Extended Abstract
1.Introduction
The organizational identity of managers plays a critical role in shaping corporate behavior and governance. By aligning managerial behavior with social expectations and stakeholder interests, organizational identity can reduce opportunistic actions and improve information transparency. From the perspective of business objectives, managers' adherence to organizational values and social norms can contribute to minimizing agency costs while supporting shareholder wealth maximization. Understanding how managers' organizational identity affects firms' agency cost gaps is therefore crucial for improving corporate governance and market trust.
2. Research Hypothesis
H1: Managers' organizational identity has a significant and negative effect on firms' agency costs.
3. Methods
This study adopts a mixed-method approach. In the qualitative phase, systematic content analysis and expert consultations were conducted with 13 accounting specialists to identify the dimensions of managerial organizational identity and the areas contributing to agency cost gaps. In the quantitative phase, the hypothesis was tested using data from 408 financial managers and accounting heads of listed companies during 2023–2024. Partial Least Squares (PLS) analysis was employed to evaluate the relationships between organizational identity and agency costs.
4. Results
The findings indicate that managers' organizational identity has a significant and negative effect on agency costs. The path coefficient was -0.21, with a t-statistic of 3.11, confirming the research hypothesis. This suggests that the enhancement of organizational identity contributes to better behavioral and functional alignment within the firm, leading to reduced agency cost gaps.
5. Discussion and Conclusion
The results demonstrate that the organizational identity of managers, driven by internal and external motivators, fosters ethical behavior, timely disclosure, and information symmetry between managers and stakeholders. By strengthening managerial adherence to organizational and social values, firms can reduce agency costs, enhance stakeholder trust, and improve corporate performance. The study highlights the importance of institutional training, governance reforms, and ethical culture promotion in raising organizational identity and social

responsibility among managers. These insights provide guidance for policymakers and practitioners aiming to promote effective governance and investment efficiency in competitive markets.
Keywords
Organizational Identity, Agency Cost, Corporate Governance, Managerial Behavior, Information Asymmetry