

ESADE

Ramon Llull University

**ESADE
ENTREPRENEURSHIP
INSTITUTE**

RESEARCH SEMINAR



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Date: **3rd April 2014**

Schedule: **15.30 to 17:00 h**

ESADE

Place: **Ramon Llull University**

Av. Torre Blanca, 59
Room 1M1 (4th Floor – North Tower)
08172 Sant Cugat

Coordinator: Prof. Dr. Alberto Gimeno

Abstract

Family Involvement and Dividend Policy in Closely-Held Firms

This article examines the effects of family involvement on dividend policy in closely held firms that face agency problems involving majority-minority shareholders. We argue that minority shareholders press for dividends when they perceive situations fostering wealth expropriation. Looking at 458 Colombian companies, we find that family involvement in management does not impact dividend policy; family involvement in both ownership and control through pyramids impacts dividend policy negatively; family involvement in control through disproportionate board representation affects dividend policy positively. Thus, family influence on agency problems, and hence on dividend policy as a mitigating mechanism, varies depending on family involvement.

To read the full paper click [here](#)