Title: Rookie independent directors and agency costs: Evidence from Chinese listed firms

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Abstract: This study investigates the impact of rookie independent directors (RIDs) on agency costs. Utilizing a sample of Chinese listed firms, we employ panel ordinary least square estimations. Our findings reveal that increased RIDs is positively associated with agency costs, suggesting that rookie independent directors may exacerbate agency conflicts within Chinese firms. Also, qualified financial institutional investors and gender diversity within the board composition mitigate the positive effect of RIDs on agency costs. Overall, our study contributes to understanding corporate governance dynamics in Chinese listed firms by shedding light on the nuanced relationship between rookie independent directors and agency costs.

Keywords: Rookie independent directors Agency CostsGender diversity Qualified financial Institutions China

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