

## **The role of accounting conservatism in the relationship between ownership structure and firm performance**

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**Abstract:** The study aims to investigate the moderating role of accounting conservatism in the relation between ownership structure and firm performance of Gulf Cooperation Council (GCC) firms. The sample of the study consisted of 215 firms from six GCC countries during the period 2013–2015. Ownership structure was determined through three dimensions: ownership concentration, managerial ownership, and institutional ownership. As for performance, it was measured by two variables: return on assets (ROA) and Tobin's Q. The study used A panel regression and concluded that accounting conservatism plays a positive role in reducing the negative impact of ownership concentration on firm performance and consolidate the positive role of managerial and institutional ownerships in firm performance. The increase of accounting conservatism in the financial reports of GCC firms reduced asymmetrical information and the intensity of agency problems, besides providing credibility to investors in financial reports.

**Keywords:** ownership structure; firm performance; accounting conservatism; agency theory; Gulf Cooperation Council; GCC; countries.