



The effect of main changes of the percentage of ownership of institutional shareholders on the fluctuations of firm managers' rewards

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ABSTRACT

The major goal of the present research is to investigate about the main changes in ownership percentage of institutional shareholders on the risk of firms' rewards in firms enlisted in Tehran Stock Exchange. The statistical population for the present study is composed of firms enlisted in Tehran Stock Exchange during the years between 2008 and 2014 and the sample volume has been 118 firms regarding the screening method utilized. In this research the changes in the percentage of ownership of institutional shareholders and main changes in the percentage of ownership of institutional shareholders were considered as the independent variables to study their effects on firm managers' rewards. On the other hand, the present study is post-incident (quasi-experimental) type. This means that it was carried out based on analyzing previous and historical data (firms' financial statements). Also this research is based on panel data analysis. In this research using panel data with random effects, the results of analyzing the data in firms by using multiple variable regression in assurance level of %95, it has been shown that the percentage of institutional shareholders' ownership and major changes in the percentage of institutional shareholders' ownership have had a reverse and direct effect on managers' reward risk, respectively.

Keyword:

✓ institutional shareholders
✓ manager reward's risk
✓ agency costs

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