with coefficients of .538 and .087, indicating that larger firms will pay incessantly dividends which incur the dividend persistent (Yusof and Ismail, 2016, p. 88).

In addition, it found that Firm Growth (GROWTH) and Leverage (LEV) have a statistically significant negative impact on dividend persistent at 0.01 level with a coefficient of -.625 and -.427, indicating that firm that are expected to grow will try to keep the cash for invest in business, which tends to decrease pay dividends. Same as the firm with high-encumbrance entities would retain cash for pay off debts, thus declining dividend persistent.

The results of the relationship between industry type and dividend persistent found that Technology (TYPE3) and Consumer Products (TYPE5) have a statistically significant positive impact on dividend persistent at 0.10 level with coefficients of .399 and .775, indicating that companies in the technology and consumer goods segments have more dividend persistent than other segments. In addition, it was found that the year 2020 had a statistically significant positive correlation with dividend persistent at 0.05 level with a coefficient of .028, indicating that the firm has more dividend persistent in year 2020 than any other year.

Table 7 Results of Logistic Regression Analysis in Ownership Structure, Good Corporate Governance on Dividend Payout (Equation 2)

Variables	B	S.E	Wald	Sig.	Exp(B)
Constant	-13.669	1.321	107.068	.000	.000
LARO	.009**	.004	3.952	.047	1.009



Variables	B	S.E	Wald	Sig.	Exp(B)
FORE	-.009**	.004	5.122	.024	.991
ISTU	.031**	.014	4.612	.032	1.032
FREE	-.015***	.005	8.356	.004	.985
CGS	.979***	.137	51.312	.000	2.663
LNASSET	.659***	.058	129.917	.000	1.933
GROWTH	-.389***	.116	11.312	.001	.678
ROA	.115***	.009	169.707	.000	1.122
LEV	-.279***	.044	40.617	.000	.757
TYPE1	.195	.252	.599	.439	1.215
TYPE2	-.508**	.253	4.038	.044	.602
TYPE3	-.088	.254	.121	.728	.915
TYPE4	-.266	.185	2.061	.151	.767
TYPE5	.143	.232	.381	.537	1.154
TYPE6	-.671***	.191	12.367	.000	.511
YEAR60	-.056	.191	.087	.768	.945
YEAR61	-.197	.190	1.080	.299	.821
YEAR62	-.214	.189	1.257	.262	.808
YEAR63	-.296	.189	2.459	.117	.744
Chi-square	648.890				
Sig	.000				
-2 Log likelihood	1807.114				
Cox & Snell R2	.269				

Note: *** p < .01, ** p < .05, *P < .10

Table 7 exhibits the results of logistic regression analysis show that Chi-square statistics is 648.890 that is statistically significant at 0.01 level (Sig = .000), and Cox & Snell Square statistics is 26.9%, implied that the model is suitable. When considering the relationship, it is found that largest ownership has a significant positive effect at 0.05 level, with coefficient of 0.009, on dividend payouts. This shows that the large shareholder with control power in management have the power to make decisions about the dividend policy. Consequently, it has a positive

impact on dividend decisions to signal and attract more investors to invest in the company, according to Ramli (2010, pp. 175-177) found that the percentage of major shareholders is positively correlated with dividend policy. of a listed company in Malaysia. Thus, hypotheses 1b is supported.

Institutional ownership (ISTU) has a significant positive effect at 0.05 level, with coefficient of .031, on the dividend payout. This indicating that firms with a high percentage of institutional holdings will pay higher dividends

because institutional investors, which may be in the form of funds, insurance companies, financial institutions have an important role in the management of the business. This makes the business having a good management process and effective operating. According to Thanatawee (2013, pp. 126-128) found that institutional ownership has a statistically significant positive correlation with dividend policy and dividend payout ratio. Hence, hypotheses 3b is supported.

Free float (Minority shareholding) has a significant negative effect at 0.01 level, with coefficient of -0.15 on the dividend payout. This suggests that the increase minority has weakened the company's dividend payout, consistent with Angkasukho, et al., (2012, p. 137) found that the higher free float shareholding have a lower chance of paying dividends which contradicts the agent theory. Plausible that the minority shareholders in Thai context are not involved in business management decisions, especially decisions regarding dividend payments that affect to no continuity dividends payment and decrease dividend persistent. Thus, hypotheses 4b is supported.

Good corporate governance has a significant positive effect at 0.01 level, with coefficient of .979, on dividend payout. This shows that companies with higher corporate governance will pay more dividends. Since good corporate governance is the key to conducting business under the responsibility of stakeholders, it has resulted in sustainable business success (Mitton, 2004, p. 1; Sukkaew, 2018, pp. 39-40). Hence, hypotheses 5b is supported.

However, foreign ownership has a significant negative effect at 0.05 level, with coefficient of -0.009, on dividend payout. This indicating

that companies with higher foreign shareholder will pay less dividends. Plausible that foreign shareholders do not have the power to make decisions in dividend payout, consist with Al-Najjar and Kilincarslan (2016, p. 151) found that companies with higher foreign shareholder will lower pay dividends. Therefore, hypotheses 2b is not supported.

For control variables, the result show that Firm Sized (LNASSET) and Profitability (ROA) have a statistically significant positive effect on dividend payout at 0.01 level with coefficients of .659 and .115, indicating that large firms have sufficient cash flow, so their tendency to use cash to pay dividends, consistent with Angkasukho, et al. (2012, p. 135) found that if total assets expanded 1%, the company that paying dividend will increase the dividend payout ratio by about 0.067%, and the high profitability firms have the opportunity to pay dividends with high dividend payout ratio (Chowdhury, Maung and Zhang, 2014, p. 283)

In addition, it found that Firm Growth (GROWTH) and Leverage (LEV) have a statistically significant negative impact on dividend payout at 0.01 level with a coefficient of -.389 and -.279, indicating that firm that are expected to grow will try to keep the cash for invest in business, which tends to decrease pay dividends. This is consistent with the pecking order theory, which suggests that additional investments will use internal capital first and avoid issuing shares because shareholders and manager have asymmetric information Same as the firm with a high debt to equity ratio (D/E) are more likely to decide to pay a lower dividend (Bokpin, 2011, p. 61).

The results of the relationship between industry type and dividend payout found that



Resources (TYPE2) and Property & Construction (TYPE6) have a statistically significant negative impact on dividend payout at 0.05 level with coefficients of -.508 and -.671, indicating that companies in the resources and property & con-

struction segments have more likely to decide not to pay a dividend or to pay a lower dividend compared to other segments. However, the year of operation had no statistically significant impact on the dividend payout.

Table 8 Results of Multiple Regression Analysis in Ownership Structure, Good Corporate Governance on Dividend Payout Ratio (Equation 3)

Variables	B	S.E.	T	Sig.
Constant	-2.863	.999	-2.865	.004
LARO	.006	.048	1.578	.115
FORE	.006	.004	1.576	.115
ISTU	-.003	.007	-.356	.722
FREE	.004	.022	.751	.453
CGS	1.097	.137	7.995	.000***
LNASSET	.137	.042	3.247	.001***
GROWTH	-.253	.055	-4.616	.000***
ROA	.066	.006	10.138	.000***
LEV	-.127	.028	-4.533	.000***
TYPE1	.702	.206	4.016	.000***
TYPE2	.702	.216	3.252	.001***
TYPE3	1.203	.230	5.238	.000***
TYPE4	1.229	.172	7.123	.000***
TYPE5	.951	.221	4.269	.000***
TYPE6	.506	.170	2.971	.003***
YEAR60	.012	.168	.069	.945
YEAR61	.870	.170	5.117	.000***
YEAR62	.904	.171	5.275	.000***
YEAR63	.685	.172	3.972	.000***
R Square	.387			
Adjusted R Square	.143			
Std. Error of the Estimate	2.514			
F	20.141			
Sig of F	.000			

Note: *** p < .01, ** p < .05, *P < .10

Table 8 exhibits the results of multiple regression analysis show that Adjusted R Square is .143, the F-value is 20.141, and the P-value is 0.000, implied that the model of ownership structure, good corporate governance can explain a dividend payout ratio at statistically significant 14.3%. When considering each variable, it is found that good corporate governance has a significant positive effect at 0.01 level, with a regression coefficient of 1.097, on dividend payout ratio. This indicating that companies with a higher corporate governance score will have higher dividend payout ratios, according to (Milton, 2004, p. 1; Sukkaew, 2018, pp. 39-40) found that companies with good corporate governance tend to have higher dividend payout ratio. Thus, hypotheses 5c is supported.

However, largest ownership (LARO), foreigner ownership (FORE), institutional ownership (ISTU) and free float (FREE) have no significant effect on dividend payout ratio. Plausible that dividend payout ratio depends on the suitability of the financial liquidity of each business which is different. Therefore, hypotheses 1 – 4c are not supported.

For control variables, the result show that Firm Sized (LNASSET) and Profitability (ROA) have a statistically significant positive effect on dividend payout ratio at 0.01 level with coefficients of .137 and .066, indicating that large

firms have undertakings high profitability will pay higher cash dividends (Benjamin, et al., 2016).

In addition, it found that Firm Growth (GROWTH) and Leverage (LEV) have a statistically significant negative impact on dividend payout ratio at 0.01 level with a coefficient of -.253 and -.127, indicating that firm that with higher growth potential will have lower cash dividend payouts (Al-Najjar and Kilincarslan, 2016, p. 153). Moreover, the firm with a high debt to equity ratio (D/E) are more likely to decide to pay a lower dividend because they must reserve cash to pay for obligations in the future (Bokpin, 2011, p. 61; Chowdhury, Maung and Zhang, 2014, p. 283).

For the consideration of the industry type, it was found that Agro & Food Industry (TYPE1), Resources (TYPE2), Technology (TYPE3), Industrials (TYPE4), and Consumer Products (TYPE5) have a statistically significant positive impact on dividend payout ratio at 0.01 level with coefficients of .702, .702, 1.203, 1.229, and .951, indicating that companies in these segments have more likely to decide to pay higher dividend than other segments. In addition, it was found that the year 2018 - 2020 had a statistically significant positive correlation with dividend payout ratio at 0.01 level with a coefficient of .870, .904, and .685, indicating that the firm has more dividend payout ratio in year 2018-2020 than any other year.

Table 9 Results of research hypothesis testing

Hypothesis	Results
H1a: Largest Ownership are positively related to Dividend Persistent,	Reject
H1b: Largest Ownership are positively related to Dividend Payouts	Accept
H1c: Largest Ownership are positively related to Dividend Payout Ratio	Reject
H2a: Foreign Ownership are positively related to Dividend Persistent	Reject
H2b: Foreign Ownership are positively related to Dividend Payouts	Reject



Hypothesis	Results
H2c: Foreign Ownership are positively related to Dividend Payout Ratio	Reject
H3a: Institutional Ownership are positively related to Dividend Persistent	Accept
H3b: Institutional Ownership are positively related to Dividend Payouts	Accept
H3c: Institutional Ownership are positively related to Dividend Payout Ratio	Reject
H4a: Free Float Ownership are positively related to Dividend Persistent	Accept
H4b: Free Float Ownership are positively related to Dividend Payouts	Accept
H4c: Free Float Ownership are positively related to Dividend Payout Ratio	Reject
H5a: Good corporate governance are positively related to Dividend Persistent	Accept
H5b: Good corporate governance are positively related to Dividend Payouts	Accept
H5c: Good corporate governance are positively related to Dividend Payout Ratio	Accept

Conclusion and Discussion

This study tested the relationship among ownership structure, good corporate governance on dividend persistent of listed companies in Stock Exchange of Thailand by collecting information from the Stock Exchange of Thailand during the year 2016 - 2020

This study finds that largest ownership had a statistically significant positive impact on dividend payout but not statistically significant with dividend persistent and dividend payout ratio. This implies that the decision-making power to declare a dividend depends on the major shareholders, consistent with Ramli (2010) found that the majority shareholder's is positively correlated with the dividend policy. Because the dividend payment is like a communication to investors and attracting investors to the shares of listed companies, which will have a positive effect on the value of the business. Also, consistent with the signal theory that manager will use cash dividends as a tool to signal investors to have more confidence in investing in listed companies' stocks. However, the major shareholder has the power to decide the dividend payout, but they may be unable to control the

dividend payout continuously until has dividend persistent, which may be caused by other factors such as cash flow adequacy or obligations between creditors (Tong and Miao, 2011, p. 183).

Institutional ownership has a correlation with dividend persistent, dividend payout, and dividend payout ratio, with a statistically significant positive impact on dividend persistent and dividend payment but not statistically significant on dividend payout ratio. This implies that the institutional ownership has an important role in formulating company management policies and has a clear management audit process thus making the company has operations efficient as well as sufficient retained earnings for shareholders. According to Abdelsalam, El-Masry and Elsegini (2008, pp. 961-962) found that institutional ownership is a distribution of capital and management power which increase good corporate governance, making the company decide to a dividend declared (Wongprachanukul and Suksonghong (2019, pp. 100-102). In accordance with agency theory suggest that dividends are a tool for reducing agent problems as prevents management from spending money on unprofitable activities (Jensen and Meckling, 1976, pp.

1-71), especially if a listed company with high institutional shareholder. This lead towards more decentralized management, which is an important part in reducing agent problems. Thus, the company will have more efficient operations and giving the ability to pay continually dividends in cash.

For the minority shareholding, the results found that shareholding by minority shareholders has a correlation with dividend persistent, dividend payout, and dividend payout ratio, with a statistically significant negative impact on dividend persistent and dividend payment but not statistically significant on dividend payout ratio. Consistent with Angkasukho, et al. (2012, p. 137) found that higher minority shareholders have lower chances of paying dividends, contrary to the agent theory, and Thanatawee (2013, p. 128) found that holdings share by minority shareholders have a statistically significant negative correlation with dividend policy and dividend payout ratios of listed companies on the Stock Exchange of Thailand. Thus, this confirms prior studies that many minority shareholders are more likely to make decisions that declines dividend declared. Inconsistent with the agent theory but minority shareholders might expect remuneration with capital growth rather than dividends (Angkasukho, et al., 2012, p. 137).

This study also find that foreign ownership to have a statistically significant negative impact on dividend payout but no relationship to dividend persistent and dividend payout ratio. Plausible that foreign investors do not involve in management therefore may not involve in the dividend policy of listed companies (Thanatawee (2013, p. 124-130), consistent with Al- Najjar and

Kilincarslan (2016, p. 135) found. that foreign shareholder ratio has a statistically significant negative correlation with dividend payout ratio.

Therefore, this study can be concluded that the ownership structure has an impact on dividend persistent because each type of shareholding can decentralize management powers, especially the decisions making dividend payment. Then, the direction of the company depends on the ownership structure. If the firm decides to pay dividends in every year, then this will affect the company's dividend persistent in which can increase the confidence of investors.

The results for the relationship between good corporate governance and dividend persistent found that good corporate governance has a statistically significant positive impact on dividend persistent, dividend payout, and dividend payout ratio. implying that a listed company with good corporate governance will have a good and efficient business performance, which enables the retain earning be allocated incessant and consistent to shareholders that create dividend persistent. In addition, good corporate governance is a key element of the business administration that enables shareholders to be treated equally, be appropriate audit process, and business transparency. Therefore, company with a good corporate governance can reduce agent problems consistent (Mitton, 2004, p. 1) found that companies with good corporate governance tend to pay higher dividends since it creates investors confidence in the long term. Because in listed company, investor used dividend persistent support decisions making (Ahmed, Ali Shah and Ali Bhatti, 2020, p. 211). Especially at present, the Stock Exchange of Thailand has assessed listed companies in the



Thailand Sustainability Investment (THS) group as a group that has been selected according to the criteria of the Stock Exchange of Thailand that considers operating under the awareness of the environment, society and cooperate governance. Therefore, company with a good corporate governance will be attracting the attention of investors, will be able to support the company's dividend persistent, and build investor confidence in the long term.

Suggestion

This study can corroborate the signaling theory that dividend payouts are a positive signal for investor to confidence in management team. For businesses with good corporate

governance can reflect the stability and efficiency of the management's operations and landing on stability in the returns that shareholders will receive. In addition, investors can use this result to support investment decisions by consider companies with good corporate governance continuously, which may be based on the regulatory score that the stock exchange has announced to the public. The Stock Exchange of Thailand can be used as a guideline to encourage listed companies to realize the importance of good corporate governance that will help the business to survive in a sustainable. For future research, the relationship between shareholding structure and dividend persistent of companies classified as sustainable stocks should be studied.

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