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Multidisciplinary Issues and Contemporary Discussions in Social Science
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CONFERENCE PROCEEDINGS

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MIRDEC & GLOBECOS

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COSTS OF AGENCY INDEX: THE NEED TO MEASURE AGENCY COSTS

Abstract

This study aims to make known the need to create an indicator that can measure the agency costs resulting from agency conflicts set out in the agency's theory.

The increasing complexity of the management of organizations, coupled with increased dimensions and geographical coverage, most often their scope is reflected on a global scale, leads to the costs resulting from monitoring management, by the of the "owners" of capital are increasingly relevant, having an impact on the financial and stock performance of these same organizations.

Thus, in the present study will be exposed the foundations that will lead the authors to the design and creation of a Composite Indicator that will allow, through variables identified in the reports of corporate governance and constructed proxies, to the creation of the Costs of Agency Index. The main dimensions for their future elaboration and described will be explained also the associated advantages.

Keywords: Agency theory, agency costs, corporate governance, composite indicators

JEL Codes: F60, M20

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