



COMPANY VALUE MANAGEMENT STRATEGY DEVELOPMENT

Lappeenranta–Lahti University of Technology LUT

Master's programme in Global Management of Innovation and Technology

Master's Thesis

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Examiner: Professor Leonid Chechurin

ABSTRACT

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Keywords: Value drivers, dividend policy, value-based management, dividend yield.

The purpose of the research work was to establish the impact of dividend payments on the value of joint-stock companies and to develop recommendations to increase the effectiveness of value-oriented management.

The analysis and formation of the dividend policy is one of the most important issues of corporate finance. In order to identify the determinants that determine the formation of the shareholder value of public Russian companies, and to determine the nature of their impact on the value, a study was conducted of the dependence of the variable "Market-to-book ratio", which acts as a financial multiplier equal to the ratio of the market value of the company to its accounting value, on variables such as Return on Invested Capital (ROIC) – return on invested capital ratio; the growth rate of fixed assets; the presence of state ownership; the size of the company; financial leverage; the presence of foreign ownership; the age of the company and the Dividend Payout Ratio (DPR) is a variable showing the share of profit paid in the form of dividends.

Based on the research carried out, it is necessary to take measures to improve the quality of the dividend policy. These measures are proposed by the author and are purely advisory.

Table of contents

1	Introduction.....	5
1.1	Background.....	5
1.2	The Aims of the thesis.....	7
1.3	Research methods.....	8
1.4	Structure of the thesis	8
2	Value-based management as the basic paradigm of corporate finance.....	9
2.1	Conceptual framework and significance of value-based management	9
2.2	Main theories of dividend policy in context of its impact on shareholder value..	13
2.3	Key approaches to identifying determinants of shareholder value	18
3	Analysis of the impact of individual factors on the value of companies	26
3.1	Empirical analysis of the impact of the dividend policy on business value. Dependence of the dividend policy on the stage of the company's life cycle	26
3.2	Econometric study of the impact of individual determinants, including the size of the dividend yield, on the value of Russian public companies	33
3.3	Interpretation and conceptual justification of the research results obtained	39
4	Value-based management based on value drivers	43
4.1	Development of recommendations on forming the dividend policy of Russian joint- stock companies as a driver of their investment attractiveness and ensuring the stability and dynamic growth of the country's economy	43
4.2	Vectors of research of determinants of shareholder value based on an imperfect market	48
4.3	Geopolitical risks and their impact on the company's value.	53
5	Discussion and Conclusions	57
	References.....	61

List of figures

Figure 1. Business value management cycle

Figure 2. The Value Driver Tree

Figure 3. Non-financial drivers of the company's value

Figure 4. The number of Russian companies whose shares were traded on the Moscow Stock Exchange

Figure 5. Number of Russian companies that pay and do not pay dividends on shares on the Moscow Exchange

Figure 6. Ratio of payers and non-payers of dividends of Russian companies on shares of the Moscow Exchange

Figure 7. Structure of joint-stock companies of the Russian Federation according to the Federal Agency for State Property Management

Lists of tables

Table 1. Description of variables used in the study

Table 2. Descriptive statistics of data for the 2016-2020 years

Table 3. Results of an econometric study of a model with random effects

Table 4. Model without insignificant regression coefficients

Table 5. Assessment of the dividend policy of well-known large Russian public companies

1 Introduction

1.1 Background

The concept of maximizing the welfare of owners, on the basis of which financial theory justifies decisions in the field of corporate finance management, involves the use of all available levers of value creation for investors in the company's equity. Developing a consistent and transparent dividend payment policy can be one of these tools.

By the end of 1990, the percentage of companies that paid dividends had declined. There were about 20% of such companies. One of the signs of high-quality system management of the company is a well-formed dividend policy that takes into account the interests of both majority and minority shareholders, the company's need to maintain and increase its competitive position in the market.

A special interest in dividends was also found in the Russian legislation. In 2015, the tax on dividends for individuals and legal entities was increased from 9% to 13% per annum. Currently, the Government of the Russian Federation is also considering all possible amendments to the legislation on dividend payments, which will lead to an increase in the efficiency of using federal property

Changes in dividends significantly affect the market value of Russian public companies, and investors are interested in predicting the company's dividend decisions as accurately as possible. In order to improve the quality of the forecast, it is necessary to use not only the directions announced by management in choosing the dividend policy, but also various characteristics of the company, which include financial indicators and the share capital structure.

In economics, there are several theories that explain why a company pays dividends to its investors. Over the years, these theories have been applied in practice and tested in different markets. Some theories have been confirmed, while others have not. The question of whether dividend payments affect the formation of the value of Russian public companies remains open, although several of the theories describe this subspecies quite plausibly and provide at

least some evidence. In the process of theoretical proofs of the dividend choice, a complete list of observed characteristics of companies that affect dividends has emerged:

- size;
- profitability;
- investment opportunities;
- debt load;
- the difference between attracted and earned capital.

The concept of forming the value of Russian public companies was developed not so long ago, but in the system of economic disciplines there are a large number of articles, scientific papers and monographs on this topic. It should be noted that these works are primarily found in foreign authors. The most famous among them are the publications of A. Rappaport, D. Young, M. Rosef, M. Jensen, M. Miller, K. Rock, J. Williams, F. Black, and M. Scholes. They were the founders of the public company value formation approach. Among these studies were serious empirical researches that were conducted by well-known economists in the field of the influence of individual determinants on shareholder value.

Modern Russian literature in the field of studying the issue of a value-oriented approach to management is represented by a small number of researchers. Among them are D.L. Volkov, I.V. Ivashkovskaya, A.V. Gizatullina, A.B. Ankudinov, O.V. Lebedev, and others.

The scientific novelty of the final qualification work consists in determining the impact of the size of the dividend yield on the value of Russian public companies and making recommendations for improving the efficiency of value management based on the application of a dividend policy that is adequate to modern conditions. Based on the results of the econometric study, the interpretation and conceptual justification of the results obtained will be carried out, and recommendations will be developed for the formation of the dividend policy of Russian joint-stock companies as a driver of their investment attractiveness and ensuring the stability and dynamic growth of the country's economy.

The theoretical significance of the final qualifying work lies in the introduction of new empirical data into the general practice of research on the impact of dividend policy on the formation of the value of public Russian companies.

Practical significance of the final qualification work: the conducted econometric study is significant in practical terms for companies, as the final results form an understanding of which determinants, including dividend yield, affect the value of public companies. Also, the practical significance of this work is determined by the possibility of using it for further in-depth research in the process of writing a master's thesis.

1.2 The Aims of the thesis

The aim of the study is to determine the impact of the size of the dividend yield on the value of Russian public companies and develop recommendations for improving the efficiency of value management based on the application of a dividend policy that is adequate to modern conditions.

Research objectives. In order to achieve the set research goal, it is necessary to solve the following problems:

- to review the conceptual framework and significance of value-based management;
- to consider the main theories of dividend policy from the perspective of its impact on shareholder value;
- to study the main approaches to identifying determinants of shareholder value;
- to analyse the results of empirical studies of the impact of the dividend policy on business value;
- to conduct an econometric study of the impact of individual determinants, including the size of the dividend yield, on the value of Russian public companies;
- to perform interpretation and conceptual justification of the results obtained;
- to develop recommendations for forming the dividend policy of Russian joint-stock companies as a driver of their investment attractiveness.

The object of research is Russian public companies of various sectors of the economy.

The subject of the research is the economic relations that develop between companies and investors in the region formation of the dividend policy.

Theoretical basis of the research: the theoretical basis is the works and empirical studies of different authors.

1.3 Research methods

The methodological basis of the study is the econometric analysis of data with fixed effects and random individual effects. The econometric analysis was carried out on the basis of the program "STATA».

Also, we use methods of theoretical analysis: the study of literary sources on the problems of effective application of dividend policy as a driver of their investment attractiveness and ensuring stability and dynamic growth of the country's economy.

1.4 Structure of the thesis

The information base of the study included data from the Moscow Stock Exchange, reports of public companies and sources of macroeconomic data.

The structure of the master thesis is the following: introduction, three chapters that include nine subchapters, discussion and conclusions, as well as a list of references. The paper contains 5 tables and 7 figures. The list of references includes 36 sources. The total volume of the master's thesis is 64 pages.

2 Value-based management as the basic paradigm of corporate finance

2.1 Conceptual framework and significance of value-based management

The concept of value-based management has gained popularity in developed countries and continues its "victorious" march through countries with economies in transition and developing countries, acting as a management tool for the future enterprise. Over the past few years, it has been introduced step by step into the domestic practice of enterprise management. A large number of current managers or top-level owners create successfully functioning enterprises based on the concept, which is focused on the understanding that the growth of shareholders' welfare should be determined not by the number of employees hired or the turnover of the enterprise, the volume of implemented capacities, but by the market value of the enterprise, the managers and owners of which they are (Ambardnishvili et al., 2017).

The core of the ideology of value-based management - the choice of the rule of maximizing the value of the enterprise as a general corporate task and confidence in the possibility of systematic and purposeful management of the decision-making process. The development and implementation of strategies that provide the most likely contribution to the growth of the enterprise value in these conditions are the priority actions of all managers of the enterprise. With this approach, all other goals (global fame, market share, customer satisfaction) are intermediate, reflecting only the degree of influence of various groups that claim to share in the results of the company's actions. They can serve as a constraint on the way to solving this problem, or they can be transformed into a cost maximization problem.

Value based management is an ongoing reorganization that aims to achieve the highest value, which is consistent with the principles of strategic management of continuous improvement. The principle of value maximization sets a universal coordinate system, a single projection for evaluating results in order to manage both individual subsystems and the organization as a whole, into a single scale for measuring success in implementing a strategy and achieving a vision; the principle itself does not say anything about which vector a particular business should develop and which strategy it must choose to succeed.

Cost (increment) is a solid economic criterion that reflects the integral effect of decisions made on all parameters that are used to assess the company's performance (strength of competitive position and market share, investment needs, revenues, operational efficiency, regulation, tax burden, and ultimately, the level of risk and cash flows that can rank options). in a situation of multiple choices).

The concept of value-based management is aimed at changing the worldview of managers and is designed to become a lifestyle of enterprises. First of all, this should affect the principles of determining the effectiveness of enterprise management, which should not be based on liquidity, profitability or a profit, but a change in its value. The object of strategic management should be precisely the cost of the enterprise, since only through increasing the cost is the economic potential of the chosen perspective of a long-term strategy realized.

Based on the work of I. A. Egerev, the intrinsic value of a business is the value that it would have in the market if the latter's representatives were fully informed about all the prospects and aspects of its activities in the absence of any barriers to performing operations with the business's own capital. Based on this, the gap between internal and market value is related to the difference in the perception of the state of business by the market and management (Egerev, 2002).

Foreign publications offer a methodology of value-based management, which is ultimately focused on market value management. Fig 1. shows a pentagon that represents the business value management cycle.

The five numbered peaks represent the periods of business valuation, and the segments between them represent the stages of cost management.

Matching the cost with the business (enterprise) management cycle occurs as follows.

The first stage (1-2) sets the current state of the business (enterprise) using the business value criterion. Along with this, its internal and market values are determined.

The second stage (2-3) compares the current state of the business with the reference one determined on the condition of maximizing value, compares the internal and market values of the business, and concludes that additional measures are needed to bring to the market more complete information about the state of the business and the adequacy of the market's assessment of the business.

The third stage (3-4) compares the value of the business obtained by taking into account internal improvements, and the value taking into account external reorganization (for example, the development of new areas of activity due to mergers and acquisitions of other businesses).

The fourth stage (4-5) is related to financial design, studying the impact on the volume of debt and cost, the possibility of changing the forms and structure of business financing.

The fifth stage (5-1) implements specific measures to achieve the intended state of the business and a certain value. At its end, the transition to the first stage occurs once again, and the business value management cycle closes (Mochalova, 2009).

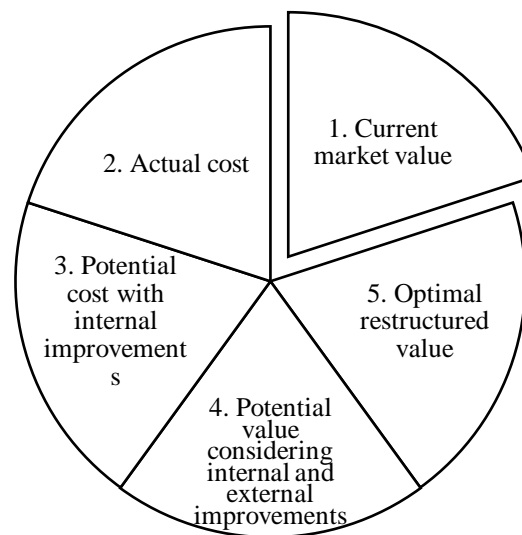


Figure 1. Business value management cycle (Mochalova, 2009).

The formal model of the control cycle is written as follows:

$$E = E_{E1} + \Delta E_{E2} + \Delta E_{E3} + \Delta E_{E4} + \Delta E_{E5}, \quad (1)$$

where E is the business value at the end of the management cycle; E_{E1} is the market value of the business at the beginning of the management cycle; ΔE_{E2} is the gap between internal and market value; ΔE_{E3} is the increase in internal value due to internal improvements; ΔE_{E4} is the increase in internal value due to external improvements; ΔE_{E5} is the increase in internal costs due to financial design.

M.K. Skott in its work highlights that the cost management of a business (enterprise) is possible based on an analysis of its sensitivity to factors (Scott, 2005).

The proposed approach to value-oriented management is based on the idea of a directed change in the values of the factors that characterize it and follows from two fundamental provisions: the view of value as a criterion of the system and the view of the enterprise as a value-oriented system. It is based on the thesis that when making decisions, the greatest attention should be paid to those factors that can most significantly affect the value of the business and turn out to be the riskiest in terms of achieving the final value. In other words, if all the cost factors are arranged in descending order of the degree of influence of changes on the final value of the business, then it is necessary to pay attention, first of all, to manage those of them that are located at the beginning of the resulting series.

The influence of these factors can be negative or positive. In this regard, the series will be mixed, ordering will be carried out modulo the value of the degree of influence. To some extent, an approach to business value management based on an analysis of its sensitivity to factors can compensate for the underdevelopment of the securities market in Russia. There are cases in which it allows you to abandon the procedure for comparing internal and market values and determining the discrepancy between them. In this regard, it is possible to proceed directly to the development of areas of impact, without the participation of the first stage of cost management.

Any variable that significantly affects corporate value can be considered as a key factor. Quality characteristics of an enterprise's activity are usually described by specialists as key cost factors: for example, some – the state of production facilities, the company's pricing policy, regulations issued by the state, others – business reputation, influence on the environment and on the psychological relationships that develop between people.

I. N. Tkachenko describes the methodology for assessing the impact of key factors such as budgeting, human capital, innovation, technology, and marketing on the cost of an enterprise. The above-mentioned factors contribute to the factor splitting of the enterprise value, for example, the allocation of its technological, personnel, and innovation components (Tkachenko & Zlygostev, 2018).

In the articles V. Samokhvalov analyses the experience of foreign scientists on the topic, they draw attention to the fact that all key cost factors that show qualitative definitions of an enterprise's activity are divided into external (unmanaged by the enterprise's management) and internal (managed by the enterprise's management), which in turn requires the introduction of complex factors, on the one hand, applicable in operational management of the enterprise, and on the other hand correlating with the market valuation. They suggest using financial cost factors, which are conventionally divided into four groups of indicators that reflect the results of an enterprise's operational, strategic, investment, and financial activities (Samokhvalov, 2004).

I. A. Egerev in his work says that the cost management of a business as a single object is a time-consuming task, and therefore it is best to reduce this process the cost management of the business units forming it, which are distinguished by the principle of significance for the functioning of the business as a whole. The cost of business units can be represented as factors of business value, and the hierarchy of business units can be interpreted as a hierarchy of factors (Egerev, 2002).

The study of the value of an enterprise, as the main criterion for the effectiveness of its activities, will allow managers to focus their efforts on ensuring the sustainability of the functioning of enterprises and increasing their economic and financial independence. This will correct the situation of multiple criteria for evaluating the effectiveness of management, which dissipated the strength of managers and leads to the loss of the focus of their activities.

2.2 Main theories of dividend policy in context of its impact on shareholder value

In a market economy, a large number of scientific studies are devoted to the formation of an effective dividend policy. The process of forming a dividend policy of the company in

theoretical approaches is considered from the point of view of its impact on the company's market value and the material well-being of its owners.

The market value of a company implies the price at which the company can be sold in free competition. These issues are mostly related to joint-stock companies. To date, the main income to the owners of capital is brought by the increase of the value of the company's assets.

First of all, investors are interested in increasing the market price of shares. Increasing the wealth of the firm owners consists in raising the share price, not in increasing the income in the form of dividends, this assumption is the basis for maximizing the market value of the company's shares. In this regard, recently there has been a constant interest in assessing the company's market value and improving practical tools for its management. As mentioned above, a new direction has emerged in management theory – the concept of cost management of a company.

The process of distributing a company's net profit is part of the value creation mechanism. The Board of Directors makes a decision on profit distribution and then approves it at the general meeting of shareholders. The distribution of profit contains the justification of optimal proportions between funds, focused on the formation of a reserve fund and the expansion of production. Management decisions are made in practice in this area within the framework of the dividend policy. The number of dividends depends on the amount of profit and its share distributed among shareholders, it is not constant. One of the most important areas of activity of a financial manager is the implementation and development of an effective dividend policy, which affects a deep understanding of the factors affecting it, including the relationships with various management decisions.

Currently, there are various definitions of the terms dividend and dividend policy in the literature. It is possible to put forward the following generalizing and widespread ones: the division policy is a mechanism for distributing profit among shareholders. An element of the financial strategy can be considered a dividend policy focused on the distribution of effective profits in order to maximize the welfare of shareholders.

R. Brealey and S. Myers defines dividend policy as a compromise between reinvesting profits, on the one hand, and paying dividends by issuing new shares, on the other (Brealey & Myers, 2012).

In the theory of dividend policy, the main issues remain the following: how does the market assess those companies that pay large dividends to their shareholders and do the dividend payments affect the company's market value?

According to R. Brealey and S. Myers, the issue of profit distribution, including the dividend policy, is one of the top ten unsolved problems of finance theory (Brealey et al., 2012).

A broad scientific discussion on the issues of dividend policy was conducted in the article by M. Miller and F. Modigliani, who showed that the value of a firm in a perfect market does not depend on the choice of dividends; in their opinion, the wealth of shareholders is characterized by the ability of the firm to generate profit, and depends on the effectiveness of investment policies to a greater extent, rather than on the way profits are distributed. The basis of the theory of the irrelevance of dividends was laid by the model presented by them. In other words, the dividend policy does not serve as a factor influencing the market value of the firm, which implies that the accrual of dividends should occur on a residual basis after the financing of ongoing investment projects.

Opponents of the theory of independence of the dividend policy were Myron Gordon and John Lintner. Investors prefer to receive dividends rather than expect future returns, which are possible in the event of a stock sale, and they always strive to minimize or eliminate financial risk. The level of uncertainty of investors regarding the profitability and expediency of investing in the company is reduced by current dividend payments, which means that they are satisfied with a lower rate of return on invested capital, as a discount factor, which increases the market valuation of share capital. Companies that pay large dividends will be valued significantly higher by the market. This theory, also known as the theory of materiality of the dividend policy or "tits in the hands", follows from the fact that there is a dividend policy that sets the target (optimal) number of dividends (Kovalev, 2007).

The number of dividends is influenced by the following factors:

- the level of actual profit.
- investment plans of the enterprise;
- prospects for the development of the industry;
- the need for external sources of financing;

- capital structure policy;
- competitors' dividend policy.

The level of taxation of investors' incomes one of the most controversial and significant factors that determine the behaviour of investors in the markets. Works Robert H. Litzenger and Krishna Ramaswamy's ideas served as the beginning of the theory of tax differentiation, in connection with which the capitalized return, rather than the dividend yield, is of priority from the shareholders' point of view, because it is taxed more than the income from capitalization. Investors demand an increased return on investment in firms' shares if the tax rate on dividends is higher than the tax rate on capital gains, which leads to relatively lower share prices of firms paying dividends (Abalakin, 2010).

The problem of setting tax rates of these two types for certain categories of taxpayers is approached differently in different countries. The dividend policy of joint-stock companies is based on a particular group of investors, and tax rates in many countries are differentiated for different categories of taxpayers. For example, in Japan and Germany, the tax rate on income is higher than on dividend income, while in France it is lower; in Canada, the United Kingdom, and Australia, the tax rates on dividend income and reinvested income are the same. In many countries, tax rates are differentiated for different categories of taxpayers, and therefore joint-stock companies base their dividend policy on a particular group of investors.

A disparity in the level of taxation of dividends and capital gains existed in the United States until 2003. The tax on capital gains was 28%, while the tax on dividends was 31%. In order to reduce the adverse effects of rising market prices, a progressive scale of taxation of dividends was introduced with reduced rates. The rate was lowered from 40% to 15%. Many large Western companies consistently pay out dividends, despite the absence of any obligation on the part of the companies to pay the entire free balance of their assets to their shareholders in each reporting period.

With the introduction of the Tax Code in the Russian Federation, the procedure for taxation of dividends was revised, the tax rate on dividends was reduced to 6% for legal entities and individuals, which led to the growth of enterprises that pay dividends. Since there was an increase in the income of a certain category – shareholders - on the market capitalization of enterprises, but taxation was not affected, as a result, the tax rate on the income of individuals

received in the form of dividends increased to 9% since 2005, which is on average less than the rate on the income of individuals of 13%. The analysis generally showed that an increase in the tax rate on dividends provokes a reduction in several companies paying dividends but does not significantly affect the level of dividend payments (Teplova, 2008).

The controversy about the dividend policy today is represented by three opposing points of view.

The first group – right wing conservatives – assumes that higher dividend payments lead to an increase in the value of the firm.

The second group – left-wing radicals – believe that such an increase reduces its cost. Centrists occupy an intermediate position between them, they believe that the dividend policy has nothing to do with the cost (Brealey et al., 2012).

Dividend policy of various companies in modern research shows an increase in the number of investors who find shares of companies that pay regular dividends to their shareholders more attractive. At the same time, institutional investors are more willing to monitor corporate management than the more dispersed and smaller owners.

In Russia, insufficient attention is paid to the study of the dividend policy and the formation of its features, despite the changes in the economy. The leading companies of the country regulated and developed the basic principles of forming a dividend policy, the procedure for calculating and conditions for dividend payments, and the mechanism for distributing profits, fixing them in their local acts. In the activities of leading companies, the formation of a dividend policy depends on the stages of their development and operating conditions. They adhere to various types of dividend policies, from the residual principle policy to maintaining stable growth and the amount of dividend payments. Companies that constantly increase the amount of dividend payments can be attributed to PJSC Lukoil, Gazprom, Rosneft, etc. In general, Russia has developed a practice of low dividend payments in comparison with other emerging markets. In Russia, companies spend 10-20% of their profits on paying dividends, which is up to 40% compared to global practice. The payment of dividends is not considered as a mechanism for changing its market value. The main objective of the dividend policy is to increase the investment attractiveness of the company by increasing dividends.

The dividend policy in emerging and developed markets is determined by the same conditions:

- company size.
- growth potential;
- efficiency of activity

The advantages between the interests of the joint-stock company and the interests of investors may shift in different directions. The benefits remain on the side of the business that reinvests its profits, with a conservative policy. This tactic is often used by young enterprises, or enterprises with insufficient profit growth rates. Many of the world's leading companies are still using it, including in Russia. Dividends are paid on a residual basis (i.e., when the profit is greater than the amount required for optimal provision of the investment budget) and often have a constant size.

Guaranteed interest paid to shareholders and additional bonuses are provided by a moderate policy, provided that the financial situation is good. The latter type – aggressive policy shifts priorities towards shareholders and consumption.

Based on this, we can conclude that there is currently no single dividend policy. At various stages of its development and formation, in various situations occurring on the market, the company's activities are aimed either at increasing dividend payments to shareholders, or at increasing accumulation, which contributes to a greater increase in the investment attractiveness and financial and economic activities of the company as a whole, rather than increasing its market value (Abalakina, 2013).

2.3 Key approaches to identifying determinants of shareholder value

Identifying factors and drivers is one of the main elements of a value-driven management system that affects business value. Within the framework of value management, their identification is of key importance, since such characteristics contribute to the formation of a holistic view of value creation, based on the cost criterion, and will help management make effective decisions.

There is a small terminological feature, that needs to be paid attention to: the study of the management approach involves the identification of various factors and the definition of cost drivers, identified in most cases in the literature. These concepts are not absolutely synonymous, due to significant differences, but they are close in meaning. Cost factor-is any variable that affects the value of the company. It is worth noting that, based on practice, the category of cost factors includes variables that are beyond the control of managers. In particular, the driver has an impact on the creation of value, the purposeful nature of use on the part of management to achieve the main goal of management and is its distinctive feature. Collectively, drivers and cost factors are defined as cost determinants.

In their works, T. Copeland et al. it is emphasized that the definition of cost determinants requires compliance with three main principles (Copeland et al., 2005).

Value creation with the necessary details for shareholders is directly linked to the selected factors and drivers and is brought to all levels of the organization up to the lowest level. This ensures that management is one-pointed in achieving the set management goal and the efforts of employees in the daily day-to-day operations of the company.

The cost determinants in evaluating performance and setting target standards should be expressed in operational key performance indicators, not just financial ones. Managers usually cannot influence the financial ratios, because they most often depend on the defined parameters of operational activity.

Long-term growth prospects and current activities reflect factors and drivers of value. This need is determined by the content of value as such: with respect to the future results of the firm, it determines the expectations of investors. The identified determinants affect the company's long-term growth prospects.

Value drivers and factors are represented by a wide variety of cost determinants. Given the industry affiliation and other characteristics of the organization, each corporation should identify determinants that will explain the creation of the company's shareholder value. At the same time, drivers act as levers, that receive a lot of attention, tools for influencing management on the ratio of post-tax operating profit and costs of invested capital. Factors play an important role, but they are beyond the company's control.

T. Koller presents one of the approaches to identifying, grouping and structuring drivers, where the explanation of key performance indicators is based on the analysis of the cost mechanism. This is shown in Fig 2.

The value of expected future growth and the cost of installed assets is calculated as the sum of investors' expectations. Due to the excess of the sum of current and future operating results of the company's costs for invested funds, its additional growth is formed. These definitions, transformed into the plane of relative values, are established as fundamental value drivers – long-term growth, cost and return on investment capital. The proposed determinants are of a financial nature. It is explained by criteria that are divided into three groups – long-term, medium-term, and short-term cost drivers.

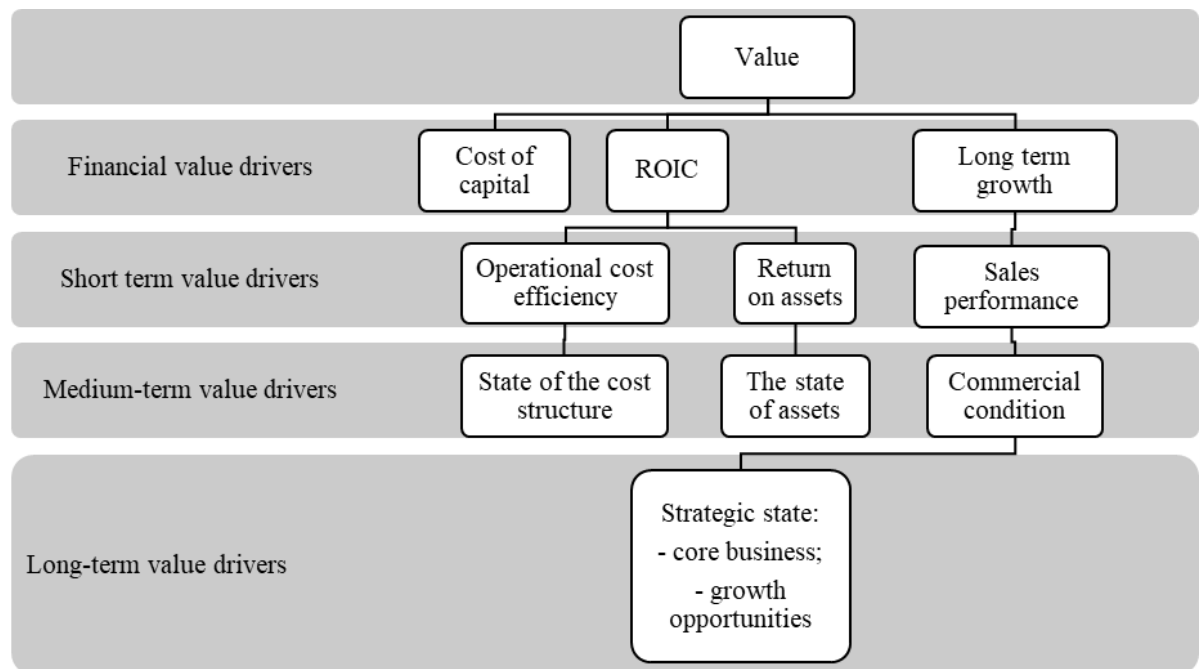


Figure 2. The Value Driver Tree (Copeland, 2005).

A distinctive feature of short-term determinants is the possibility of their frequent monitoring and quantitative measurement. They indicate a potential change in the profitability of the financial resources used and in the near-term growth.

First, Sales performance. Market share, price, the possibility of increasing it relative to competitors, sales volume, sales department efficiency, and so on are the determining drivers of future sales growth. They influence the priorities of the company's functioning and determine the possibility of its expansion in the future.

Secondly, the efficiency of operating costs: the need for financial resources will be less, provided that the funds invested in the sale and production of products are used efficiently.

Third, return of assets. The guarantee of an increase in the profitability indicator is due to the productive use of the company's working capital, its fixed assets and equipment, as this reduces the need for additional financing and, accordingly, increases the return on invested funds.

The medium-term determinant is the next level. Indicates the corporation's ability to maintain and improve its profitability and capital performance prospects during the first five years. This group of cost determinants is represented by three categories.

First, the commercial condition. The determinants of the value of this group are able to maintain a stable level or increase the growth of the current income of an economic entity. For example, brand impact, product development, and customer satisfaction.

Second, the state of the cost structure. Due to the use of various methods and programs that allow minimizing losses and controlling costs, this element of the complex of medium-term cost drivers assumes possible cost management of the corporation relative to competitors within 3 to 5 years.

Third, the state of assets. Building up and maintaining assets can serve as a lever to create value, as it can reduce operational costs, including immediate revenue growth, taking into account the strengthening of customer loyalty, and increase attention to the company from potential consumers.

The final part of the system of value determinants is strategic drivers of long-term value. They can be used to identify new areas of growth, as well as determine the organization's ability to protect its current operational activities.

A group of non-financial or operational drivers that influence the company's price through non-financial determinants is crucial for creating value for shareholders.

Within the framework of the concept of R. Kaplan and D. Norton, this statement was carefully considered and justified. According to this approach, the integral components of management tools for influencing the business value for shareholders are the professional competencies of personnel, the company's corporate culture, the system of relations with consumers, and so on, since together they can expand the company's functioning potential,

including providing a guarantee for the effective use of assets and capital, which increases the company's market value estimates. Non-financial drivers include an unlimited number of different characteristics of the firm (Kaplan & Norton, 2003).

Edvinsson, L. and M. Malone developed an approach to the structured representation of data determinants related to the founders of the concept of cost management (Edvinsson & Malone, 1997).

The proposed system is based on three main subgroups of non-financial drivers of shareholder value (see Fig 3).

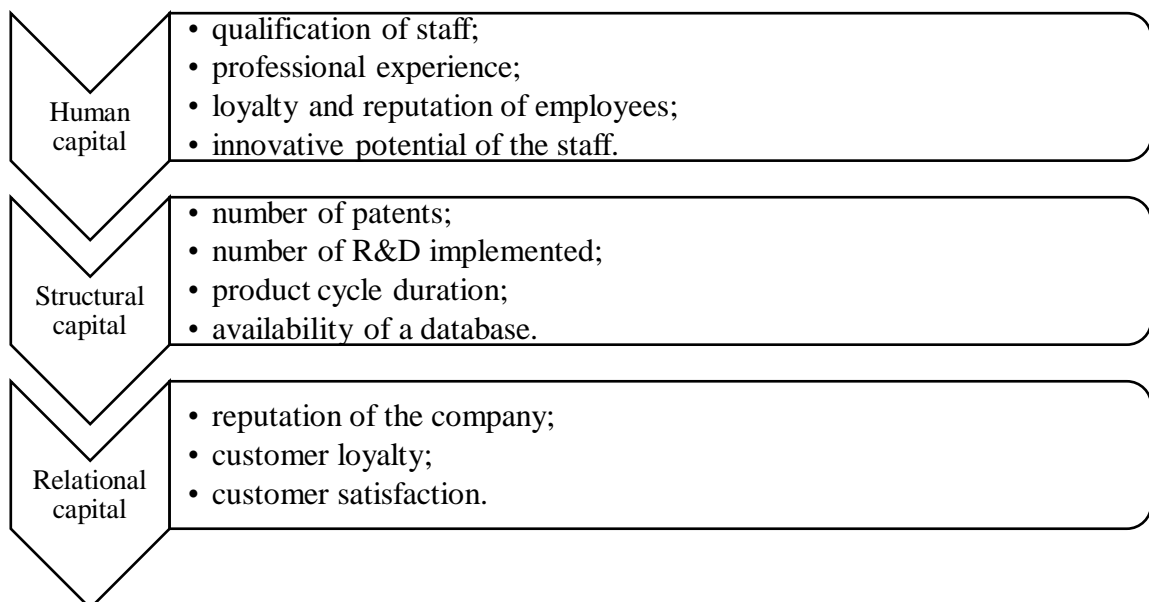


Figure 3. Non-financial drivers of the company's value (Edvinsson, et al., 1997).

In the absence of motivated and result-qualified employees, no organization, even if equipped, will be able to achieve high efficiency in its activities, since it is employees who can contribute to the realization of the production potential of existing devices and technical devices (Kolesnik, 2013),

Structural capital is knowledge acquired and integrated into a certain structure, culture of a commercial enterprise and production processes, reflecting the company's ability to get used to a competitive environment and dynamically changing market conditions. In this regard, a special place in the subgroup of value drivers is occupied by innovative activity, which determines the company's stable position in the market in the long term, which contributes to the shareholder value of the business.

The determinants concluded within the framework of the approach of the company under consideration are combined by the term "relational capital". The combination of direct and indirect relationships of a company with numerous environmental agents is the concept of relational capital. To a large extent, they can influence the future activity of the firm due to their sustainable nature (Martynov, 2012).

In the works on cost management, they point out the important role of capital investment in the driver system. The most effective lever is the creation and development of product and process innovations, by investing in conceptually modern developments that predict high money flows and significant profits in the long term. The market reacts very quickly to significant innovative projects in the form of an increase in stock prices.

The ratio of borrowed and own funds used in the company's activities or financial leverage is a powerful indicator of the formation of shareholder value. This criterion can have an impact, if changes in the capital structure will affect its value: an increase in the part of the attracted financial resources that are more profitable relative to their own will lead to a decrease in capital costs, which, if increased or maintained, will provide additional value for owners.

A. Rappaport, one of the founders of value-based management, considered a system of explanatory factors consisting of 7 main elements; later each one was supplemented by other authors:

- revenue growth rate (development of customer loyalty programs, entering new markets, business globalization, new product development);
- growth of operating margin (modernization of production activities, restructuring, including the combination of professions, reengineering of business processes through implementation IT – systems);
- tax rate (building tax planning, creating an international holding structure, using transfer pricing);
- working capital (use of modern inventory management methods, improvement of accounts receivable management);
- capital expenditures (development of risk management systems, project financing methods, choice between purchase and lease of non-current assets);

- weighted average cost of the company's capital (consideration of the possibility of repurchasing of shares, calculation of WACC for individual business units, after the establishment of a cost-of-capital management system);
- the duration of the growth period, the use of competitive advantages (improving information about money flows and improving relations with investors by ensuring stable and predictable financial indicators, creating employees' interest in the effectiveness of the organization's activities) (Brealey et al., 2012).

From the beginning of ensuring the efficiency of the main activity and ending with the creation of opportunities for development and stable functioning in the future, such a grouping of cost determinants considers both short-term and long-term characteristics of the company's activities.

The level of operating margin implies the ratio of operating profit and revenue received by the organization. Margin is one of the cost characteristics of drivers, and margin growth improves expectations for the future of the corporation, as it will reflect the efficient use of resources.

The reinvestment ratio also plays an important role in the system of elements that affect the creation of shareholder value, it measures the amount of funds converted to capital intended to create future growth. The share of financial resources that are aimed at ensuring the further functioning of the firm is the reinvestment coefficient (Molodchik & Teplykh, 2013).

Together with capital gains, it will show the expected growth in operating income, which characterizes the expansion opportunities of the corporation, but at the same time has a positive impact on value.

There are also external determinants and macroeconomic factors that can influence the formation of value. For example, the political state, the state of the economy as a whole (the purchasing power of the population, the level of interest rates, etc.).

Based on the above, we can conclude that the creation of additional value is influenced by a large number of criteria. They may be purely financial in nature or reflect non-financial features, be controlled or not controlled by the company's management. The key element of the management system is the identification of explanatory determinants, since with the correct identification of drivers and cost factors, it is possible to form an effective

management decision-making system that affects the achievement of maximizing the welfare of owners.

3 Analysis of the impact of individual factors on the value of companies

3.1 Empirical analysis of the impact of the dividend policy on business value.

Dependence of the dividend policy on the stage of the company's life cycle

Analysis and formation of the dividend policy is one of the most important issues of financial management. There are several theories of dividend policy, such as:

- signalling theory concept;
- agency theory;
- tax differentiation;
- irrelevant to the dividend policy.

The signal concept states that managers always know more about the financial state of the enterprise than investors. Therefore, investors perceive dividend payments as a signal that is given by the manager. Works in this area have been done by such authors as M. Miller, K. Rock, J. Williams.

The agency theory presents dividend payments as an example of an everyday agency situation, where different strata of stakeholders are affected, such as managers, investors, or creditors. The company's dividend policy is often used as a mechanism to reduce agency costs (Jensen & Mekling, 2004).

Tax differentiation is a theory that investors prefer. Their main question is what type of income to receive (dividends or capital gains), and the tax rate depends on this. Work in this area has been done by such authors as F. Black, M. Scholes, and others.

And the last theory is the theory of irrelevant dividend policy. Its authors are M. Miller and F. Modigliani. In 1961, it was argued that the number of dividends does not affect the value of a share, and therefore does not affect shareholders.

Over the past fifteen years, new theories of dividend policy have emerged. If we consider the most modern theory, then this is the concept of the company's life cycle and the satisfaction of the investor's interests. In this section, we will look at the issue from this point

of view. Also, using this theory, you can answer the question: "What is the best dividend policy for the company and how does it affect its value?" (Modigliani & Miller, 2001).

According to this theory, the dividend policy is highly dependent on the phase of the company's life cycle. When a company has just been formed, it has a very large potential to take off in price and it has a large number of opportunities, usually such a company does not pay dividends, justifying itself by the fact that it reinvests all its profits.

As the life cycle continues, the company grows, matures, external investment subsides, and it begins a large cash flow cycle. Part of this cash flow is paid out in the form of dividends.

In 2001, one of the first works in the field of pricing a company through the life cycle of a dividend policy was the work written by Y. Fama and K. French. They analysed the characteristics that the company has – these are companies that cannot afford to pay dividends and that can. The analysis was carried out from 1926 to 1999. The object of the study was exchanges NYSE, AMEX, NASDAQ. The purpose of the study is to determine how the behaviour of companies whose shares were traded on the exchanges listed above changed.

In the sample, organizations were divided into payers and non-payers of dividends. Also, defaulters were divided into two groups: companies that do not pay dividends and have never paid them; companies that previously paid dividends, but now for some reason stopped paying them (Copeland et al., 2005).

According to the authors of the theory, the top three factors that influenced the company's decision to pay dividends or not to do so were profitability, investment opportunities and the company's value. Let's analyse each of them:

- the profitability indicator was studied using the return on assets method;
- investment opportunities were measured by the ratio of absolute asset growth to their present value, also measured by the ratio of the total market value of the company to the financial value of all the company's assets, and measured by the ratio of R & D costs to the turnover of all the company's assets;
- the company's value was estimated by market capitalization on the stock exchange.

As a result, the authors of the theory came to the conclusion that dividend payers are huge and profitable companies. Organizations that did not pay dividends are small companies. But the latter have great investment opportunities and their costs are always greater than the profit they will earn.

The main feature of companies that paid dividends, but currently do not, is very low profit and lack of investment attractiveness (Fama & French, 2012).

The main indicator of this theory is the ratio of earned capital to attracted capital. The measurement is based on two criteria:

- ratio of earned capital to total share capital;
- the ratio of retained earnings to current assets. This ratio shows the extent to which total assets are financed from equity rather than from borrowed capital;

In the course of the study, a hypothesis was derived, which states that companies with a high ratio of earned and attracted capital are most likely to pay dividends.

Researchers believe that these coefficients are the best measures of the stages of the company's life cycle, as they help answer the question of whether the firm is self-funded or directly dependent on external capital. Companies with a low ratio of these factors are at the stage of capital injection, but companies with a high ratio are quite mature and with a large margin of accumulated profit, which makes them self-financing. They are also excellent candidates for paying dividends (Moore et al., 1992).

The difference between profit distribution and retention changes over time as profits accumulate, and investment opportunities decrease, so dividend payments become more desirable as the company develops, which will absolutely affect the future development of the company.

The aforementioned researchers compiled a sample of US companies that traded on the exchanges. This analysis was conducted from 1973 to 2002.

The life cycle theory was tested on the example of developed markets in the USA, Japan, France, etc. for the period 1989-2002. The conclusion stated that the probability of dividend payments increases as the above-mentioned ratio increases (Denis & Osobov, 2008).

In Egypt, the application of life cycle theory to the market was studied by T. Gomaa in 2012. The sample consisted of 100 companies from the index EGX100, with the study period from 2005 to 2010. He concluded that the ratio that reflects the share of retained earnings in the company's equity has a high impact on the number of dividends, when on the contrary, the ratio that characterizes the share of equity in the total assets of the company has no effect on the number of dividends.

Based on this, all equity is the main determinant of the dividend policy in Egypt. Also, the amount of payments is very positively correlated with the company's income, that is, the higher the yield, the higher the number of dividends (El-Ansary & Gomaa, 2012).

Famous researcher X. Ishikawa in 2011 conducted its own testing in relation to companies in Japan. His analysis showed that companies that have dynamic growth choose a policy that is aimed at increasing dividends and the market evaluates this positively, rather than the growth of dividend payments in already established companies (Ishikawa, 2011).

In 2006, T. Serita and S. Hanaeda conducted a survey of managers of 629 Japanese companies regarding their dividend policy. Of these, 46% of employees said that dividends will not be reduced if the company needs funds for investment projects. Only 24% of respondents agree on the opposite (Hanaeda & Serita, 2008).

A question was also asked about how investors feel about the increase in dividends, where 45.5% of respondents said that this circumstance will not be perceived by investors as proof that the company does not have investment attractiveness, that is, its innovative projects. Only 12% of respondents said that an increase in dividends is a signal to investors about a reduction in the company's investment opportunities. Consequently, the survey results do not agree with the life cycle theory.

The Australian market was studied by the researchers of J. R. R. Tolkien Colton and K. Ruddock in 2011. The life cycle theory was supported by the conclusion that dividend payments reflect the degree of maturity of the company. Those companies that pay dividends, which are large and mature companies, usually have fewer opportunities for further development and a higher indicator of earned capital compared to those companies that do not make dividend payments. The researchers found a positive relationship between the decision to pay dividends and the ratio of RE/TA (Coulton & Ruddock, 2011).

G. Shagaleeva believes that the indicator RE/TA, which is used as a measure of a company's maturity indicator, can take low values not only for new companies, but also for established ones, if they previously paid large dividends from retained earnings (Shagaleeva, 2012).

We will analyse the payers and non-payers of dividends in the Russian Federation for the last 15 years. The study sample included companies whose shares were traded on the Moscow Stock Exchange. The sample did not include financial sector companies.

Changes in the number of Russian companies whose shares were traded during the survey period are shown in Fig 4.

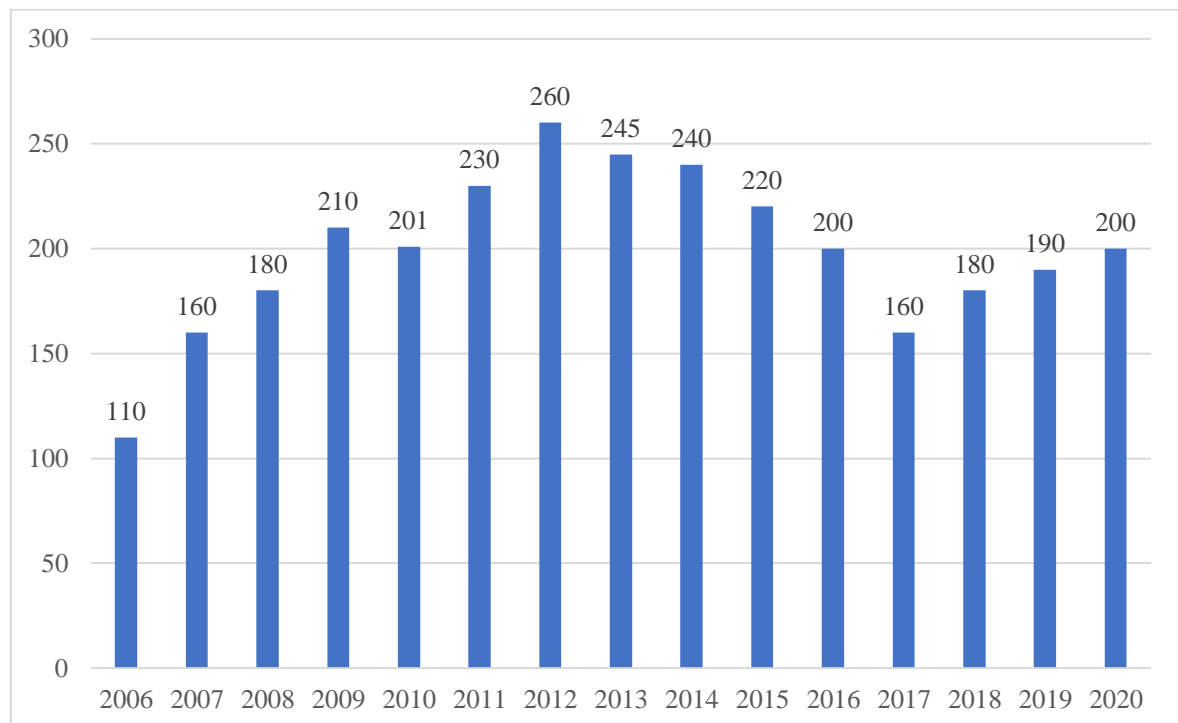


Figure 4. The number of Russian companies whose shares were traded on the Moscow Stock Exchange.

Note that this number has increased from 65 to 200. Growth is associated with several reasons. The first is that more and more companies are going public. The second is the merger of the RTS and MICEX exchange groups in early 2011.

In the course of the study, the number of energy companies has always changed, and this is directly related to the restructuring of the industry sector.

The next largest number of companies is occupied by the industry of metallurgy and mining. It should be noted that due to the merger of telecommunications companies, there was a reduction in this industry in 2012.

Special attention should be paid to Fig 5. It shows exactly how the number of companies that pay and do not pay dividends on shares traded on the Moscow Exchange has changed. The difference between payers and non-payers was the same.

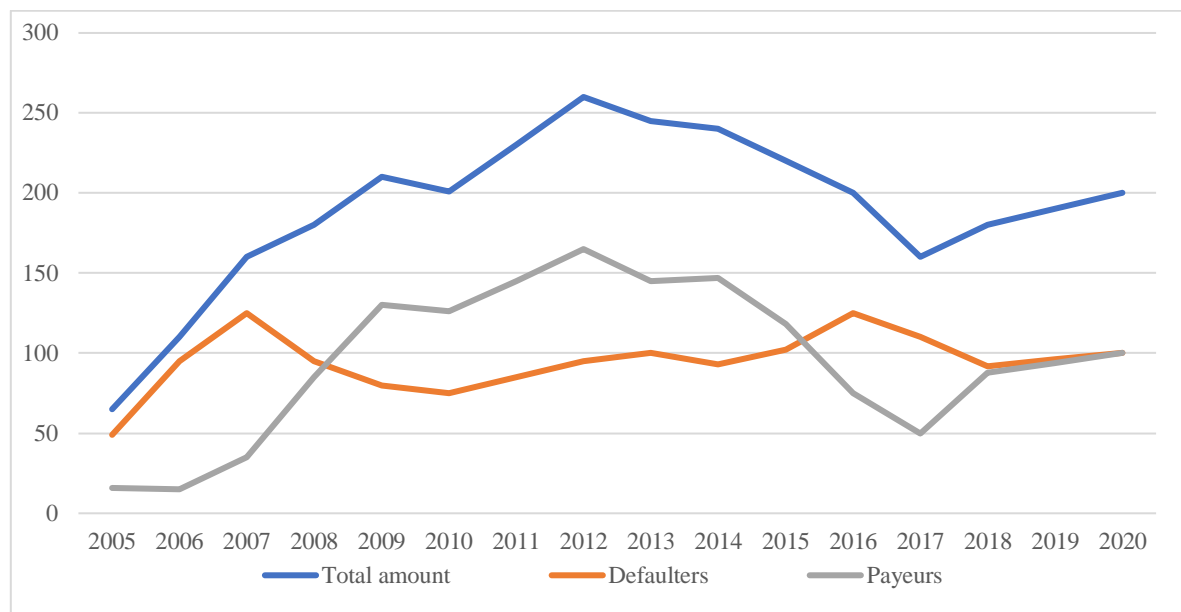


Figure 5. Number of Russian companies that pay and do not pay dividends on shares on the Moscow Exchange (developed by the author).

Note that from 2008 to 2015, there were more payers, and the maximum for the entire period was in 2012, where there were 165 against 65 non-payers. Let's build a diagram of the ratio of payers and non-payers as a percentage. The diagram is shown in Fig 6.

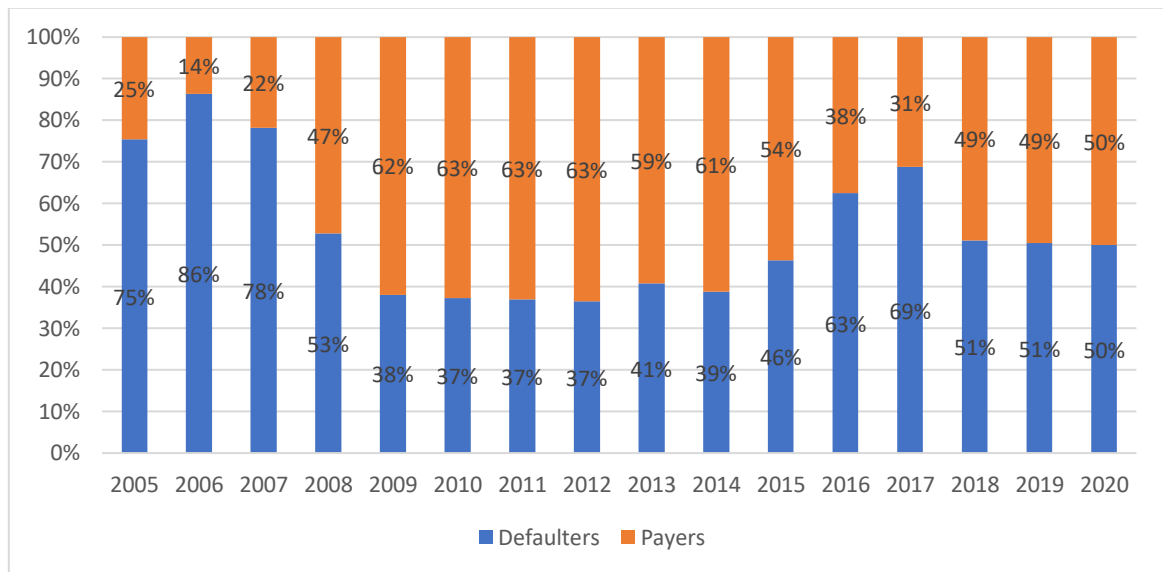


Figure 6. Ratio of payers and non-payers of dividends of Russian companies on shares of the Moscow Exchange (developed by the author).

In relative terms, the share of dividend payers in the total number of public companies was the highest from 2010 to 2012. The decline in the number of payers is associated with the crises of 2008 and 2014 and the deterioration of the financial condition of most Russian companies. Another reason may be the entry of young companies into the market, which have a large investment potential, and which direct a large share of the company's profits to its development, rather than paying dividends.

We think that dividend payments have an impact on the company's value, just as vice versa, the amount of payments is determined from the company's profit. The analysis showed that dividends are paid by more mature and well-established companies in the market.

The share of retained earnings in the company's assets was used as an indicator that reflects the stage of the life cycle. As the company becomes established in the market, the amount of dividend payments becomes larger, as the company's profit also becomes larger. And this directly affects the value of the company itself (Teregulova, 2012).

3.2 Econometric study of the impact of individual determinants, including the size of the dividend yield, on the value of Russian public companies

The stagnation of the economy and the restriction of access to foreign capital markets put Russian companies in a difficult position. One of the real incentives for attracting funds from domestic investors to the real sector of the economy is the creation of value and attractiveness of business.

It should be noted that, despite the significant advantages of value management, a large number of Russian public companies either do not use the value-based management system at all in the organization of their work or do not apply its individual elements. In all cases, the potential for increasing the effectiveness of management processes and creating a strong foundation for long-term successful functioning disappears. Forming an understanding of the essence and necessity of these approaches, as well as the requirements for their implementation, will significantly increase the efficiency of Russian business.

To consider in detail, the main determinants of the value management system, it is necessary to focus on identifying the factors and drivers of the formation of shareholder value. If you are aware of what parameters influence the change in investor expectations, you can build a sustainable management system that will be based on the use of these determinants.

Therefore, the analysis of individual determinants, including the size of the dividend yield, on the value of Russian public companies becomes particularly relevant, as it makes it possible to improve the efficiency of company management in practice and form a fundamental basis for the long-term capital of Russian companies in the real sector of the economy (Ankudinov, 2016).

In order to analyze the variables that act as determinants of the creation of the shareholder value of public companies, we reviewed data on 61 companies whose shares are traded on the Moscow Stock Exchange over the past five years. The total number of observations was 305. The industry composition of monitoring objects is presented by types of economic activity, the specific weight of which is distributed in the sample in this way:

- energy sector – 45%
- metallurgy and mining – 22%

- mechanical engineering – 17%
- consumer sector – 9%
- oil and gas industry – 7%

In order to identify the drivers that determine the formation of the shareholder value of public Russian companies, and to identify an assessment of the nature of their interaction on the value, we conducted a study of the dependence of the variable "Market-to-book ratio", which acts as a financial coefficient equal to the ratio of the current market capitalization of the company to its real value.

Explained variable:

The market-to-book ratio is a financial ratio equal to the ratio of a company's current market capitalization to its book value. In the study, its short name is y .

Explanatory variables:

Return on Invested Capital (ROIC) is the return on invested capital ratio. Reflects the ratio of the company's operating profit (after taxes) to the amount of funds invested in its core business.

Financial leverage is an indicator of the ratio of an organization's debt to equity.

The growth rate of fixed assets is the ratio of the excess of the value of introduced assets over the value of withdrawn assets in the analyzed period and the residual value of funds at the end of the analyzed period.

The presence of state ownership is a binary (dummy) variable of the presence of a state share in the company's capital.

The presence of foreign ownership is a binary (dummy) variable of the presence of a foreign share in the company's capital.

Dividend Payout Ratio (DPR) is a variable that shows how much of the company's net profit is allocated to dividends.

Table 1. lists all variables and their designations during the research.

Table 1. Description of variables used in the study

Explained variable	Short name of a variable in the STATA program	Short name of the variable in the study	Expected impact
Market-to-book ratio	Price	Y	
Explanatory variables			
ROIC (Return on Invested Capital)	Roic	X1	+
Financial leverage	Finlev	X2	+
Fixed asset growth rate	Fa	X3	+
Company size	Compssc	X4	+
Company age	Compold	X5	+
Availability of state property	Stateown	X6	-
Presence of foreign ownership	Foreingown	X7	+
DPR (Dividend Payout Ratio)	DPR	X8	+

The data analysis was based on the reports of the companies that participate in the sample. The data is unbalanced, as companies did not receive their public statistics at the same time. The main quantitative characteristics of the sample are presented in Table 2.

Table 2. Descriptive statistics of data for the 2016-2020 years

Variable	Minimum	Maximum	Average value	Standard deviation
Price	0.1	15.98	1.953	2.390
Roic	-1.7866	3.1272	0.1151	0.2628
Finlev	0.0038	31.1069	1.944	3.1895
Fa	-0.836	9.4136	0.124	0.6005
Compssc	0.0152	9.0166	4.8749	1.7186
Compold	2	28	15.49	5.668
Stateown	0	1	0.4262	0.4953
Foreingown	0	1	0.1902	0.3931
Dpr	0	3.86	0.4150	0.4700

If we consider all variables, they are characterized by a high degree of volatility. As for the reporting of companies and their data, the difference in values is characterized by the scale

of activities, investment and financial policies. The Market-to-book ratio variable has a significant degree of volatility.

The review in the previous paragraph of empirical studies, sources of various literature on this issue, allowed us to formulate such hypotheses about the nature of the influence of individual determinants on the value of Russian public companies:

1. the "Price" variable has a positive relationship with the variable "Roic».
2. the "Price" variable depends proportionally on the variable "Finlev".
3. variable "Fa" it has a positive impact on the business value.
4. The variable "Compssc" has a positive impact on the company's value creation (variable «Price»).
5. the "Price" variable inversely dependent on the "Compold" variable.
6. variable "Stateown" negatively affects the variable" Price».
7. variable "Foreingown" positively affects the variable" Price».
8. the variable "Dpr" has a positive effect on the variable" Price».

These theories are conjectural and assess the impact of determinants that affect the company's value. Their study is necessary, because if do not include all possible hypotheses, this may lead to inaccuracy of the results obtained, because the variables will have a correlation with erroneous regression.

Only by ensuring high operational efficiency and building investor confidence in the future performance of a commercial organization can an increase in capital inflows be achieved, which is a key factor in the company's investment process.

To study the impact of the above-mentioned determinants on the value of Russian public companies, we need to use two types of models:

- RE-a model is a model with random individual effects;
- FE-a model is a model with fixed effects.

We will conduct an econometric study of the impact of individual determinants on the value of Russian public companies. The final results of the study conducted using a random effects model are shown in Table 3.

Table 3. Results of an econometric study of a model with random effects

Source	SS	df	MS	Number of obs	=	305
Model	450.87	8	56.3582	F (8, 296)	=	12.97
Residual	1286.10	296	4.3449	Prob > F	=	0.0000
Total	1736.97	304	5.7137	R-squared	=	0.2596
				Adj R-squared	=	0.2396
				Root MSE	=	2.0845
Y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
X1	2.7285	0.4697	5.81	0.000	1.804	3.6529
X2	0.1972	0.0396	4.97	0.000	0.1192	0.2753
X3	0.0333	0.2009	0.17	0.868	-0.3621	0.4287
X4	0.0677	0.0752	0.90	0.369	-0.0803	0.2158
X5	-0.0249	0.0213	-1.17	0.243	-0.0669	0.0170
X6	-0.8157	0.2541	-3.21	0.001	-1.3158	-0.3156
X7	0.2681	0.3078	0.87	0.384	-0.3376	0.8739
X8	0.8661	0.2664	3.25	0.001	0.3418	1.3906
_cons	1.2450	0.5014	2.48	0.014	0.2582	2.2319

To confirm the assumption that it is possible to exclude insignificant coefficients from the model, we will perform an F-test for the joint significance of regression coefficients.

$$X3 + X4 + X5 + X7 = 0, \quad (2)$$

$$X3 + X4 + X5 + X7 \neq 0, \quad (3)$$

$$F(4, 296) = 0.72, \quad (4)$$

$$\text{Prob} > F = 0.5798, \quad (5)$$

Conclusion: the study showed that the coefficients are not significant.

In the table 4 the results of a determinant study using a fixed-effects model are shown. In this case, the results of the influence of individual determinants, including the size of the dividend yield, on the value of Russian public companies were achieved, explaining its creation, which is similar to the final result of evaluating a model with random individual effects. Let's evaluate the model without insignificant regression coefficients. The model's conclusions are presented in the table 4.

Table 4. Model without insignificant regression coefficients

Source	SS	df	MS	Number of obs	=	305
Model	438.37	4	109.5941	F (8, 296)	=	25.32
Residual	1298.5901	300	4.3286	Prob > F	=	0.0000
Total	1736.97	304	5.7137	R-squared	=	0.2524
				Adj R-squared	=	0.2424
				Root MSE	=	2.0805
Y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
X1	2.7749	0.4624	6.00	0.000	1.8650	3.6848
X2	0.1903	0.0389	4.89	0.000	0.1138	0.2670
X6	-0.7664	0.2454	-3.12	0.002	-1.2492	-0.2836
X8	0.8891	0.2594	3.43	0.001	0.3788	1.3996
_cons	1.2219	0.2231	5.48	0.000	0.7829	1.6608

Interpretation of the results obtained allows us to conclude that the process of creating shareholder value is most strongly influenced by such external factors as the size of the dividend yield, financial leverage, and the Return on Invested Capital ratio.

Based on the results of the model study, we will draw the following conclusions:

- the growth rate of fixed assets does not affect the formation of the value of Russian public companies (P-value =0.868);
- the size of the company does not affect the formation of the value of Russian public companies (P-value =0.369);
- the age of the company does not affect the formation of the value of Russian public companies (P-value =0.243);
- the presence of state ownership affects the formation of the value of Russian public companies (P-value =0.001);
- the presence of foreign ownership does not affect the formation of the value of Russian public companies (P-value =0.384);
- The Return on Invested Capital ratio has a positive effect on the formation of the value of Russian public companies (P-value =0.000);
- the ratio of an organization's debt to equity capital (financial leverage) has a positive effect on the formation of the value of Russian public companies (P-value =0.000);

– It is proved that the Dividend Payout Ratio (a determinant that shows how much of the company's net profit is allocated to dividends) has a positive effect on the formation of the value of Russian public companies (P-value = 0.001).

3.3 Interpretation and conceptual justification of the research results obtained

An econometric study of the determinants, including the size of the dividend yield, let us to find many variables that determine the value creation of Russian public companies. Note that half of them are cost drivers, which are of fundamental importance for management. According to the results of the study, controlled factors include the return on investment capital ratio, the ratio of the company's debt and equity, and the share of net profit that the company uses for dividends. Conducting high-quality and effective control over these determinants should contribute to the growth of the value of Russian public companies. It should be borne in mind that political and economic factors in the course of the company's work will impose certain restrictions on their ability to choose the type of economic policy.

According to the results of this analysis, the return on invested capital ratio has the strongest impact on the process of creating shareholder value of Russian public companies. The company's management system cannot directly affect the value of this driver by simply reducing or increasing the difference between the performance characteristics. In the Russian Federation today, there is a tendency to reduce the share of enterprises that are profitable. This entails a reduction in investment in companies, a reduction in resources, and a drop-in competitiveness. To avoid these situations, you need to ensure a long-term increase in the efficiency of using your invested funds. It is necessary to reduce production costs. Reduction is achieved by introducing know-how. But here we also encounter a new problem – a lack of investment resources. The solution to this problem is the introduction of innovative management technologies or the adjustment of already developed technologies.

The driver that positively affects the formation of the value of Russian public companies is an indicator of the ratio of the company's debt and equity. Based on the results of the analysis of the companies that were in the sample, the average level of financial leverage was low, but the degree of volatility was extremely high. There are some companies that operate only at their own expense, when some companies attract a large number of borrowed funds, the share of which reaches 75%. Usually, if one company is considered, the dynamics of

borrowing is very unstable. This indicates an unstable financial policy and is a huge disadvantage that does not allow us to fully organize the efficiency of the process of creating value for Russian public companies.

In Russian public companies, the stability of the financial security structure is ensured, which is not at all typical of Russian business. There are two types of financial security and it depends on the periods:

- a period of recession, massive borrowing.
- a period of high profit, the company's work at its own expense.

This imbalance does not allow leverage to be used as the driver of value with the greatest potential.

Since 2014, another major problem has emerged in Russian business, which has been accompanied by sanctions for six years – this is the significant dependence of large Russian companies on foreign borrowed funds. There are two main reasons why foreign borrowed funds are profitable for the Russian market:

- foreign borrowed funds are cheaper compared to existing loans within the country;
- foreign financial markets provide significant amounts of borrowed funds, which is an extremely important factor for large-scale representatives of Russian business.

When analyzing the features of the formation of the value of public Russian companies, it is necessary to pay attention to the significant role of external factors that are beyond the control of management. The conducted econometric study showed an inverse relationship between the presence of a state share in the company's capital on the formation of the value of Russian public companies. This driver, in turn, depends on the overall economic condition of the country. The share of net profit of the dividend yield has a positive impact on the formation of value. The study shows that the impact of shareholders on companies successfully persuade them to pay dividends, but not enough to force them to a higher level of payments (Ankudinov & Markhanova, 2016).

Therefore, in order to attract foreign investors, cross-listed companies pay dividends, but do not seek to limit the funds available for inefficient use and set a smaller number of dividends than other companies with similar characteristics.

Empirical research on developed capital markets shows that in a financial crisis, companies that are more sensitive to a squeeze on external financing opportunities reduce their dividend yield to a greater extent. It is reasonable to assume that in transformational economies, where the spread between the cost of financing from internal and external sources is much larger, this effect may be more pronounced. At the same time, if companies in developed markets generally reduce their dividend payments during crisis years, they are reluctant to do so; research shows that companies often prefer to reduce their capital budget rather than reduce the amount of dividend yield, and even companies with a lack of liquidity try to maintain dividend payments at least at the same level (Ankudinov et al., 2013).

Thus, such a policy can mitigate to some extent the effects of a credit shock on companies, especially those characterized by a high spread in the cost of internal and external financing. In addition, the financial and economic crisis leads to the fact that the level of uncertainty increases significantly. High uncertainty increases the value of creating financial reserves.

The results obtained reflect the size of the dividend yield, which is an important determinant of the dividend policy. Profitability and the size of the company are positively correlated with the number of dividends paid. At the same time, companies with a higher share of debt in the capital structure pay smaller dividends. The positive relationship between profitability and the share of profit allocated to dividends increases in the post-crisis period. At the same time, the negative dependence of financial leverage and dividend payments becomes less pronounced in the post-crisis period (Ankudinov & Lebedev, 2014).

Based on this, we conclude that there is a need to develop and apply measures at the state level to stabilize the country's economy. Only in stable countries that are capable of developing in political, economic and social conditions will the system of value-oriented company management develop most effectively (Ankudinov & Lebedev & Safiullin, 2013).

The identification of cost factors and drivers is just one of the stages of practical implementation of the approach to cost management. The final stage in management is the competent application of the found value determinants. The dependencies found empirical evidence of significance and studied in detail in this chapter determine the vectors of effectiveness of value-based business management, provided that the business follows these recommendations for using the determinants of shareholder value highlighted in this paragraph.

Based on the results of the study, we will define value-based management based on value drivers. Consideration of this issue will include:

- development of recommendations on forming the dividend policy of Russian joint-stock companies;
- assessment of the dividend policy as a driver of investment attractiveness of companies and ensuring stability and dynamic growth of the Russian economy;
- determining the directions of further research on the determinants of shareholder value based on an imperfect market.

4 Value-based management based on value drivers

4.1 Development of recommendations on forming the dividend policy of Russian joint-stock companies as a driver of their investment attractiveness and ensuring the stability and dynamic growth of the country's economy

The dividend policy of Russian joint-stock companies is currently in its infancy and depends to some extent on the geopolitical situation and market conditions. Most of the joint-stock companies whose shares are called "blue chips" are companies with state participation.

State participation in joint – stock companies is a corporation in which the share of state participation represented by the Russian Federation or its constituent entity is present, regardless of the percentage ratio.

Of all the blue chips on the Moscow Stock Exchange, six are state-owned joint-stock companies. Their total share is 44.33% in the blue-chip index. The same situation occurs with the trading structure, namely, shares of Sberbank and Gazprom account for 25% of the turnover of the entire stock market of the Moscow Exchange in shares and units.

Therefore, the leading position of joint-stock companies with state participation determines the importance of their dividend policy, which is an incentive for investors and intermediaries.

The dividend policy of Russian joint-stock companies cannot be called exemplary, since the amount that is paid as dividends is usually small and amounts to a small percentage compared to international joint-stock companies. It is quite clear that the payment of dividends by joint-stock companies indicates a conflict of interests between profit consumption and reinvestment. This conflict is a kind of aggravation of the special status of the shareholder. There are two sides to the conflict: if the state acts as a shareholder, it is aimed at making a profit; if the state acts as an entity, it may not expect a return on investment. To find a compromise between the profits that are distributed and consumed in joint-stock companies with state participation, you need to study this issue in detail.

Annual statistics on joint-stock companies with state participation are published in reports provided by the Federal Agency for State Property Management. According to this report, at the end of 2019, Russia owns blocks of shares in about 2,000 joint-stock companies, but

it actually manages only 1,000, since in a certain number of joint-stock companies, the rights of a shareholder on behalf of the state are transferred to state corporations or work is carried out in trust management.

The total volume of joint-stock companies in the Russian Federation is shown in Figure 7. Note that a significant share is occupied by companies that have a single shareholder - government (62%).

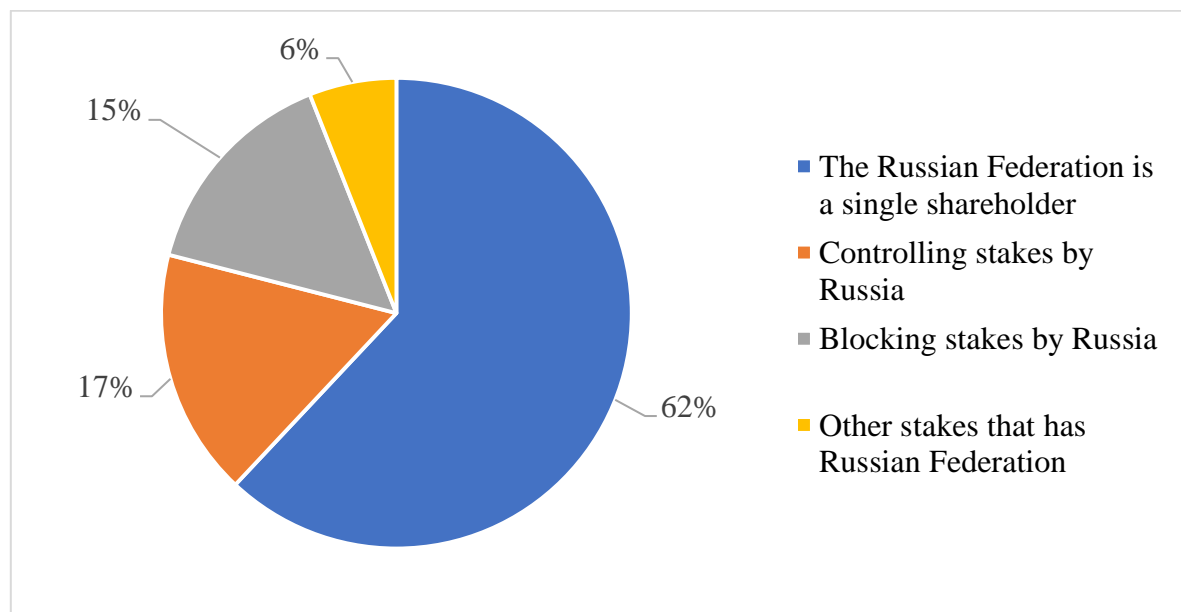


Figure 7. Structure of joint-stock companies of the Russian Federation according to the Federal Agency for State Property Management (compiled by the author).

S. Myers believed that the issue of paying dividends is very promising for further study (Brealey et al., 2012). Paying attention to the Russian market, one of the most important unresolved problems is the establishment of norms for dividend payments.

This issue has already been discussed quite a lot, as well as the question of the standard itself. There are two options, the standard should be with some minimum level or with a certain range of interest payments. All the experts who discuss this issue differ in their opinions. There is also information that the Government of the Russian Federation is preparing a package of innovations to waive the standard for paying dividends if joint-stock companies with state participation fulfill their developed investment programs.

Earlier in 2014, the issue of setting a dividend of 35% was discussed, but due to the crisis, this decision was not continued. It is also known that in foreign countries, dividends make up 50 or 60 percent of the company's net profit.

It is necessary to determine the basis for calculating net profit for paying dividends. There are two options: International Financial Reporting Standards (IFRS) and Russian Accounting Standards (RAS).

Most experts who study this issue are inclined to the system of calculating IFRS. The difference in the systems consists in determining when the revenue of a joint-stock company is recognized, as well as its assessment of loans, recognition of valuation circumstances, and other points. There is one important difference – this is the need to take into account the income of subsidiaries of joint-stock companies in the calculation of profit.

The view that the net profit calculated under the IFRS system is significantly higher than the profit calculated under the RAS system is incorrect.

The very first attempt, when the state began to regulate the dividend policy of Russian joint-stock companies, was made in 2006. This was confirmed by the adoption of the Decree of the Government of the Russian Federation No. 774-r dated May 29, 2006 "On forming the position of a Russian shareholder in Joint-stock Companies whose shares are Federally owned". In the first version of this Order, the rate of dividend payments for joint-stock companies was not taken into account and was mentioned as a recommendation. The first changes were made in 2012, which clearly spelled out 25% of the dividend payments of the joint-stock company's net profit. This was due to the need to minimize risks in the state's relations with joint-stock companies, in other words, the need to finance the Russian budget deficit.

Based on the current version of Decree No. 1094-r of May 29, 2017, it is recommended to use the following:

- allocate at least 50% of the joint-stock company's net profit for the payment of dividends, according to the financial statements;
- direct the profit that has not been distributed to finance investment projects;
- ensure compliance of investments in the joint-stock company with respect to its income.

Based on the research carried out in the previous chapter, when distributing net profit by Russian joint-stock companies, it is necessary to analyze:

- the company's target indicators, which include profit for the medium-term period;
- economic efficiency of channelling net profit to investments;
- dependence of the share of net profit that is used to pay dividends (from the factor value to the planned value of net profit);
- amount of loans that the company uses for investments;
- dependence of the amount of payment to members of the executive bodies of a joint-stock company.

Recommendations for developing a dividend policy for Russian joint stock companies will be described below:

- establishing a basis for calculating dividend payments as net profit for consolidated financial statements, taking into account the share of profit of subsidiaries;
- preparation of financial statements exclusively in accordance with IFRS, as the calculation is more accurate;
- the recommended rate for net profit is not less than 50% of the net profit of the joint-stock company;
- publication of the dividend policy is a mandatory feature.

Based on this, we can conclude that there is no perfect legal framework for paying dividends since the crisis of 2014. All documents that relate to the dividend policy of Russian joint-stock companies contain only recommendations and do not oblige joint-stock companies to pay dividends within a certain pattern. Also, some companies do not disclose the content of the dividend policy, which is an incorrect component (Antonyan & Belomytseva, 2016).

To consider the dividend policy of Russian joint-stock companies, it is necessary to take into account an important component: 2015 was a turning point in the system of dividend payments on the Russian securities market. It was possible to observe large companies that increased their dividend payments by as much as 16% at the end of 2014, when the profit

drop was about 25%. This can be seen even today, when the biggest loss of profit was in December 2019, but the dividends of a number of joint-stock companies were increased.

Today, the mood of large investors is not the same as it was before. Now they are focused on income from dividends, while previously the main income of investors was the difference in the increase in the exchange value of a share. Also, the market excluded the dependence of increasing dividends on the growth of the company's profit.

Based on the research performed, it is necessary to take measures to improve the quality of forming the dividend policy of Russian joint-stock companies. These measures have been compiled by the author of the final qualification work and are purely advisory in nature for better formation of the dividend policy of Russian joint stock companies:

- the need to calculate dividends based on the amount of net profit under the IFRS system;
- the formation of a dividend policy should be focused on the future and take into account forecast indicators for the market;
- the need to calculate net profit taking into account the consolidated financial statements of subsidiaries;
- enter the minimum value of dividend payments based on the net profit of the joint stock company;
- the need to differentiate issuers and norms of dividend payments based on the specifics of a joint-stock company.

The dividend policy of Russian joint-stock companies affects the replenishment of federal budget revenues and affects the growth of investment attractiveness. These measures, which were presented above, will increase the investment attractiveness from the position of minority shareholders, since a number of Russian joint-stock companies have a high "dispersion" of shares.

4.2 Vectors of research of determinants of shareholder value based on an imperfect market

The main task of the dividend policy is to find the optimal difference between the profit that is aimed at paying dividends and the profit that is aimed at developing the company. Companies that clearly understand their purpose and direction of activity in the field of dividend policy are the most investment-attractive. A clear strategy of the company's dividend policy helps to improve its image in the market and significantly increases the chances for its development.

Based on the data of Russian public companies, we note that not everyone has a clear strategy for the dividend policy. Managers of these companies do not pay due attention to this fact and do not consider it as a factor in increasing the attractiveness of the company. Shareholders are more likely to interpret the company by its dividend payments. They serve as a kind of "signal" about the financial stability of the company.

From the above-mentioned list of Russian joint-stock companies, we will single out the 15 most well-known ones on the securities market. Among them, we will evaluate the dividend policy (payments) and divide these companies into three well-known approaches to forming dividend payments (aggressive, moderate and conservative). The results are shown in Table 5.

Based on this analysis, we conclude that the following two approaches to forming dividend payments are more popular for Russian public companies: moderate and aggressive.

Consequently, the majority of Russian public companies, especially in the oil and gas industry, are aimed at meeting the needs of investors in receiving dividend payments, but the share of these payments is insignificant. If we compare foreign companies in the oil and gas industry, their payments from net profit are equal to 50% or more. As a result, Russian public companies pay more attention to investment policy. Domestic companies prefer "flexible" dividend payments, that is, they try not to assume obligations to shareholders and promise a small percentage, which shows potential investors about the stability of the company.

Table 5. Assessment of the dividend policy of well-known large Russian public companies

No	Company name	Scope of activity	The dividend payout approach	Percentage of net profit
1	Gazprom PJSC	Oil and gas	Aggressive approach	Up to 35%
2	Rosneft PJSC	Oil and gas	Aggressive approach	50%
3	Sberbank PJSC	Banking business	Aggressive approach	50%
4	PJSC Lukoil	Oil and gas	Moderate approach	29,4%
5	Surgut-Neftegaz PJSC	Oil and gas	Aggressive approach	7,1%
6	PJSC Tatneft	Oil and gas	Moderate approach	from 17%
7	PJSC "Transneft"	Oil and gas	Aggressive approach	25%
8	Evraz	Metallurgy industry	Aggressive approach	17%
9	Bashneft PJSC	Oil and gas	Moderate approach	from 25%
10	PJSC "Magnit"	Traiding	Conservative approach	Residual principle
11	Severstal PJSC	Metallurgy industry	Aggressive approach	17%
12	VTB PJSC	Banking business	Aggressive approach	50%
13	Norilsk Nickel	Metallurgy industry	Conservative approach	Residual principle
14	US Rusal	Metallurgy industry	Conservative approach	Residual principle
15	Novatek	Oil and gas	Aggressive approach	30%

This situation shows that companies do not want to use all the "advantages" of the dividend policy and are wary of recommendations that dividend payments can successfully stimulate the investment attractiveness of the company and ensure its growth.

There are also problems on the Russian securities market because many companies have no idea about forming their own dividend policy. Some companies do not indicate the part of net profit that should be used to pay dividends.

Assessing the current situation, we can see that there are significant problems in the practice of applying the dividend policy by Russian public companies, which reduce the growth of

companies in comparison with companies in developed securities markets. It should be understood that the development of the market will take place exclusively from the interests of the owners.

The Russian Federation needs clear rules and regulations that will exercise control over the observance of shareholders' rights.

It is also worth considering the high importance of the problem of dividend payments of new Russian public companies in the conditions of their underdevelopment and instability. Working out this issue will allow these companies to attract large amounts of capital from investors (domestic and foreign) and, of course, will ensure transparency in the work of companies in the securities markets.

The institutional environment strongly influences companies' dividend decisions and their relationship to the observed indicators. This section presents the vectors of research into the determinants of the shareholder value of Russian public companies based on an imperfect market.

The conducted econometric study on the basis of this final qualification work to determine the impact of the size of the dividend yield on the value of Russian public joint-stock companies allowed us to establish a complete picture of the dependence of companies and the external environment on determining its value for a shareholder. It is also necessary to direct research vectors to further study the determinants of business value formation in an imperfect market. The leading issue for studying is the choice of a certain indicator, which is used as a dependent variable when conducting an econometric study of variables for their value in the form of cost determinants.

In perfect capital markets, investments are determined solely by the level of expected future returns and the degree of risk of investment projects. But in real markets, the impact on the company's investment activity is caused by the imperfection of capital markets, namely:

- false information;
- the problem of moral hazard;
- unfavorable selection;
- agency conflicts;

- transaction costs.

Attracting external sources of financing is a costly method, since in the event of a lack of internal funds, managers may prefer to issue new shares to abandon investment projects. The problems of poor sampling and moral hazard are related to information asymmetry.

Except for the indicator Market-to-Book ratio there are still a lot of coefficients that reflect the formation of shareholder value. There are three groups that differ in the nature of the data:

- coefficients based on accounting data (net profit, profitability, earnings per share, net post-tax operating profit);
- cost ratios that are generated on cash flows (economic cash value, shareholder value added);
- coefficients that are based on market valuations (total business returns, stock quotes, added market value).

None of the coefficients is relevant. Their use is subject to certain restrictions. If we take a closer look at the indicators that are based on the assessment of markets, based on the basic components of financial management, this group will accurately show the formation of value for shareholders.

Market capitalization and calculation of indicators based on it will be a quantitative embodiment of shareholders' expectations regarding the investment object. You need to take into account the fact that the market is not characterized by absolute efficiency, so the final market estimates will not always show the real capabilities of companies in terms of establishing cash flow or generating profit.

The use of credential-based metrics among experts is also quite controversial. The main drawback is the actual characteristics of the company's past performance indicators, which were recorded in the financial statements. In the direction of the formation of shareholder value, this disadvantage does not matter, since such meters do not show business development. In this case, only the cost of borrowed capital is taken into account, and the cost of own capital is not taken into account. Indicators of this group have the advantage of simplicity of calculations, clear interpretation, and it often ignores the risks associated with ensuring the company's work (Balash & Zemlyanukhin, 2005).

The last group-indicators that are based on cash flows-is the most realistic goal of reflecting the company's shareholder value. Given actual cash flows, prices, risks, and developments, they describe the best reflection of value creation for shareholders. The only drawback is the subjective assessment of the company's equity value.

The hypothesis about the significance of investments in fixed assets carried out by companies as a cost driver in the process of econometric research of determinants of shareholder value was not empirically confirmed. The study, which was conducted in the second chapter of this bachelor's thesis, describes in detail the possible reasons for the lack of dependence of the financial coefficient "Market-to-Book ratio" from the coefficient of excess of the value of entered data objects over the value of withdrawn assets in the analyzed period and the residual value of funds at the end of the analyzed period. Also, there is no dependence of the financial coefficient "Market-to-Book ratio" and the size of the company, the growth rate of fixed assets, the presence of state and foreign ownership. In addition to these indicators, there is an assumption that the proxy used by the corresponding driver is not fully relevant.

It is known that according to the results of the study, financial Leverage and ROIC both have positive effect on the financial ratio "Market-to-Book ratio". These studies allow us to remove some of the restrictions imposed by Russian accounting standards and, as a result, get more accurate statistical estimates. However, it is necessary to calculate all variables that are included in this analysis based on the financial statements.

Empirical research on the impact of the dividend policy on business value in an imperfect capital market should definitely be continued in the direction of in-depth research on the impact of determinants on the value of Russian public companies. The research that was carried out in this final qualification work was based on the assessment of the significance of the company's dividend policy as a cost driver. It will be relevant to build an integral indicator of the efficiency of the company's dividend policy based on the point system, which will be presented during the survey in public companies. High-quality dividend policies in companies will be evaluated according to the following criteria:

- need for funds for the company;
- liquidity;
- possibility of using borrowed funds;

- possibility of losing control;
- restrictions imposed by the borrower;
- stability of dividends;
- execution of planned dividend yield indicators;
- payment of additional dividends;
- using the share splitting tool;
- using reverse split;
- reasons for repurchasing shares.

To include in the number of independent variables of the econometric model of the shareholder value of Russian public companies an indicator of the quality of the dividend policy, it is necessary to ensure an uninterrupted mechanism for the company's dividend policy to create its shareholder value.

We conclude that the subject of the study of value determinants, including the size of the dividend yield, has prospects for further study in the framework of these analytical works and empirical studies. This work should help improve the efficiency of establishing a dividend policy in companies and generally increase the economic component of the business.

4.3 Geopolitical risks and their impact on the company's value.

The geopolitical aggravation that the Russian market experienced in mid-January 2022 is mainly due to Moscow's demands for guarantees of its security from Western countries and the situation around Ukraine. There was strong volatility in the market after bad news about the results of negotiations with the United States and NATO, followed by four days of collapse. From January 13 to January 18, the RTS index collapsed by 14.6%. It's hard to imagine that something like this could happen in the USA. Foreign policy here has little to do with the price at which, for example, Tesla or Apple are traded. Even the protracted conflict with China, the invasion of Iraq or the recent shameful withdrawal from Afghanistan did not lead to a significant drop in the market.

There are several reasons why things are different in some countries. There are two main factors that determine the mechanism of influence of geopolitics on the Russian stock market. First of all, almost half of the players in the Russian stock market are foreign investors. Their share in the volume of stock trading on the Moscow Exchange is estimated at 48%. In addition, Russian stock market is developing, that is, it is a platform with an increased level of risk, which implies a certain type and behavior of investors.

If we add these two factors together, it turns out that almost half of the investments in the Russian market are short-term and speculative.

Over the past 75-80 years, several theories have been formed in the academic literature explaining the motives of the dividend policy: the irrelevance of this policy, agency relations, signal theory, the need to smooth out dividend payments, catering theory, which assumes consideration of the interests of key investors, etc. Many of these theories have received empirical confirmation mainly in developed stock markets. The motives of the dividend policy in emerging markets, which are characterized by a high concentration of the ownership structure of companies in the hands of majority private shareholders and the state, a weak level of protection of the rights of minority investors, low information transparency of the stock market and its dependence on the flows of speculative foreign investors, as a rule, differ significantly from the principles described by classical theories dividends.

Large companies with state participation are forced to follow the requirements of the government, which has constantly increased the minimum amount of dividend payments. In addition, large public companies, including state-owned ones, have been actively using dividend payments since the early 2010s as a tool to enhance their investment attractiveness in the eyes of investors in difficult conditions of aggravation of geopolitical risks and increased volatility of stock markets (Abramov & Radygin & Chernova, 2020).

The strategy of maintaining the investment attractiveness of the largest Russian joint-stock companies is justified in the conditions of underestimation of their shares by investors in comparison with shares of companies in other countries.

How deep and for how long the markets will fall — these are the main questions that investors are concerned about now. After all, their behavior in the market depends on the answers: wait for everything to quiet down, buy on the falls or sell everything and go away. We believe that history is cyclical to some extent, therefore, as a kind of analogue that can

suggest options for the development of events, we can look at the Crimean episode from the point of view of its impact on the stock market.

As we know, February 2014 was marked by the beginning of the movement for the annexation of Crimea to Russia, then the armed forces of the Russian Federation appeared on the peninsula, a referendum was held in March, and a few days later a law was signed on the incorporation of Crimea and Sevastopol into Russia.

The RTS index began 2014 with a value of 1301 points. From this milestone, his long fall begins. Only in two years it will reach its bottom in the area of 745 points, having lost almost 47% during this time. This price was paid by the Russian stock market for Crimea and the subsequent sanctions by the United States and European countries. However, this is not all: the market managed to return to pre-crisis values only in September 2019.

Geopolitics is an important factor that largely determines the movement of prices on stock markets around the world. This relationship is studied both in theory and in practice. The GPR Geopolitical Risk Index, which was proposed by Dario Caldara and Matteo Iacovello from the US Federal Reserve, stands out here in particular. It shows the economic consequences of international tensions based on an analysis of articles in the 10 most influential newspapers in the United States and Great Britain since 1900. The index is based on counting the number of articles about unfavorable geopolitical events in each newspaper for each month and determining their share of the total number of news articles.

Judging by GPR, the biggest impact on the markets was the terrorist attacks of September 11, 2001, the Gulf War in 1991 and the Iraq War in 2003. The effect of the events in Crimea turned out to be approximately twice as low, it is at the level of the invasion of Libya by the Western coalition in 2011 or the terrorist attacks in Paris in 2015.

This is a view of Russia from the outside with all its pros and cons. In this regard, it is interesting to see how the stock markets reacted to the terrorist attack in September 2001 — then the United States completely stopped the exchange for a week. In the next six days, the Dow Jones Industrial Index fell by 18%, it took a little more than a month and a half to restore the previous values. It was a short-term shock, which had already exhausted itself by the end of the year. By this time, the value of the S&P 500 also exceeded the index level before the day of the attack.

The subsequent US invasion of Iraq on March 20, 2003 became a kind of starting point for the long-term growth of the American market. Here, of course, parallels with the behavior of the Russian market are interesting. It is safe to say that Russian stock market almost did not react to the events in New York and the RTS index grew safely both in September and in October 2001.

The conclusion that can be drawn from the above is quite simple: the Russian investors better understands the specifics of their country and the market risks that may arise because of the implementation of existing threats. However, a large share of foreign speculators in the market increases the negative effect of an event, and Russian business must reckon with this.

5 Discussion and Conclusions

The works written in the field of the influence of dividend policy on the formation of the value of public companies have a significant impact on the decisions made by companies in the field of the formation of dividend policy.

The issue of studying individual markets that are developing remains relevant. Existing theories that are devoted to the issue under study determine the existence of an agency conflict, the severity and nature of which depends on the forms of the leading owners and their share in the company's share capital. However, the agency conflict and its impact are not a determining factor in both reducing dividends and increasing them. One of the leading factors that affects the formation of value is the level of legal protection of shareholders. But since it cannot explain all the research results, the search for new factors is urgent. From this point of view, the size of the dividend yield was chosen.

As part of the final qualification work, the following results were obtained.

In the second chapter, we discussed the conceptual framework and significance of value-based management. Analysis of the value of an enterprise, as the main criterion for the effectiveness of its activities, will allow managers to focus their efforts on ensuring the sustainability of the functioning of enterprises and increasing their economic and financial independence. This will correct the situation of multiple criteria for evaluating the effectiveness of management, which dissipated the strength of managers and leads to the loss of the main focus of their activities.

The second chapter also explored the main approaches to identifying the determinants of corporate shareholder value. A large number of criteria affect the creation of additional value. They may be purely financial in nature or reflect non-financial features, be controlled or not controlled by the company's management. The key element of the management system is the identification of explanatory determinants, since with the correct identification of drivers and cost factors, it is possible to form an effective management decision-making system that affects the achievement of maximizing the welfare of owners.

In the third chapter, we analysed the impact of individual factors on the value of companies. Empirical studies of the impact of the dividend policy on business value are analysed. Based

on the results of empirical studies, it was found that dividend payments have an impact on the company's value, as well as vice versa, the amount of payments depends on the company's profit. The analysis showed that dividends are paid by more mature and well-established companies in the market. The share of retained earnings in the company's liabilities was used as an indicator that reflects the stage of the life cycle. As the company becomes established in the market, the amount of dividend payments becomes larger, as the company's profit also becomes larger. And this directly affects the value of the company itself.

An econometric study of the impact of individual determinants, including the size of the dividend yield, on the value of Russian public companies was conducted. Based on the results of the model study, the following conclusions were made:

- the growth rate of fixed assets does not affect the formation of the value of Russian public companies;
- the size of the company does not affect the formation of the value of Russian public companies;
- the presence of state ownership does not affect the formation of the value of Russian public companies;
- the presence of foreign ownership does not affect the formation of the value of Russian public companies;
- the Return on Invested Capital ratio affects the formation of the value of Russian public companies;
- the ratio of an organization's debt to equity (financial leverage) affects the formation of the value of Russian public companies;
- in the course of the study, it was confirmed that the binary (dummy) variable of the presence of a state share in the company's capital has an inverse relationship with the financial coefficient, which is equal to the ratio of the current market capitalization of the company to its book value;

- It is proved that the Dividend Pay-out Ratio (a determinant that shows how much of the company's net profit is allocated to dividends) affects the formation of the value of Russian public companies.

The results of the study were interpreted and conceptually justified, which allows us to conclude that such an external factor as the size of the dividend yield has the strongest influence on the process of creating shareholder value.

In the fourth chapter, value-based management based on value drivers was defined. Recommendations were developed for forming the dividend policy of Russian joint-stock companies as a driver of their investment attractiveness and ensuring the stability and dynamic growth of the country's economy. Directions for further research on the determinants of shareholder value based on an imperfect market were also identified.

Based on the research performed, it is necessary to take measures to improve the quality of the dividend policy of Russian joint-stock companies. These measures are compiled by the author of the final qualification work and are purely advisory in nature:

- the need to calculate dividends based on the amount of net profit under the IFRS system;
- implementation of a stable dividend policy: international practice shows that such companies have higher rates of growth in the exchange rate value of shares;
- in order to increase the company's investment attractiveness, it is necessary to strive for the average dividend pay-out ratio of developed capital markets $\approx 50\%$;
- ensuring open access to information about the company's activities, a clear and transparent mechanism for determining the number of dividends and the procedure for their payment;
- the formation of a dividend policy should be focused on the future and take into account forecast indicators for the market;
- the need to calculate net profit taking into account the consolidated financial statements of subsidiaries;
- enter the minimum value of dividend payments based on the joint-stock company's net profit.

The dividend policy of Russian corporations affects the replenishment of federal budget revenues and affects the growth of investment attractiveness.

The measures presented above will increase the investment attractiveness of minority shareholders, as a number of Russian joint-stock companies have a high "dispersion" of shares.

For further research, it is necessary to take into account the study of the effectiveness of the dividend policy of Russian joint-stock companies and the quality of corporate governance in these companies.

The integrated application of the considered elements will ensure the formation of the value of public joint-stock companies using the considered drivers. This will increase the interest of shareholders in investing in companies and, consequently, increase the inflow of financial resources to the company's activities.

The study of the impact of individual determinants on the value of Russian public companies was based on an analysis of 61 companies over a five-year period. A total of 305 studies over five years. Based on the assessment, each year the capital price of the companies that were the objects of the study was determined.

The subject of the study of value determinants, including the size of the dividend yield, which are characteristic of Russian public companies and affect their value, has prospects for further study in the framework of these analytical works and empirical studies. They should help to increase the efficiency of establishing a dividend policy in companies and generally improve the country's economy.

The results of this final qualification work should be a stable long-term functioning of organizations, which will be characterized by a high level of efficiency, and, of course, strengthening their positions in market conditions, which today becomes extremely important in the unstable economic conditions in the Russian Federation.

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