

## **Paper # 11**

### **The Role of Ownership Structure in Reducing Agency Costs in Bahraini Listed Firms**

#### **Abstract**

This paper aims to shed lights on the role of ownership structure in Bahrain listed firms, and its role in reducing agency costs. The ownership structure is divided into four basic components mainly, concentrated ownership, board members' ownership, institutional ownership, and foreign ownership. The data were collected based on longitudinal data which consist of (31) firms for time series extends to (13) years (2002-2014). By using the firm fixed- effect approach. The findings of this paper reveal that the components of the ownership structure could lead to a negative role in the Agency's costs of Bahraini listed firms, with the exception of the board members' ownership, which lead to a positive role but not totally effective in reducing agency costs.

**Keywords:** Ownership structure, Agency theory, Agency cost, Bahrain Bourse.