

Abstract

This study examines the relationship between internal corporate governance mechanisms (Board characteristics, Ownership structure, CEO compensations, Audit Committee) and investment efficiency in a sample of 35 Egyptian firms listed on the Egyptian Stock Exchange for the period 2006-2013 using Panel data analysis.

The results show that there is a statistically significant negative relationship between board size and investment efficiency and there is also significant negative relationship between board independence and investment efficiency, but insignificant with leadership structure. There is a statistically significant positive relationship between investment efficiency and for both managerial ownership and institutional ownership; there is also significant positive relationship between outside director ownership and investment efficiency, but an insignificant relationship between investment efficiency and for both blockholder ownership and CEO ownership. There is a statistically significant positive relationship between investment efficiency and for both number of audit committee meetings and outside director on audit committee.

Key words: corporate governance mechanisms, investment efficiency, Panel data analysis.