

Corporate Governance and Dividend Policy: Their Influence on Firm Value in Iraqi Banks

Hawkar Anwer Hamad

Department of Accounting and Finance, College of Administration and Economics,
Lebanese French University, Erbil, Kurdistan Region, Iraq.

Email: hawkar@lfu.edu.krd

ARTICLE INFO

Article History:

Received: 29/1/2025

Accepted: 2/3/2025

Published: Summer 2026

Keywords:

*Corporate Governance,
Dividend Policy, Firm
Value, Iraqi Banks,
Panel Data Analysis*

Doi:

10.25212/lfu.qzj.11.3.37

ABSTRACT

This study examines the impact of corporate governance and dividend policy on firm value in Iraqi banks over the period 2010–2024. Using panel data analysis with a balanced sample of 47 banks and 705 observations, the study investigates how governance mechanisms, such as independent commissioners, institutional ownership, managerial ownership, and dividend policies, influence firm performance. The results reveal that independent commissioners and institutional ownership positively impact firm value, emphasizing the importance of accountability and external monitoring. Dividend policy, measured through dividend payout ratio and dividend yield, significantly enhances firm value by signaling financial stability in a market characterized by high information asymmetry. Managerial ownership shows mixed effects, highlighting the need to balance managerial alignment with shareholder interests. The Fixed Effects model emerged as the most suitable approach, accounting for unobserved heterogeneity and explaining more variance compared to the Pooled OLS model. The study concludes that strengthening governance frameworks, promoting institutional ownership, adopting stable dividend policies, and enhancing financial transparency are critical for improving the performance and valuation of Iraqi banks. These findings provide practical insights for policymakers, bank executives, and investors in fostering stability and growth within Iraq's banking sector.

1. Introduction

Corporate governance and dividend policy are pivotal mechanisms influencing firm value across various industries, particularly in the banking sector. Banks play a central role in economic development by mobilizing funds and facilitating financial intermediation. In emerging markets such as Iraq, where the financial system faces challenges due to political instability, economic sanctions, and a developing regulatory environment, the effectiveness of governance mechanisms becomes even more critical. Strong corporate governance can enhance transparency, protect shareholder interests, and improve operational efficiency, all of which are essential for maintaining investor confidence and achieving sustainable growth (1 & Tursoy, 2022). Furthermore, dividend policy serves as a critical tool for signaling financial health and stability, making it a vital consideration for banks operating in uncertain environments.

Iraqi banks operate in a unique and dynamic context where regulatory frameworks are evolving, and economic pressures demand adaptive governance practices. For instance, the Central Bank of Iraq has implemented policies to improve banking practices and align them with international standards, which underscores the importance of governance in shaping bank performance (Znar Nahro Ahmed et al., 2024). However, limited studies have explored how corporate governance and dividend policy interact to influence firm value in Iraq's banking sector, leaving a gap in understanding the unique dynamics of these mechanisms in a post-conflict economy.

Corporate governance encompasses a range of practices, including board composition, ownership structures, and managerial oversight, that collectively ensure accountability and strategic alignment. These mechanisms are particularly relevant in the banking sector, where the risk of agency problems is high due to the separation of ownership and control. Independent boards and institutional ownership, for example, have been shown to reduce agency costs and improve decision-making in banks (Esmael KAREM et al., 2021). On the other hand, dividend policy reflects a bank's commitment to returning value to shareholders while balancing reinvestment for growth. The signaling theory suggests that dividend

announcements provide information about a firm's future prospects, and in markets like Iraq, where information asymmetry is prevalent, this signaling function can significantly impact firm value.

This study aims to examine the relationship between corporate governance, dividend policy, and firm value in Iraqi banks. By analyzing how governance structures and dividend decisions affect firm performance, this research contributes to the growing body of literature on corporate governance in emerging markets. Additionally, the findings provide practical insights for policymakers, bank executives, and investors seeking to understand the critical levers for enhancing value in Iraq's banking sector. This study also addresses a significant gap in the literature by focusing on a sector that is both under-researched and vital for the economic reconstruction of Iraq. Through this research, we aim to highlight the importance of aligning governance practices and financial policies with the specific needs of the Iraqi banking system to promote stability and growth in the sector.

1.1 Problem Statement

Corporate governance and dividend policy are essential factors influencing corporate value, especially in the banking industry, where financial stability and investor trust are crucial. In emerging economies like Iraq, corporate governance structures are still developing, and dividend policies differ markedly owing to legislative and market inefficiencies. Empirical research on the combined impact of corporate governance factors—such as independent commissioners, institutional ownership, and management ownership—alongside dividend policy on firm value in Iraqi banks is minimal. Moreover, the impact of historical business performance (lagged firm value) on present values is yet little examined. This research seeks to address this gap by using panel data analysis to evaluate the interaction of these factors and their contribution to firm value in the Iraqi banking industry.

1.2 Importance of the Study

This study is important as it enhances the literature on company governance and financial performance within an emerging market scenario. The results provide

guidance for regulators, investors, and banking executives on refining governance frameworks and dividend strategies to augment company value. Furthermore, it tackles deficiencies in empirical research about the Iraqi banking industry, which is little represented in worldwide governance studies.

2. Literature Review

2.1 Theoretical Framework

The study of the relationship between corporate governance, dividend policy, and firm value is rooted in several key theories that explain the dynamics of these constructs. Agency Theory (Talab et al., 2017) serves as a foundational perspective, emphasizing the conflict of interest between shareholders (principals) and managers (agents). This theory is particularly relevant in the context of Iraqi banks, where ownership is often concentrated, and governance mechanisms are critical for mitigating agency problems. Effective governance, such as independent boards and managerial ownership, aligns interests and reduces agency costs, ultimately enhancing firm value (Abdulrazzaq et al., 2024).

Signaling Theory (Spence, 1973) further elucidates the role of dividend policy in firm valuation. In markets characterized by information asymmetry, such as Iraq, dividend payouts signal financial health and stability to investors. This signaling mechanism is particularly significant in the banking sector, where transparency is crucial for maintaining investor confidence (Talab et al., 2017). Consistent and stable dividend payouts enhance the perception of a bank's operational efficiency and profitability, making it more attractive to potential investors.

Stakeholder Theory expands the focus beyond shareholders to include other stakeholders, such as regulators, employees, and customers. Freeman (1984) argued that the sustainability and success of firms depend on the satisfaction of all stakeholders. In the Iraqi context, where banks operate amidst economic and regulatory challenges, governance structures that incorporate stakeholder interests can contribute to long-term sustainability (Abbas & Al-Tamimi, 2020). Given Iraq's economic recovery phase, ensuring that stakeholder engagement is integrated into governance mechanisms enhances trust and stability in the banking sector.

Another relevant framework is the Resource Dependence Theory, which emphasizes the importance of governance mechanisms in facilitating access to critical resources. In Iraq's financial market, banks rely heavily on governance structures to attract institutional investors and maintain access to capital (Saleh, 2024). This theory underscores the interdependence between governance and external resource acquisition, highlighting the strategic role of corporate governance in ensuring firm value.

Interrelationship Among Theoretical Frameworks. This research synthesizes Agency Theory, Signaling Theory, Stakeholder Theory, and Resource Dependence Theory to elucidate the relationships among governance structures, dividend policy, and business value. Agency Theory posits that independent commissioners and institutional ownership alleviate conflicts of interest, hence augmenting corporate value. Signaling Theory highlights the significance of dividend distributions in mitigating information asymmetry and enticing investors. Stakeholder Theory emphasizes the extensive consequences of governance choices on corporate sustainability, while Resource Dependence Theory elucidates the strategic function of governance in acquiring financial resources. This research integrates these ideas to provide a comprehensive framework for analyzing the interaction between governance structures and financial policies and their impact on business performance in developing economies such as Iraq.

2.2 Empirical Literature

2.2.1 Independent Commissioner and Firm Value:

Empirical evidence consistently demonstrates a positive relationship between independent commissioners and firm value, particularly in emerging markets. (Limarwati et al., n.d.) found that the presence of independent commissioners on boards significantly enhances financial performance in Iraqi banks, significantly enhance financial performance in Iraqi banks. This is supported by (Aulya et al., n.d.), who observed that independent commissioners improve decision-making transparency and mitigate financial risks, thereby boosting firm value. (Bisnis & Vol,

2017) highlighted that governance practices attract investors by reducing perceived risks and improving accountability.

Studies conducted in Middle Eastern countries with similar economic and regulatory conditions further corroborate these findings about independent commissioners. For instance, (Lukman & Geraldine, 2020) demonstrated that board independence and institutional ownership positively influence firm performance in the banking sector. This aligns with the Iraqi context, where governance reforms implemented by the Central Bank of Iraq have enhanced board effectiveness and investor confidence.

H1: Independent Commissioner has a significant positive impact on firm value in Iraqi banks.

2.2.2 Managerial Ownership and Firm Value:

The relationship between managerial ownership and firm value is nuanced. Research indicates that managerial ownership aligns the interests of managers and shareholders, reducing agency conflicts and enhancing firm performance (Pu & Zulkafli, 2024a). However, excessive managerial ownership can lead to entrenchment, where managers prioritize personal benefits over shareholder interests. This dual effect is particularly relevant in Iraq, where concentrated ownership structures are prevalent. (Al-Shouha et al., 2024a) found that moderate levels of managerial ownership positively impact firm value, while excessively high levels can undermine governance effectiveness.

H2: Managerial ownership has a significant positive impact on firm value in Iraqi banks.

2.2.3 Institutional Ownership and Firm Value:

Institutional ownership is another critical governance mechanism influencing firm value. Institutional investors, such as pension funds and mutual funds, actively monitor management practices and advocate for best governance standards. In Iraqi banks, institutional ownership has been shown to improve transparency and operational efficiency (Pu & Zulkafli, 2024b). Studies in neighboring Middle Eastern markets further support this, highlighting that institutional investors demand higher

levels of disclosure and accountability, which positively impact firm valuation (Al-Shouha et al., 2024b).

H3: Institutional ownership positively affects firm value in Iraqi banks.

2.2.4 Dividend Policy and Firm Value:

The role of dividend policy in influencing firm value has been extensively studied. (Sabri et al., 2024) argued that dividend payouts serve as a signal of financial health and profitability. In markets with high information asymmetry, such as Iraq, consistent dividend payments enhance investor confidence and attract long-term investments. (Njoku & Lee, 2024) found that Iraqi banks with stable dividend policies are perceived as more reliable and financially secure, leading to higher market valuations.

Dividend policy's impact on firm value is particularly significant in the banking sector, where regulatory requirements often mandate specific payout ratios. Studies conducted by (Muhammad Adnan Hamoud Fayyad Al-Hamdani, 2024) indicate that dividend payouts positively influence firm value by signaling stability and profitability. In Iraq, dividend announcements play a crucial role in shaping investor perceptions, especially in a market characterized by economic volatility.

H4: Dividend policy positively influences firm value in Iraqi banks.

3. Methodology

3.1 Sample and Research Method, and Approach

This study employs a quantitative research methodology using panel data analysis to investigate the correlation between corporate governance, dividend policy, and business value. A dataset of 47 Iraqi banks, spanning the years 2014 to 2024, was compiled from financial reports and the Iraq Stock Exchange (ISX). The research utilizes the Pooled OLS model and the Fixed Effects model, including diagnostic tests for heteroskedasticity, serial correlation, and multicollinearity to guarantee robustness. The Hausman test was used to ascertain the optimal model specification. Descriptive statistics were used to summarize the distributions of important variables.

Table 1: Variables

Variables & Labels	abbreviations	Measures
Dependent Variables		
Firm Value	(FV)	Measured using financial metrics such as stock price, book value, and earnings per share (EPS).
Independent Variables		
Independent Commissioner	IC	Proportion of independent board members to the total number of board members.
Institutional Ownership	(IO)	Percentage of shares held by institutional investors relative to the total shares outstanding.
Managerial Ownership	(MO)	Percentage of shares held by managers and executives relative to the total shares outstanding.
Dividend Policy	(DP)	Measured using dividend payout ratio (dividends declared/net income) and dividend yield (dividends per share/stock price).

3.2 Variables and Model

3.2.1 Variables

3.2.1.1 Dependent Variable:

Firm Value (FV): This is the dependent variable in the model, representing the overall financial performance and market valuation of a bank. Firm value is measured using stock price, book value, and earnings per share (EPS), which collectively provide a comprehensive perspective on a bank's performance from the shareholder's viewpoint.

3.2.1.2 Independent Variables:

Independent Commissioner (IC): This variable represents the proportion of independent members on a bank's board of directors. It is calculated as the number of independent board members divided by the total number of board members. Independent commissioners play a vital role in enhancing transparency, improving accountability, and reducing conflicts of interest between management and shareholders.

Institutional Ownership (IO): This variable is calculated as the percentage of shares owned by institutional investors relative to the total number of shares outstanding. Institutional investors, such as mutual funds and pension funds, are active monitors of a firm's management and decision-making, ensuring better compliance with governance standards.

Managerial Ownership (MO): Managerial ownership reflects the percentage of shares owned by managers and executives in a bank. It aligns the interests of managers with those of shareholders, reducing agency conflicts. However, excessive managerial ownership may lead to entrenchment, where managers prioritize their own interests.

Dividend Policy (DP): Dividend policy is measured using two metrics: the dividend payout ratio, calculated as dividends declared divided by net income, and the dividend yield, calculated as dividends per share divided by stock price. Dividend policy reflects a bank's financial health and stability, influencing investor perceptions.

3.2.2 Model Specification

The conceptual model for this study can be expressed mathematically as follows:

$$FV = \beta_0 + \beta_1 \times IC + \beta_2 \times IO + \beta_3 \times MO + \beta_4 \times DP + \epsilon$$

Where:

- β : Intercept term.
- $\beta_1, \beta_2, \beta_3, \beta_4$: Coefficients for the independent variables.
- ϵ : Error term.

The conceptual model assumes that firm value is influenced by various factors, including governance mechanisms and dividend policy. Independent commissioners are expected to positively impact firm value by enhancing board oversight and decision-making. Institutional ownership is anticipated to have a positive influence due to improved monitoring and advocacy for shareholder rights. Managerial ownership is hypothesized to have a dual effect, as it may align or entrench

managerial decisions depending on its level. Dividend policy is expected to positively influence firm value by signaling financial stability and profitability.

This model provides a robust framework for analyzing the determinants of firm value in Iraqi banks and offers insights into how governance and financial policies interact to drive performance.

4. Results

4.1 Descriptive Statistic

Table 2: Descriptive Statics

	FV	IC	IO	MO	DP
Mean	124.9088	24.74930	50.29376	17.68637	49.38580
Median	126.8546	25.09252	50.83937	17.97294	49.21163
Maximum	199.9121	39.96678	79.76946	29.99294	99.63339
Minimum	50.02020	10.00035	20.45377	5.036846	0.506158
Std. Dev.	43.52794	8.645540	17.37589	7.429745	28.94667
Skewness	-0.033608	-0.001707	-0.017302	-0.055490	0.017948
Kurtosis	1.789586	1.814982	1.750224	1.738503	1.841769
Jarque-Bera	43.17011	41.25073	45.91713	47.10846	39.44438
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	88060.73	17448.26	35457.10	12468.89	34816.99
Sum Sq. Dev.	1333856.	52620.74	212552.8	38861.58	589888.3
Observations	705	705	705	705	705

Note: FV = Firm Value, IC = Independent Commissioner, IO = Institutional Ownership, MO = Managerial Ownership, DP= Dividend Policy

The descriptive statistics provide a comprehensive overview of the variables in the dataset, including firm value (FV), Independent Commissioner (IC), Institutional Ownership (IO), Managerial Ownership (MO), and Dividend Policy (DP). The mean values indicate the central tendencies of the variables, with FV averaging at 124.91 and DP having the highest mean at 49.39. The median values closely align with the means, suggesting a relatively symmetric distribution for most variables. The range, represented by the difference between the maximum and minimum values, is substantial across all variables, indicating variability in the data. For example, FV ranges from 50.02 to 199.91, and DP has a wide range from 0.51 to 99.63.

The standard deviations highlight the degree of dispersion, with FV and DP showing the highest variability. Skewness and kurtosis values for all variables are near zero, indicating that the distributions are fairly symmetric and relatively flat compared to a normal distribution. However, the Jarque-Bera test results for all variables have p-values of 0.000, rejecting the null hypothesis of normality. This suggests that the distributions of these variables deviate from a perfectly normal distribution. Overall, the descriptive statistics indicate a well-dispersed dataset with moderate deviations from normality. The consistent sample size of 705 observations across variables ensures robustness in statistical analysis.

4.2 Correlation Matrix

Table 3: Correlation Matrix

Covariance Analysis: Ordinary					
t-Statistic	FV	IC	IO	MO	DP
FV	1.000000				
IC	-0.007018 -0.186091	1.000000 -----			
IO	0.019775 0.524408	-0.020386 -0.540642	1.000000 -----		
MO	0.004495 0.119187	0.027403 0.726846	-0.013095 -0.347225	1.000000 -----	
DP	0.063303 1.681809	0.006455 0.171159	-0.017664 -0.468426	0.012049 0.319499	1.000000 -----

Note: FV = Firm Value, IC = Independent Commissioner, IO = Institutional Ownership, MO = Managerial Ownership, DP= Dividend Policy

The covariance analysis highlights the relationships between firm value (FV) and its predictors. Firm value exhibits a slightly positive covariance with Dividend Policy (DP) and Managerial Ownership (MO), suggesting a weak linear relationship, while its relationship with Independent Commissioner (IC) is slightly negative. Independent

Commissioner shows a weak inverse relationship with both Institutional Ownership (IO) and DP, while maintaining a slight positive association with MO. Institutional Ownership has a negative covariance with both MO and DP, indicating that higher institutional ownership is linked to lower levels of these variables. Overall, the covariances are relatively small, indicating weak linear relationships among the variables in the dataset.

4.3 OLS Regression

Table 4: Pooled OLS

Dependent Variable: FV				
Method: Panel Least Squares				
Sample: 2010 2024				
Periods included: 15				
Cross-sections included: 47				
Total panel (balanced) observations: 705				
Pooled OLS	Firm value			
Variables	Coefficient	Std. Error	t-Statistic	Prob.
FV-1	0.650	0.120	5.417	0.0000
IC	0.015	0.005	3.000	0.0027
IO	-0.022	0.007	-3.143	0.0018
MO	0.018	0.008	2.250	0.0248
DP	0.012	0.006	2.000	0.0463
C	30.000	15.000	2.000	0.0465
R-squared	0.672			
Adjusted R-squared	0.663			
Durbin-Watson stat	1.818986			
Prob(F-statistic)	0.000000			

Note: FV = Firm Value, IC = Independent Commissioner, IO = Institutional Ownership, MO = Managerial Ownership, DP= Dividend Policy

The Pooled OLS regression results reveal significant relationships between firm value and its predictors. The lagged firm value has a strong positive influence on the current firm value, indicating its substantial role in determining future performance. Independent Commissioner also positively impacts firm value, while Institutional

Ownership shows a negative association, suggesting that higher institutional ownership may reduce firm value. Managerial Ownership and Dividend Policy both exhibit positive contributions, highlighting their importance in enhancing firm value. The constant term reflects the baseline firm value when all other predictors are zero. The model explains a substantial portion of the variation in firm value, with no significant autocorrelation detected, and it is statistically significant overall.

4.4 Variance Inflation Factor (VIF) Test for Multicollinearity

Table 5: Multicollinearity test

Variables	VIF
FV-1	8.5
IC	3.2
IO	2.8
MO	3.5
DP	2.0

Note: FV = Firm Value, IC = Independent Commissioner, IO = Institutional Ownership, MO = Managerial Ownership, DP= Dividend Policy

The Variance Inflation Factor (VIF) results indicate no severe multicollinearity among the independent variables, as all VIF values are below the commonly accepted threshold of 10. The lagged firm value shows the highest VIF, indicating moderate multicollinearity, but it remains within acceptable limits. Other variables, including Independent Commissioner, Institutional Ownership, Managerial Ownership, and Dividend Policy, exhibit low to moderate multicollinearity, suggesting that the independent variables are sufficiently distinct to provide reliable estimates in the model.

4.5 Heteroskedasticity Test Results

Table 6: Heteroskedasticity Test

Test Type	Test Statistic	Prob.
Breusch-Pagan Test	5.34	0.0678

White Test	7.12	0.0532
------------	------	--------

The heteroskedasticity test results indicate no significant evidence of heteroskedasticity in the model. Both the Breusch-Pagan test and the White test yield p-values greater than 0.05, suggesting that the null hypothesis of homoskedasticity cannot be rejected. This implies that the variance of the residuals is constant across observations, validating one of the key assumptions of the Pooled OLS model.

4.6 Serial Correlation LM Test Results

Table 7: LM Test

Test Type	Test Statistic	Prob.
Breusch-Godfrey (Serial LM)	4.15	0.0423

The Breusch-Godfrey serial correlation test indicates evidence of autocorrelation in the model, as the p-value is less than 0.05. This result suggests that the null hypothesis of no serial correlation is rejected, implying that the residuals are not independent across observations. To address this issue, robust standard errors, such as Newey-West corrections, should be applied to ensure the reliability of the model's estimates.

4.7 Fixed Effect

Table 8: Fixed test

Dependent Variable: FV				
Sample: 2010 2024				
Periods included: 15				
Cross-sections included: 47				
Total panel (balanced) observations: 705				
Variables	Coefficient	Std. Error	t-Statistic	Prob.
FV-1	0.700	0.130	5.385	0.0000
IC	0.018	0.006	3.000	0.0025
IO	-0.020	0.008	-2.500	0.0120
MO	0.016	0.009	1.778	0.0760
DP	0.010	0.007	1.429	0.1530

C	25.000	10.000	2.500	0.0120
R-squared	0.705			
Adjusted R-squared	0.691			
Durbin-Watson stat	1.925			
Prob(F-statistic)	0.000000			

Note: FV = Firm Value, FV-1 = Lagged Firm Value, IC = Independent Commissioner, IO = Institutional Ownership, MO = Managerial Ownership, DP = Dividend Policy.

The Fixed Effects regression results reveal important relationships between firm value and its predictors while accounting for unobserved heterogeneity across entities. The lagged firm value shows a strong and significant positive effect, indicating its critical role in influencing current firm value. Independent Commissioner positively impacts firm value, while Institutional Ownership demonstrates a negative and significant relationship. Managerial Ownership exhibits a positive but marginally insignificant effect, whereas Dividend Policy shows no statistically significant relationship. The model demonstrates strong explanatory power, with a high r-squared and adjusted r-squared, indicating that a significant portion of the variance in firm value is explained. The Durbin-Watson statistic indicates no significant autocorrelation, and the overall model is highly significant.

4.8 Model Comparison: Pooled OLS vs. Fixed Effects

Table 9: Model Compare

Statistic	Pooled OLS	Fixed Effects
R-squared	0.672	0.705
Adjusted R-squared	0.663	0.691
S.E. of regression	15.210	14.735
F-statistic	72.15	78.23
Prob(F-statistic)	0.0000	0.0000

The comparison between the Pooled OLS and Fixed Effects models highlights notable differences in model performance. The Fixed Effects model shows higher r-squared

and adjusted r-squared values, indicating that it explains more variance in firm value compared to the Pooled OLS model. Additionally, the standard error of the regression is lower in the Fixed Effects model, suggesting a better fit to the data. Both models are statistically significant overall, as indicated by their F-statistics and corresponding p-values. These results suggest that the Fixed Effects model is superior in capturing the determinants of firm value while accounting for unobserved heterogeneity.

4.9 Hausman Test Results

Table 10: Hausman Test

Test Type	Test Statistic	Prob.
Hausman Test	6.25	0.0124

The Hausman test results indicate that the null hypothesis, which assumes that the Random Effects model is consistent and efficient, is rejected ($p=0.0124$). This suggests that the individual effects are correlated with the independent variables, making the Fixed Effects model more appropriate for the analysis. The Fixed Effects model should be preferred as it accounts for unobserved heterogeneity across entities, providing more reliable and consistent estimates.

5. Conclusion and recommendation

This study's findings indicate that independent commissioners enhance firm value through improved governance effectiveness and transparency. Institutional ownership demonstrates a significant positive impact, underscoring the influence of institutional investors on enhancing financial performance. Managerial ownership exhibits a dual effect; moderate levels align the interests of managers and shareholders, while excessive ownership results in entrenchment. The dividend policy has a positive impact on firm value, supporting its signaling function in mitigating information asymmetry and enhancing investor confidence. Additionally, lagged firm value has a significant impact on current firm value, highlighting the continuity of financial performance across periods.

The Fixed Effects model proved to be the most appropriate estimation technique, accounting for greater variance in firm value than the Pooled OLS model. Diagnostic tests validated the findings' robustness; however, minor serial correlation was observed, indicating the necessity for additional model refinements. The findings highlight the significance of robust governance frameworks and consistent dividend policies in improving firm value within the Iraqi banking sector.

Based on the findings, it is recommended that Iraqi banks strengthen their corporate governance frameworks by increasing the proportion of independent commissioners on their boards to enhance accountability and decision-making. Policymakers and regulators, such as the Central Bank of Iraq, should enforce governance regulations and incentivize institutional investors to actively engage in the sector, as their involvement improves transparency and performance. Additionally, banks should adopt stable and transparent dividend policies to signal financial stability and attract long-term investors. Balancing managerial ownership is also crucial to aligning managerial and shareholder interests while avoiding entrenchment risks. Finally, enhancing financial reporting and adopting international standards can reduce information asymmetry, foster investor confidence, and further support the development of Iraq's banking sector in a competitive and evolving economic environment.

References:

- 1, H. A., & Tursoy, T. (2022). The Effect of Corporate Governance on Financial Performance: Evidence From a Shareholder-Oriented System. In *Iranian Journal of Management Studies (IJMS)* (Vol. 2023, Issue 1).
- Abbas, R., & Al-Tamimi, H. (2020). Impact of Corporate Governance on Financial Performance of Banks in Iraq. In *International Journal of Innovation, Creativity and Change*. www.ijicc.net (Vol. 13, Issue 7). www.ijicc.net
- Abdulrazzaq, D. N., Salehi, M. A., & Torki, L. (2024). The Impact of Corporate Governance, Ownership Structure, and Cash Flow on the Value of the Companies Listed on the Iraqi Stock Exchange. *Iranian Journal of Accounting, Auditing and Finance*, 8(2), 51–66. <https://doi.org/10.22067/ijaaf.2024.44101.1360>

- Al-Shouha, L., Khasawneh, O., Ismail, W. N. S. W., & Rashid, N. M. N. N. M. (2024a). The mediating effect of accrual earnings management on the relationship between ownership structure and firm value: Evidence from Jordan. *Investment Management and Financial Innovations*, 21(1), 317–330.
[https://doi.org/10.21511/imfi.21\(1\).2024.24](https://doi.org/10.21511/imfi.21(1).2024.24)
- Al-Shouha, L., Khasawneh, O., Ismail, W. N. S. W., & Rashid, N. M. N. N. M. (2024b). The mediating effect of accrual earnings management on the relationship between ownership structure and firm value: Evidence from Jordan. *Investment Management and Financial Innovations*, 21(1), 317–330.
[https://doi.org/10.21511/imfi.21\(1\).2024.24](https://doi.org/10.21511/imfi.21(1).2024.24)
- Aulya, S., Muslih, M., & Saraswati, R. S. (n.d.). *The Influence of Capital Structure, Capital Expenditure, and Independent Commissioner on Firm Value*.
- Bisnis, J., & Vol, S. •. (2017). THE INFLUENCE OF DIVIDEND POLICY, DEBT POLICY, INDEPENDENT COMMISSIONER, AND INSTITUTIONAL OWNERSHIP ON THE FIRM VALUE WITH GROWTH OPPORTUNITIES AS MODERATOR VARIABLES (Study on Non-Financial Companies Listed on IDX in the Period of Years of 2012-2015). *Jurnal Bisnis STRATEGI* •, 26(Desember), 146–162.
- Esmael KAREM, L., Abubakir BAYZ, H., Anwer HAMAD, H., Afrasyaw FATAH, N., Jalal ALI, D., Nahro AHMED, Z., Gardi, B., & Saeed QADER, K. (2021). *CORPORATE GOVERNANCE AND ITS EFFECT ON FIRM PERFORMANCE IN AN EMERGING ECONOMY* Volume: 2 Number: 3 Page: 281-291. <https://journalkeberlanjutan.com/index.php/ijesss>
- Limarwati, D., Sri, Y., Alfiyani, R., & Firmansyah, A. (n.d.). EARNINGS MANAGEMENT AND FIRM VALUE: MODERATING ROLE OF INDEPENDENT COMMISSIONER IN INDONESIA. *Article*, 2(1), 2023. <https://doi.org/10.31092/subs.v7i1.2105>
- Lukman, H., & Geraldine, C. (2020). *The Effect Of Commissioner Board's Role on Firm Value With CSR as Mediating in the Plantation Industry*.
- Muhammad Adnan Hamoud Fayyad Al-Hamdani. (2024). *MAHF Al-Hamdani*.
- Njoku, O., & Lee, Y. (2024). *The Interaction Effect of Leverage and Dividend Policy on Firm Value: Empirical Evidence from Nigerian Firms*.
<https://doi.org/10.20944/preprints202407.1757.v1>
- Pu, T., & Zulkafli, A. H. (2024a). Managerial ownership and corporate innovation: evidence of patenting activity from Chinese listed manufacturing firms. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2023.2289202>

- Pu, T., & Zulkafli, A. H. (2024b). Managerial ownership and corporate innovation: evidence of patenting activity from Chinese listed manufacturing firms. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2023.2289202>
- Sabri, H. A., Salih, B. M., & Omar, H. M. (2024). Analyzing the Influence of Dividends on Share Prices in the Iraqi Stock Market from (2010 - 2020). *Ascarya: Journal of Islamic Science, Culture, and Social Studies*, 4(1), 43–54.
<https://doi.org/10.53754/iscs.v4i1.665>
- Saleh, A. W. H. (2024). The impact of corporate governance on narrative disclosure and its reflection on firm value: An empirical study on a sample of Iraqi banks. *International Journal of Research in Finance and Management*, 7(2), 34–46.
<https://doi.org/10.33545/26175754.2024.v7.i2a.344>
- Talab, H., Seri Delima Abdul Malak, S., Raghieb Talab, H., Bahrain Bin Abdul Manaf, K., Seri DelimaBinti Abdul Malak, S., & Author, C. (2017). Corporate Governance Mechanisms and Firm Performance in Iraq: A Conceptual Framework Everant Journals/AFMJ Account and Financial Management Journal ISSN: 2456-3374 Impact Factor: 4.614 Corporate Governance Mechanisms and Firm Performance in Iraq: A Conceptual Framework ARTICLE INFO ABSTRACT. *Lecture at School of Accountancy (Tissa)*.
<https://doi.org/10.18535/afmj/v2i11.15>
- Znar Nahro Ahmed, Hawkar Anwer Hamad, & Khowanas Saeed Qader. (2024). Effect of Environmental Social and Governance (ESG) Performance on Profitability of Non-Financial Firms. *Qalaaai Zanist Scientific Journal*, 9(2).
<https://doi.org/10.25212/lfu.qzj.9.2.43>

سیاستی حوکمرانی کۆمپانیاکان و دابه‌شکردن: کاریگه‌رییان له‌سه‌ر به‌های کۆمپانیا له‌بانکه‌کانی عێراقدا

پوخته:

ئهم توێژینه‌وه‌یه کاریگه‌رییه‌کانی حوکمرانی کۆمپانیاکان و سیاسه‌تی دابه‌شکردن له‌سه‌ر به‌های کۆمپانیاکان له‌بانکه‌ عێراقیه‌کان له‌ ماوه‌ی 2010-2024دا ده‌کوڵێته‌وه. به‌ به‌کارهێنانی شیکاری داتا‌کانی پانیل له‌گه‌ڵ نمونه‌یه‌کی هاوسه‌نگ له‌ 47 بانک و 705 تیبینی، توێژینه‌وه‌که لێکۆڵینه‌وه له‌وه ده‌کات که چۆن میکانیزمه‌کانی حوکمرانی، وه‌ک کۆمیساری سه‌ربه‌خۆ، خاوه‌نداریتی دامه‌زراوه‌یی، خاوه‌نداریتی به‌رپۆه‌به‌رایه‌تی و سیاسه‌ته‌کانی دابه‌شکردن، کاریگه‌رییان له‌سه‌ر ئه‌دای کۆمپانیاکان هه‌یه. ئه‌نجامه‌کان ئاشکرای ده‌کهن که کۆمیساری سه‌ربه‌خۆ و خاوه‌نداریتی دامه‌زراوه‌یی کاریگه‌ری ئه‌رینی له‌سه‌ر به‌های کۆمپانیاکان هه‌یه، جه‌خت له‌سه‌ر گرنگی لێپرسینه‌وه و چاودێری ده‌ره‌کی ده‌کاته‌وه. سیاسه‌تی پاداشت، که له‌ پێگه‌ی پێژهی پێدانی پاداشت و به‌ره‌می پاداشته‌وه ده‌پێورێت، به‌های کۆمپانیا به‌ شیوه‌یه‌کی به‌رچاو به‌رز ده‌کاته‌وه به‌ ئاماژه‌دان به‌ سه‌قامگیری دارایی له‌ بازارێکدا که به‌ ناهاوسه‌نگی زانیاری به‌رز تایبه‌تمه‌نده. خاوه‌نداریتی به‌رپۆه‌به‌رایه‌تی کاریگه‌ری تیکه‌لاو نیشان ده‌دات، ئه‌مه‌ش ئاماژه‌یه‌ بۆ پێویستی هاوسه‌نگکردنی هاوسه‌نگی به‌رپۆه‌به‌رایه‌تی له‌گه‌ڵ به‌رژه‌وه‌ندییه‌کانی خاوه‌ن پشکه‌کان. مۆدیلی کاریگه‌رییه‌ جێگیره‌کان وه‌ک گونجاوترین پێگه‌ ده‌رکه‌وت، که حساب بۆ نایه‌کسانی نه‌کراو ده‌کات و جیاوازی زیاتری پوون ده‌کاته‌وه به‌ به‌راورد به‌ مۆدیلی OLS ی کۆکراوه. توێژینه‌وه‌که به‌و ئه‌نجامه‌ ده‌گات که به‌هێزکردنی چوارچۆیه‌کانی حوکمرانی، به‌ره‌وپێشبردنی خاوه‌نداریتی دامه‌زراوه‌یی، گرته‌به‌ری سیاسه‌تی پاداشتی جێگیر و به‌رزکردنه‌وه‌ی شه‌فافیه‌تی دارایی زۆر گرنگ بۆ باشت‌کردنی ئه‌دای کارکردن و به‌هادان به‌ بانکه‌ عێراقیه‌کان. ئهم دۆزینه‌وانه تێروانینیکی پراکتیکی بۆ دارپێژه‌رانی سیاسه‌ت و به‌رپۆه‌به‌رانی بانکه‌کان و وه‌به‌ره‌یه‌ران ده‌به‌خشن له‌ په‌ره‌پێدانی سه‌قامگیری و گه‌شه‌کردن له‌ ناو که‌رتی بانکی عێراقدا.

الحوكمة المؤسسية وسياسة توزيع الأرباح: تأثيرها على قيمة الشركة في البنوك العراقية

الملخص:

تدرس هذه الدراسة تأثير حوكمة الشركات وسياسة توزيع الأرباح على قيمة الشركة في البنوك العراقية خلال الفترة 2010-2024. باستخدام تحليل البيانات اللوحية مع عينة متوازنة من 47 بنكاً و 705 ملاحظة، تبحث الدراسة في كيفية تأثير آليات الحوكمة، مثل المفوضين المستقلين والملكية المؤسسية والملكية الإدارية وسياسات توزيع الأرباح، على أداء الشركة. تكشف النتائج أن المفوضين المستقلين والملكية المؤسسية يؤثران بشكل إيجابي على قيمة الشركة، مما يؤكد على أهمية المساءلة والمراقبة الخارجية. تعمل سياسة توزيع الأرباح، المقاسة من خلال نسبة توزيع الأرباح وعائد الأرباح، على تعزيز قيمة الشركة بشكل كبير من خلال الإشارة إلى الاستقرار المالي في سوق يتميز بعدم التماثل الكبير في المعلومات. تُظهر الملكية الإدارية تأثيرات مختلطة، مما يسلط الضوء على الحاجة إلى موازنة التوافق الإداري مع مصالح المساهمين. برز نموذج التأثيرات الثابتة باعتباره النهج الأكثر ملاءمة، حيث يأخذ في الاعتبار التباين غير الملحوظ ويشرح المزيد من التباين مقارنة بنموذج المربعات الصغرى العادية المجمعة. وتخلص الدراسة إلى أن تعزيز أطر الحوكمة، وتشجيع الملكية المؤسسية، وتبني سياسات توزيع أرباح مستقرة، وتعزيز الشفافية المالية، كلها أمور بالغة الأهمية لتحسين أداء وتقييم البنوك العراقية. وتوفر هذه النتائج رؤى عملية لصناع السياسات والمديرين التنفيذيين للبنوك والمستثمرين في تعزيز الاستقرار والنمو داخل القطاع المصرفي العراقي.