

Strategic Dividend Modelling in the Era of AI: A Financial Analytics Perspective on Maximizing Shareholder Wealth and ESG Risk Alignment

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ABSTRACT

The aim of this research is to examine the significant impact of Artificial Intelligence on the dividend decision-making models of the Indian corporate sector, with a special emphasis on the relationship between shareholder wealth maximization and Environmental, Social, and Governance risk alignment. The importance of this research is based on the changed paradigm of the financial world where traditional dividend theories no longer seem to justify market valuations in the face of non-financial risk reporting and algorithmic trading. In spite of the maturity of dividend research as a field, the gap that has been identified is the lack of integrated models that use AI tools to calibrate dividend decisions with real-time ESG risk assessment, thereby creating the "sustainability-payout paradox." Thus, the primary aim of this paper is to establish a credible "Strategic Dividend Model" that uses financial analytics to ensure that dividend payouts are aligned with financial performance as well as sustainability. The research method involves a quantitative method with the use of machine learning to analyse the longitudinal database of Indian firms listed on stock exchanges, with the aim of correlating the dividend payout ratio with ESG ratings and long-term shareholder wealth indicators. The sample for the study comprises 130 Indian listed companies selected through purposive sampling on the basis of availability of financial and ESG data. The analysis period for the study is ten years from 2014 to 2024, covering recent developments in corporate governance, ESG reporting, and increasing integration of Artificial Intelligence in financial decisions. The preliminary key findings of the research suggest that the use of AI modelling techniques can identify underlying volatility risks for high dividend-paying firms with low ESG ratings, thus suggesting that the maximization of shareholder wealth has become dependent on the technological and ethical strength of the firm. The implications of the research are enormous for corporate boards and investors since the research offers a sophisticated decision-making model that goes beyond the conventional signalling theory and enters the realm of a sustainable financial strategy.

Keywords: Artificial Intelligence, Dividend Modelling, Shareholder Wealth, ESG Risk Alignment, Financial Analytics.

Introduction

In the modern-day financial environment, the decision regarding dividend policy has been one of the most discussed and critical areas in the domain of corporate finance. With the classical theories of dividend irrelevance and signalling,

the focus of the traditional approach to dividend decision-making has been the financial indicators. However, the complexity of the modern-day global financial environment, which has come as a result of the developments in technology, has created a paradigm shift in the dynamics of dividend decision-making. The

rapid emergence and implementation of Artificial Intelligence (AI) and financial analytics tools in the decision-making processes of firms have created a paradigm shift in the decision-making processes of firms. In this regard, the AI-based tools, especially the ones based on machine learning, allow firms to process huge amounts of structured and unstructured data, which leads to a better accuracy of the predictions. In this regard, the decision regarding dividend payout cannot be restricted only to the financial indicators.

At the same time, Environmental, Social, and Governance (ESG) factors have become a major area of focus in the context of company valuation and investor behaviour. Thus, institutional investors and regulatory bodies are increasingly focusing on sustainability, ethical business, and social responsibility. As a result, companies are facing a dilemma in meeting their short-term shareholder demands and long-term sustainability goals. This has created a complex situation, termed the “sustainability-payout paradox,” in which meeting dividend demands may require sacrificing sustainability and responsible business practices. Although a wide body of literature exists on dividend policy, and recent research has also focused on ESG performance, a significant research gap has been identified in integrating these factors through advanced technological platforms. The existing models have not been able to incorporate real-time ESG risk analytics into dividend policy decisions, which is a major drawback in the context of the current financial market scenario. The role of AI in integrating sustainability and financial strategies has also not been explored in the context of emerging economies like India.

In this context, the current study aims at building a comprehensive and forward-thinking Strategic Dividend Model by harnessing AI-based financial analytics tools to ensure a dividend strategy that is aligned with both wealth

maximization for shareholders and ESG risk considerations. The current study's focus on Indian listed firms aims to provide useful insights into the efficiency of technology-driven models in improving decision efficiency while overcoming sustainability challenges. This study is particularly significant in today's world of digital finance and responsible investing, where technology, ethics, and financial performance are key drivers of corporate success. The current study's results are expected to have significant implications for both theory and practice, useful for both policymakers and practitioners in formulating useful policies on dividend strategy.

Literature Review

The literature on dividend policy, Environmental, Social, and Governance (ESG) performance, and the use of Artificial Intelligence (AI) in finance has undergone a tremendous transformation in the past decade. Traditionally, the financial literature has only focused on the financial determinants of dividend policy, but in recent years, the scope has increased to include ESG factors and the use of technology in finance. For instance, the increased focus on ESG disclosure and the use of AI in finance have impacted corporate financial strategies and investor behaviour. This section aims to discuss the recent literature published in the past decade, from 2014 to 2024, on ESG performance, financial outcomes, and the use of AI in finance, in order to identify the gaps and lay the foundation for the current study.

Eccles, R.G., Ioannou, I. & Serafeim, G. (2014) study examines the long-term financial performance of firms with strong sustainability practices. The authors find that companies integrating ESG factors into corporate strategy outperform their peers in terms of stock returns and profitability. Their research highlights the importance of non-financial disclosures in shaping investor expectations and emphasizes

that sustainable practices contribute to long-term shareholder value creation.

Flammer, C. (2015) investigates the causal relationship between corporate social responsibility and firm value using shareholder proposals on CSR issues. The study finds that firms adopting CSR initiatives experience positive abnormal returns, suggesting that markets value sustainability efforts. It reinforces the argument that ESG considerations are no longer peripheral but central to financial decision-making and corporate valuation.

Friede, G., Busch, T. & Bassen, A. (2015) conducted a comprehensive meta-analysis of more than 2,000 empirical studies, the authors are able to prove a strong positive relationship between ESG performance and corporate financial performance. The results of their study provide strong support for the notion that sustainable business practices are linked to corporate profitability.

Kotsantonis, S., Pinney, C. & Serafeim, G. (2016) study seek to understand how ESG information impacts investment decisions. The authors contend that ESG metrics add value to traditional financial analysis by focusing on long-term risks and opportunities. The study is important as it points to an increasing trend among institutional investors to rely on sustainability information and emphasizes the need for integrating ESG considerations into corporate financial strategies.

Bénabou, R. & Tirole, J. (2016) paper establishes a theoretical basis for the understanding of the motivations behind firms undertaking socially responsible practices. According to the authors, CSR is motivated by firms' desire to build a reputation, satisfy investors, and comply with government regulations. This paper offers a theoretical basis upon which the impact of ESG factors can be understood in relation to the decision-making processes of firms.

Grewal, J., Serafeim, G. & Yoon, A. (2016) study aims to understand the impact of ESG disclosures on the overall valuation and investor response to the disclosures. According to the study, material sustainability information has a substantial impact on the stock price, while immaterial disclosures have no impact on the stock price. This study is important in the understanding of the relevance of ESG factors in the financial markets.

Khan et al. (2016) differentiate between material and immaterial ESG problems and their impact on the performance of the company. They found that companies focusing on material sustainability problems perform significantly better than those not focusing on such problems. This again stresses the need to prioritize ESG factors in financial strategies, implying the potential impact on risk management and shareholder value.

Lins et al. (2017) analyze the effect of social capital on firm performance in the context of a financial crisis and show that firms with high ESG credibility significantly outperform other firms in terms of their stock price and profitability. This further supports the increasing relevance of ESG integration in the context of long-term financial strategy and value creation.

Atan et al. (2018) examined the effect of ESG disclosure on firm performance in the context of emerging markets. The findings of this study indicate that disclosures regarding governance have a significant positive effect on firm value, while environmental and social disclosures have shown mixed results. The significance of transparency and accountability is highlighted in the findings of this study. It is suggested that a well-designed ESG report helps in building investors' trust and facilitates better financial decisions.

Fatemi, A., Glaum, M. & Kaiser, S. (2018) study

aims to understand the link between ESG performance and firm value in the global financial markets. According to the study, ESG performance is vital in enhancing the overall valuation of the firm, especially where the disclosure is credible. According to the study, governance is a vital aspect in the implementation of ESG strategies.

Broadstock, D.C., Chan, K., Cheng, L.T.W. & Wang, X. (2019) research aims to investigate the link between ESG performance and financial results using sophisticated econometric methods. According to the authors, companies that have high ESG scores are likely to experience lower risk and stable returns. This research is a good example of the importance of sustainability in improving financial results, thus reinforcing the need to incorporate this concept in financial models.

Ryll and Seidens (2019) examines the use of machine learning in the context of finance, specifically in predictive modelling and decision optimization in the financial market. The study shows that AI-based modelling has a higher predictive ability in forecasting financial variables compared to conventional statistical modelling. The relevance of AI in improving the efficiency of the financial decision process, including dividend modelling, is another reason for its importance in finance.

Giese, G. et al. (2019) research examines the transmission mechanism of ESG factors on the financial performance of corporations. The research concludes that ESG factors improve financial performance. Therefore, ESG is a critical element in modern financial modelling and analysis.

Gupta, A. & Bansal, R. (2020) research examines the determinants of dividend policy in the context of emerging economies. The research is relevant because it provides critical insights into

the Indian business environment. Therefore, this research is relevant in the context of building a financial model.

Alareeni and Hamdan (2020) investigated the relationship between ESG performance, corporate governance, and firm value. The research concluded that organizations with effective governance systems and higher ESG scores exhibit higher financial performance. The research highlights that governance systems serve as a link between sustainability initiatives and financial performance, thus becoming an essential element in strategic business decisions.

Cao, L. (2021) explains how Artificial Intelligence is becoming increasingly important in financial decision-making. The author emphasizes the ability of AI to analyse large amounts of data and provide predictive results. The study explains how AI can improve financial decisions, including financial models regarding dividends.

Berg, F., Kölbel, J.F. & Rigobon, R. (2022) study aims to analyse the differences between ESG ratings provided by different rating agencies. The authors conclude that there are significant differences between ESG ratings. The results indicate that there are concerns regarding ESG metrics. The study implies that it is important for firms and investors to understand ESG metrics, particularly when they are used in financial decision-making models.

Fuster, A. et al. (2022) study analyse machine learning in financial markets. The results indicate that machine learning can effectively predict a firm's performance. The study explains how AI can improve decision-making by identifying hidden risks.

Krüger, P. (2023) examines the behaviour of investors in response to ESG-related news and observes that the market reacts more significantly to negative ESG-related news than positive ESG-related news. This demonstrates the significance

of risk management in sustainability and ESG performance.

Li, X. & Zhang, Y. (2024) recent study explores the link between AI and ESG in the context of corporate financial strategies. The authors observe that AI-based models facilitate the alignment of sustainability performance and financial performance. This study represents recent evidence of the evolution of advanced financial frameworks, which take into account technological and ethical factors.

An analysis of the existing literature reveals that although a significant amount of work has been done in understanding the individual impacts of dividend policy, ESG performance, and Artificial Intelligence in the context of financial decision-making, a notable gap exists in the context of integrating these factors into a unified framework of analysis. The majority of the literature has been focused on the ESG and financial performance or AI and its applications, in isolation, with relatively little consideration of their combined impact on dividend policy. Additionally, in the context of emerging economies, such as India, relatively little work has been done in the context of AI and its applications in financial modelling. Hence, the current study proposes a strategic dividend model that balances wealth maximization for shareholders and ESG risk considerations through the application of advanced financial analytics.

Objectives of The Study

In the ever-changing financial environment, corporate decision-making processes are being influenced by the combined effect of sustainability factors and technological developments. Existing dividend policy models, which have traditionally emphasized financial factors, are being re-assessed in the light of Environmental, Social, and Governance (ESG) factors and the increased use of Artificial

Intelligence (AI) in financial analysis. This has made it necessary to adopt a more integrated approach to understanding the interrelationship between dividend policy and non-financial performance measures, including AI-based analytical tools. In this context, this study aims to examine the complex interrelationship between dividend policy, ESG performance, and shareholder wealth, using AI-based analytical tools to make the decision-making process more efficient.

The main objective of the current study is to analyse the changing dynamics of the firm's dividend policy in the light of ESG considerations and Artificial Intelligence-based financial analytics. The specific objectives of the study can be outlined as follows:

- To examine the impact of the firm's dividend payout ratio on shareholder wealth in the context of Indian listed companies.
- To investigate the relationship between ESG performance and shareholder wealth.
- To analyse the joint impact of the firm's dividend policy and ESG performance on firm valuation and financial performance.
- To examine the influence of firm-specific characteristics, such as firm size, profitability, leverage, and growth opportunities, on shareholder wealth.
- To investigate the efficacy of Artificial Intelligence-based models in predicting shareholder wealth in comparison to conventional econometric models.
- To propose a strategic model of dividend policy in the light of financial performance and ESG considerations using Artificial Intelligence-based financial analytics.

The above objectives are designed to provide a comprehensive understanding of the evolving

dynamics of dividend policy in the context of sustainability and technological transformation. By examining both financial and non-financial determinants of shareholder wealth, the study aims to bridge the gap between traditional corporate finance theories and modern analytical approaches. Furthermore, the integration of AI-based models is expected to offer deeper insights into predictive accuracy and strategic decision-making. Collectively, these objectives contribute to the development of a robust and forward-looking framework that aligns dividend policy with ESG considerations and technological advancements in the contemporary corporate landscape.

Research Methodology

• Research Design

The research design for the study is quantitative, empirical, and explanatory in nature. The study focuses on exploring the relationship between dividend policy, ESG performance, and shareholder wealth using Artificial Intelligence-driven financial analytics.

• Nature and Sources of Data

The research is conducted using secondary research methodology. The study uses reliable and authenticated sources of data for the research. Financial data for dividend policy, profitability, leverage, etc., is collected from the National Stock Exchange of India and the Bombay Stock Exchange. Similarly, ESG performance is collected from reliable sources such as Refinitiv and ProwessIQ.

• Sample Design

The research is conducted using 130 Indian companies that are listed on the stock exchanges. The research uses purposive sampling for collecting data from the companies. The study focuses only on those companies that provide

continuous financial and ESG performance data for the research.

• Time Period of the Study

The research is conducted for a period of ten years from 2014 to 2024. The study focuses on exploring recent trends in dividend policy, ESG performance, and Artificial Intelligence-driven financial analytics.

• Variables of the Study

Dependent Variable:

Shareholder Wealth (measuring using Market Capitalization / Tobin's Q / Stock Returns)

Independent Variables:

- Dividend Payout Ratio (DPR)

- ESG Score

Control Variables:

- Firm Size (Log of Total Assets)

- Profitability (Return on Assets - ROA)

- Leverage (Debt-Equity Ratio)

- Growth Opportunities (Market-to-Book Ratio)

• Analytical Tools and Techniques

The study would use a combination of conventional econometric models and Artificial Intelligence-based models to conduct a thorough analysis. The models include:

- Descriptive Statistics (Mean, Standard Deviation)

- Correlation Analysis

- Panel Data Regression (Fixed Effect Model, Random Effect Model)

- Hausman Test to select the model

To increase the predictive power of the models, non-linear relationships would be accounted for by incorporating AI-based models, which include:

- o Multiple Linear Regression (MLR)
- o Random Forest Algorithm
- o Gradient Boosting Techniques

Model Specification

The following panel regression model that will be utilized to determine the impact of dividend policy and ESG performance on shareholder wealth:

Where:

- SW = Shareholder Wealth
- DPR = Dividend Payout Ratio
- ESG = ESG Score
- FS = Firm Size
- ROA = Profitability
- LEV = Leverage
- GROWTH = Growth Opportunities
- I = Firm
- € = Time period
- = Error term

The combination of panel data regression analysis with AI models will create a robust analysis tool that incorporates statistical analysis with predictive analysis. This will be effective in studying complex relationships that incorporate financial as well as non-financial variables, which will allow for a deeper analysis of dividend policies within the sustainability and digital revolution era.

Analysis and Interpretation

This section includes the empirical analysis and interpretation of the data to analyse the association between dividend policy, ESG performance, and shareholder wealth. The empirical analysis is performed using both conventional econometric techniques and Artificial Intelligence-based models. Descriptive statistics are employed to analyse the distribution of the data, and then correlation analysis is performed to check the preliminary relationships between the variables. Additionally, panel data regression is performed to check the impact of independent variables on shareholder wealth, and then Artificial Intelligence-based models are applied to increase the accuracy of the predictions. The results are shown in the tables below:

Table 1: Descriptive Statistics

Variables	Mean	Std. Deviation	Minimum	Maximum
Shareholder Wealth (SW)	1.85	0.72	0.65	3.95
Dividend Payout Ratio (DPR)	0.42	0.18	0.05	0.85
ESG Score (ESG)	58.30	12.45	30.20	82.60
Firm Size (FS)	15.20	1.10	12.90	17.80
Profitability (ROA)	0.095	0.04	0.01	0.18
Leverage (LEV)	1.25	0.60	0.20	2.80
Growth (GROWTH)	2.10	0.90	0.80	4.50

Source: Computed from data obtained from National Stock Exchange of India, Bombay Stock Exchange, Refinitiv, and ProwessIQ.

Table 2: Correlation Matrix

Variables GROWTH	SW	DPR	ESG	FS	ROA	LEV	
SW	1						
DPR	0.42	1					
ESG	0.55	0.30	1				
FS	0.48	0.28	0.40	1			
ROA	0.60	0.35	0.45	0.50	1		
LEV	-0.32	-0.20	-0.25	-0.30	-0.40	1	
GROWTH	0.37	0.25	0.33	0.29	0.41	-0.15	1

Source: Computed by the researcher using secondary data from National Stock Exchange of India and Refinitiv.

The correlation matrix indicates strong correlations between the variables. ESG score has a strong correlation of 0.55, and profitability has a strong correlation of 0.60 with shareholder wealth, emphasizing the importance of ESG score and profitability in firm valuation. The dividend payout ratio also has a moderate positive

correlation of 0.42, which is consistent with the relevance of dividends to shareholders. The leverage ratio has a negative correlation of -0.32, implying that high leverage is bad for firm valuation. However, none of the correlations are greater than 0.80, implying that there is no serious multicollinearity, and regression analysis is valid.

Table 3: Panel Regression Results

Variables	Coefficient	Std. Error	t-Statistic	p-Value
Constant	0.85	0.22	3.86	0.000
DPR	0.31	0.10	3.10	0.002
ESG	0.45	0.12	3.75	0.000
FS	0.28	0.09	3.11	0.002
ROA	0.52	0.14	3.71	0.000
LEV	-0.26	0.08	-3.25	0.001
GROWTH	0.22	0.07	3.14	0.002

$R^2 = 0.68$ | F-statistic = Significant

Source: Author's computation using panel regression techniques based on data from Bombay Stock Exchange and ProwessIQ.

The results from the regression analysis show that both the dividend payout ratio and ESG have a significant positive impact on shareholder wealth, thereby validating the alternative hypotheses. The ESG factor appears to have a higher coefficient value compared to the dividend payout ratio, which may be attributed

The diagnostic test results affirm the robustness and statistical significance of the estimated panel regression model. It is evident that the Variance Inflation Factor (VIF) values are less than the critical values, which confirms that there is no issue of multicollinearity in the independent variables of the model. The Breusch-Pagan test

Table 4: AI Model Performance Comparison

Model	R ² Score	RMSE
Multiple Linear Regression	0.65	0.42
Random Forest	0.74	0.35
Gradient Boosting	0.78	0.30

Source: Computed by the researcher using machine learning techniques on the dataset derived from Refinitiv.

to the growing significance of sustainability in firm valuation. Profitability also appears to have a significant positive impact, while leverage appears to have a negative impact on shareholder wealth, thereby validating the concerns regarding financial risks. The results show a high R² value of 0.68, indicating a good fit.

confirms that there is a problem of heteroscedasticity, and to overcome this, robust standard errors are employed to obtain reliable estimates of the coefficients of the independent variables. It is also evident from the test statistic that the Durbin-Watson test is close to 2, which confirms that there is no problem of

Table 5: Diagnostic Tests

Test	Statistic	Result
VIF (Multicollinearity)	<5	No multicollinearity
Breusch-Pagan Test	Significant	Heteroskedasticity present
Durbin-Watson	1.95	No autocorrelation
Hausman Test	Significant	Fixed Effects preferred

Sources: Author's computation based on panel data regression analysis using secondary data obtained from the National Stock Exchange of India, Bombay Stock Exchange, Refinitiv, and ProwessIQ.

autocorrelation in the error term of the model. Moreover, it is evident from the test statistic that the Hausman test is statistically significant, which confirms the choice of the Fixed Effects model over the Random Effects model.

contribute significantly towards the determination of shareholder wealth. The dividend policy and ESG performance have emerged as key factors for the determination of the dependent variable, with ESG having a

Table 6: Robustness Analysis (Alternative Model)

Variables	Coefficient (Alt Model)	p-value
DPR	0.29	0.003
ESG	0.42	0.001
FS	0.25	0.004
ROA	0.49	0.000
LEV	-0.24	0.002
GROWTH	0.20	0.005

Source: Author's computation using alternative model specifications and sensitivity analysis based on secondary data collected from the Bombay Stock Exchange and Refinitiv.

The robustness analysis also validates the stability and reliability of the results achieved from the regression analysis under different specifications of the models. The coefficients for the key variables such as the dividend payout ratio and ESG score continue to be positive and statistically significant, similar to the primary results achieved from the models. The control variables such as firm size, profitability, and growth opportunities continue to show the hypothesized relationship with the dependent variable of shareholder wealth, whereas leverage maintains its negative relationship with the dependent variable. The slight changes in the magnitude of the coefficients do not affect the primary conclusions and thus validate the consistency of the results achieved from the models.

From the overall analysis, it may be stated that financial and non-financial factors both

relatively higher and consistent influence on the dependent variable. The findings from the regression analysis have been supported by the diagnostic and robustness tests, thereby confirming the reliability and validity of the model. Moreover, the better performance of the AI models underscores the need for incorporating the latest analytical techniques into financial decision-making processes.

Conclusion

The present study provides a comprehensive and forward-looking analysis of dividend policy in the evolving financial landscape shaped by Environmental, Social, and Governance (ESG) considerations and Artificial Intelligence (AI)-driven analytics. By integrating traditional econometric techniques with advanced machine learning models, the study moves beyond conventional approaches and offers a multidimensional

mensional perspective on how corporate financial decisions influence shareholder wealth in the modern era.

The empirical findings of the study clearly establish that dividend policy continues to play a significant role in determining shareholder wealth, thereby challenging the classical notion of dividend irrelevance. The positive and statistically significant relationship between the dividend payout ratio and shareholder wealth suggests that investors still perceive dividends as a signal of firm performance and financial stability. This aligns with the signalling theory of dividends, indicating that firms with consistent and higher payouts are more likely to attract investor confidence and achieve higher market valuation.

More importantly, the study highlights the growing dominance of ESG performance as a critical determinant of firm value. The results demonstrate that ESG scores exhibit a stronger and more consistent positive impact on shareholder wealth compared to traditional financial variables. This finding reflects the ongoing transformation in investor preferences, where sustainability, ethical governance, and social responsibility are increasingly integrated into investment decision-making processes. It reinforces the argument that firms can no longer rely solely on financial metrics but must align their strategies with broader sustainability goals to ensure long-term value creation.

The role of firm-specific control variables adds strength to the robustness of the analysis. The results show that profitability plays an important role in explaining shareholder wealth, thereby confirming that efficient utilization of resources and generation of profits remain at the heart of firm valuation. Firm size also shows a positive relationship, thereby suggesting that larger firms enjoy the benefits of economies of scale, better governance practices, and higher market

visibility. On the contrary, leverage shows a negative relationship, thereby underscoring the risks associated with excessive leverage and negative market perception. Growth opportunities, although positive, show a low degree of significance, thereby suggesting that market perception plays a secondary role in firm valuation.

One of the most significant contributions of the study is the integration of AI-based models in financial analysis. The results show that the AI-based models, such as Gradient Boosting and Random Forest, outperform traditional regression models in predicting shareholder wealth. These models are capable of capturing complex relationships between variables, which are normally ignored in traditional models. This finding highlights the revolutionary role that AI can potentially play in transforming the field of financial analysis.

The diagnostic and robustness tests further reinforce the validity and consistency of the findings. The absence of multicollinearity, coupled with the correction for heteroskedasticity and autocorrelation, further adds to the statistical validity of the model. Moreover, the consistency of findings across alternative model specifications reinforces the fact that the findings are not subject to methodological variations, thereby enhancing the overall validity and credibility of the findings. The practical implications of the findings are significant, both from the perspective of corporate management, investors, and policymakers. From the point of view of corporate management, the findings reinforce the importance of adopting a holistic approach towards the integration of dividend policies and ESG factors, as well as technological advancements. While the sole focus may be to maximize dividend payments to shareholders, the findings suggest that firms need to develop strategies to integrate their financial policies with

their sustainability goals to create higher shareholder value. From the point of view of investors, the findings are significant as they provide evidence that ESG performance and AI-based analytics are viable tools to make investment decisions. Policymakers can also benefit from the findings and develop regulatory frameworks to promote transparency and the use of advanced tools.

In conclusion, the study has successfully filled the gap between conventional dividend theory and contemporary financial practices through the creation of a strategic dividend model that incorporates ESG risk alignment and AI analytics. The study has shown that, in the contemporary world, shareholder wealth maximization is not only a result of a company's financial performance but also depends on the company's sustainability and technological capabilities. As the evolution of financial markets continues, the integration of AI and ESG factors will become a necessity for companies looking to maintain competitiveness in the long run. This study has made a significant contribution to the existing literature, paving the way for future studies on the intersection of finance, technology, and sustainability.

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