

Paper # 20

Corporate Governance and Institutional Ownership: Evidence from Kuwait's Financial Sector

Abstract

In this article, we examine the relation between corporate governance and institutional ownership. The study sample contained 98.5% of Kuwait's financial sector corporations, which are listed in Kuwait Stock Exchange and which are 66 Corporations during 2010. The descriptive results indicated that there is an average application, which was statically significant to the corporate governance conditions in Kuwait's financial sector. The empirical results indicate that the fraction of a company's shares, held by institutional investors, decreases with the quality of its governance structure. These results are not consistent with the conjecture that institutional investors gravitate to stocks of companies with good governance structure.

Keywords: Corporate governance, Institutional ownership, Kuwait Stock Exchange.