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RESEARCHARTICLE

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Impact of Agency Cost and Employee Benefit Obligation on Financial Distress in the Case of the Moderating Role of Foreign Ownership

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Abstract
This study is conducted to identify how agency cost and employee benefit obligation impact financial distress while taking foreign ownership as a moderator. The agency cost and employee benefits obligation acted as independent variables, while financial distress was the dependent variable, and foreign ownership was the moderator variable. The study uses a sample of 210 non-financial firms listed on the Pakistan Stock Exchange (PSX) over a period from 2017 to 2021.OLS regression was used to compute the results, and it showed that the agency cost has a significant negative impact on financial distress. It means that when agency costs increase, financial distress will decrease. Company financial health gets worse. When we discuss the moderating role of foreign ownership, the analysis suggests that it has a positive impact on financial distress. This means that in the case of foreign ownership, the company's financial health becomes better. The above discussion in the introduction section also suggests that foreign ownership presence in the firm affects employee benefit obligation. Foreign investors typically demand higher transparency and prudent financial governance, including proper disclosure and funding of employee benefits.

KEYWORDS
Employee Benefits, Financial Distress, Foreign Ownership

1 |INTRODUCTION

The financial health of a company is an essential topic in finance and management research, in today's world of dense global markets. Financial distress occurs when a company cannot pay its financial commitments in time, and has a significant impact on economies, industries, and stakeholders (Altman, Ivanic-Drozdowska, Laitinen & Suvas, 2017). Financial distress is a state of affairs when the company approaches a position where it risks bankruptcy or liquidation. Should the performance of the company deteriorate further, it is feared that the firm would enter into a financial quagmire that, in turn, would result in the company's bankruptcy. This indicates that financial distress can be defined as a state of financial hardship within a firm in terms of a reduction in profit, the inability of the company to meet debts, and obligations being expressed based on financial statements and a comparison of the finances of the preceding period. Companies that are likely to experience financial distress should perform a predictive analysis before going bankrupt.

Financial distress is an unhealthy financial condition, thus encouraging management to delay reporting to hide negative information. In addition, it is also in the interest of foreign investors, who tend to subject foreign-owned companies to greater transparency as a result of increased scrutiny. On the contrary, financial reporting may be slowed down due to a rise in information asymmetry in companies with their complex systems of operations. Research shows that one can evaluate financial distress by applying the Altman Z-Score model. The existence of financial issues in the company is going to jeopardize its operational sustainability. The need to keep operations running and comply with their duties will also increase so that the firm can still afford to submit its statements of accounts in the

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best way possible. It causes the accounting process to take a long time, and the financial reporting to take a long time. The scenario of financial distress occurs due to uncontrolled developments, excessive reliance on low working capital, poor cash flow forecasting methods, and failure to forecast and determine the cash flow. The financial crisis brings about different issues that include: the sales are low, the costs escalate, budgeting and pricing are unrealistic, the company lacks enough cash flow to support the business operations without any difficulty, insufficiency of accounts balance, and poor debt management (Adil et al., 2024; Younus et al, 2021).

One of the critical determinants of financial distress is agency cost. In the recent era, it has emerged as a significant factor that agency costs arise from conflicts of interest between managers (agents) and shareholders, where managers may engage in activities that are beneficial for their own interests at the expense of shareholders. The agency cost effects dominate the discipline effect, and financial distress hazard increases competition. Agency cost comes in many forms, which include excessive executive compensation, empire building, and less capital allocation. Agency cost increases when managers engage in activities that are highly risk-shifting to satisfy their personal stakes at the cost of the firm's financial instability (Ahmed & Duellmen, 2022). Agency costs are one of the factors whose increases have a negative impact on shareholders' interest, because increasing agency cost reduce a firm's shareholder value, as it requires managers to manage the firm to increase the firm's value. Hence, an increase in agency costs causes the company to go into financial distress. In some cases, the increase in managers' wealth as a result of decreasing shareholder benefits reflects conformity among managers and other beneficiary groups within a business firm (Xuezhou et al., 2022; Hussain et al., 2025).

The conflicts of interest of both parties, due to the emergence of relations by agency, are reflected in the agency costs. It is possible to state that the agency costs refer to the costs associated with the conflict of interest between the shareholders, the bondholders, and the business manager. The two leading causes that result in these conflicts are as follows: First is the diversity in goals and beliefs of shareholders, and the second reason is the diversity and information asymmetry of members concerning the company and the performance recorded.

Another critical factor influencing a company's financial health is employee benefit obligations, including pension and post-retirement benefits. They also have a significant impact on the balance sheet and other financial statements of the company, causing long-term liabilities. Companies with significant employee benefit obligations face liquidity-related problems, high leverage, and increased financial fragility (Chen, Ma, & Wang, 2023). Also, in this economic distress, the burden of meeting employees' compensation commitments may give rise to an agency problem, which in turn causes a conflict between managers who try to preserve short-term liquidity and stakeholders trying to figure out long-term employee welfare.

The accounting treatment of employee benefit compensation requires companies to estimate payouts related to employees' tenure, mortality rate, and discount rate. During challenging economic times, employee benefit obligation increases financial fragility (Chen, Huang & Ma 2021). Companies that have a high burden of employee benefit obligations are less active in implementing cost-saving initiatives, which causes them to lose their ability to recover from financial setbacks. Agency theory also provides a relationship between employee benefit obligation and managerial behavior. The management theory, including OB, gives us a framework for understanding and managing organizations, including assisting managers in making decisions, creating effective strategies, and achieving organizational goals (Deep 2023). Managers, when they try to maximize short-term financial goals and self-pleasing personal incentives, may underwrite employee benefit obligations and sometimes delay funding that fulfills pension liabilities, causing hidden risk to firms during distress time (Li, Wen & Zhou 2021). This opportunity-seeking behavior also causes agency costs to rise at a very high rate and increase distress at a time when the corporation is unable to fulfill its long-term promises to employees, causing damage to its reputation and exposing it to legal liabilities (Ahmad et al., 2022; Mirza et al., 2025).

The impact of foreign ownership also causes more complications in the variable relationships. The companies with significant foreign investors often face high scrutiny related to the management of employee benefit obligations (Choi & Yao 2022). Institutional foreign investment mainly demands transparent and honest financial governance, including proper disclosure and funding of employee benefit obligations. Firms with strong foreign ownership tend to manage employee benefit obligations more conservatively, seeing them not only as legal commitments but also as an essential part of maintaining social legitimacy and sustainability (Huynh, Nasir & Vo 2022). The foreign ownership can also have a negative impact on financial distress and agency costs by pressurizing management for better performance. Still, it can vary depending upon the environment, including the investor's legal practices and cultural factors that influence corporate governance and its practices (Nguyen, Phen & Tran 2021). It is also found that the foreign ownership causes improvements in the quality of financial reporting, including more honest disclosure of employee benefit liability (Chung et al, 2023). In areas and environments where local

governance standards are low and weak, foreign investors sometimes act as external monitors. They can reduce agency costs resulting from mismanagement of employee-related liabilities. When foreign owners give priority to financial performance over employee benefits, it can cause tension within the organization (Nguyen, Phen & Tran 2021)

Hence, our research contributes to existing literature by identifying how agency costs affect the firm's financial health. We have introduced the novel concept of whether giving benefits to employees affects the financial distress condition in the case of foreign ownership.

2. Literature Review

2.1. Agency cost and financial distress

A study to forecast management distress based on ownership design and managerial agency cost. Managerial ownership and institutional ownership were measures to test the ownership structure. In the meantime, the ratio of administrative cost tested the managerial agency cost. All the listed companies in the Indonesia Sharia Stock Index in the years 2016-2018 would represent the population of this research using the purposive sampling technique. According to the criteria identified, there were 129 companies in the total sample. Logistic regression analysis was applied to the data of this study. The outcome was that institutional ownership exerts a negative impact on financial distress. Nevertheless, the ownership by managers and the managerial agency cost do not have an impact on the financial distress. Wijaya (2021) investigated the effect of agency costs on management performance and how representation by women on the board of commissioners influences the relationship between agency costs and financial performance. An Indonesian publicly traded non-financial corporation from 2014 to 2018 is the unit of analysis in the present work. Analysis of data was conducted through panel data regression. As per this study, the effect of the negative agency cost on the financial performance can be boosted by the presence of women on the board of commissioners. It is reported that a woman on the board of commissioners strengthens the convergence between the management and the principals. The existence of women on the board of commissioners increases the strength of the board to supervise the agent in the decision, and women are seen to be risk-averse, conservative, and ethical.

The impacts of operational capacity, the increase in sales volume, the managerial agency, management ownership, and institutional ownership on financial distress. The sample of the paper includes the firms located in the transport and logistics sector operating on the Indonesia Stock Exchange during the period between 2017 and 2021. The purposive selection led to 23 companies that covered 5 years of observation, yielding 115 data observations. An analysis of the hypothesis was conducted using panel data regression. The research findings indicate that operations capacity and sales would create a tremendous negative impact on the financial distress level. However, managerial ownership and managerial costs of agency had a significant positive effect on the levels of financial distress. Meanwhile, the institutional stake ownership structure also has a rather crucial implications for economic distress.

The impact of Agency cost, liquidity, and corporate social responsibility on the financial distress of indexed retail firms on the Indonesia Stock Exchange (IDX). The identical data from 2016 to 2021 was used. Such techniques are sampling techniques. The sample of 10 companies was sampled, resulting in a total of 50 observations over a 5-year research period. The secondary data obtained is from the website of the Indonesian Stock Exchange. The regression analysis of panel data is used to analyze. The results indicated that the agency cost variables and the liquidity variables have a positive connection with the financial distress, and the corporate social responsibility does not affect the economic distress.

2.2. Employee benefit obligation and financial distress

The association between risk of financial distress and corporate social responsibility (CSR). The sample size consisted of 139 listed companies of the Pakistan Stock Exchange (PSX) between 2008 and 2019. A dynamic generalized method of moments (GMM) estimator and panel logistic regression (PLR) were used in a bid to understand how the CSR can impact the financial distress. Application of the multidimensional financial method of investment, and hence being comparable to the sum of the amount contributed by the organization as charitable contributions, welfare of the workers, research and development, and the application of Altman Z-score and ZM-Score as a measure of financial debacle. As the Z-score increases, the likelihood of financial distress occurring decreases, and the higher the ZM score, the higher the probability of financial distress risk. The authors indicated that there is a significant negative influence of CSR on financial distress in both the PLR and GMM models. This observation is in line with the stakeholder perspective of CSR because an investment in CSR not only aligns the interests between shareholders and stakeholders but also comes with the risk of financial distress as well (Khalid et al., 2025).

Khan et al (2021) examined the relational behavior of corporate social responsibility (CSR) and its impact on the financial distress (FD) of firms. Corporate social responsibility is made up of employee benefit obligations. The sample comprises all the non-financial companies that are currently listed in the Pakistan equity

market. The data sample of 213 non-financial companies was chosen between 2005 and 2017, and the total number of observations made was 2769. The study employed the OLS regression, Permanent effect, and random effect. Another issue where the GMM technique is used in the study is to mitigate potential endogeneity and heteroskedasticity challenges that Panel data pose. Findings show that increased CSR investment is associated with decreasing/ lower financial distress. It implies that investing in CSR increases the reputation and creditworthiness of the firms. Other measures of economic distress strengthen the most important results. The consensus research can support the idea that CSR assists in lowering the issue of default or financial stress and provides a superior corporate environment, which eventually enhances the corporate financial perspective and outlook.

How well do the working environment quality and its elements affect the financial distress of companies? Using a distinct sample of firm-specific information of 41 countries between 2012 and 2018, we also discover that the improved working environment is associated with the increased degree of financial soundness. Specifically, those companies that offer superior training and career advancement measures are confronted with less of a threat of taking unnecessary risks. A closer look would indicate that the corporate financial risk is likely to be influenced by the quality of the working environment and affect firms' cash holding policies.

2.3. Moderating role of foreign ownership

Ono, Hiroshi, and Kazuhiko Odaki (2011) compare wage structure differences among foreign-owned and Japanese-owned establishments in Japan. The authors utilize good data collected by the Japanese government, and they built an employer-employee matched database of 1 million employees in 1998. The findings validate that foreign-owned businesses in Japan pay higher wages. It is calculated that a one percentage point increment in the share of foreign equity ownership boosts the pay by 0.3 percent. The effects of tenure on wages are weaker at the foreign-owned establishments, where overall talent more influences wages. Such impacts are enhanced with the increased proportion of foreign ownership among the establishments. The gender pay disparity is significantly lower in the foreign establishments. Since long-term employment or work opportunities of women in the Japanese labor force are limited, one of the factors causing brain-drain of highly skilled women in the Japanese labor market can be foreign-owned establishments (Wang, Hussain and Ahmad, 2023; Khalid et al., 2025).

In the making of the paper, the authors examined the relationship between foreign ownership and the value of firms linked to dividend payments and long-term firm expansion. In line with the current research, the authors determine that the firm value is positively correlated with foreign ownership. In that, they discover that changes in foreign ownership are adversely correlated to changes in the agency costs, and this is attributed to the augmentation of future profitability of firms. It has also established a positive correlation between foreign ownership and dividend payments. Authors determine that 3-year-ahead and 5-year-ahead sales (or earnings) growth, as a proxy of long-term firm growth, have a negative association with the dividend payouts. But, in the case of high foreign-owned firms, a positive relationship between dividend payments and long-term firm growth exists. The results mean that foreign ownership moderates dividend payout and the long-run expansion of firms. In general, our findings imply that the foreign investors will give managers an incentive to seek long-term value in the interests of shareholders by supervising and sanctioning the managers. This paper provided a deeper insight into the value-enhancing foreign ownership impact on the firm value by showing that the negative effects of foreign ownership on agency costs levels leads to improved firm value through increasing the firm growth rates.

According to Jodjana (2021), board ownership, independent commissioners, and the board of directors may increase the risk of financial distress. Conversely, in the case of institutional ownership and concentrated ownership, it is proven that there is no impact on the likelihood of being in a state of distress. This research used the sample of firms listed on the Indonesia Stock Exchange (IDX) during 2015-2019, excluding the finance industry. Conditional logistic regression would be used because the study has a paired data dependent on the total assets of the company. The logistic regression sensitivity test showed a different result on the institutional ownership variable, which suggests that the chance of financial distress may be elevated through institutional ownership. In the meantime, the other variables revealed the same result as that obtained under the principal regression implemented in this study.

The impact of ownership structure on financial distress. It employed quantitative methods of purposive sampling in data collection. Participants within this research are the manufacturing firms listed on the Indonesia Stock Exchange in 2018-2020. Data analysis was performed using the panel data regression analysis technique. As the estimation model was tested, the Fixed Effect Model proved to be the selected estimator. The traditional assumption of the test is unreliable; the mode is therefore transformed to the GLS panel. The outcomes of this research are Managerial Ownership, Institutional Ownership, and Foreign Ownership, and they affect the financial distress negatively. There is no influence of the government Ownership variable on economic distress.

3 MATERIAL AND METHOD

3.1. Data source and sample

We have selected secondary data of 208 non-financial firms listed on the Pakistan Stock Exchange (PSX). Our data set covers a period of five consecutive years, from 2017 to 2021. The sample firms consist of 14 different industrial sectors and were operational during the study period. The data has been extracted from the firm's annual reports as well as the FSA report released by the State Bank of Pakistan (SBP). We have constructed a balanced pool of data, excluding firms from a sample with missing figures that could potentially distort the analysis. We only retained those firms in the sample that maintained their continued operation throughout our study period.

3.2. Variable description

3.2.1. Dependent variable: Financial distress

Financial distress is a condition when a firm is unable to meet its financial obligations on time, and has a wide range of implications in economies, industries, and for stakeholders (Altman, Ivanic-Drozdowska, Laitinen & Suvas, 2017). To measure financial distress, we used the Altman Z score, also known as the EMZ score. The widely popular Z-score function used for analyzing and predicting bankruptcies was first published in 1968 by Edward I. Altman (Altman, 1968). The Z-score uses multiple inputs from corporate income statements and balance sheets to measure the financial status of a company.

3.2.2. Independent variable: Agency cost

We have measured our independent variable agency cost with three proxies. AC, AC1 and AC2. Net sales divided by total assets measure AC. AC1 is the general selling and administrative expenses divided by total sales. AC2 is the natural log of selling and general administrative costs.

AC = Net sales / Total assets

AC1 = General selling and administrative expenses / Total sales

AC2 = ln (selling and administrative expenses)

3.2.3. Independent variable: Employee benefit obligation

Employee benefit obligations include pension and post-retirement benefits, and they also have a significant impact on the balance sheet and other financial statements of the company. Companies that have a ample employee benefit obligation system face liquidity-related problems, high leverage, and increased financial fragility (Chen, Ma & Wang 2023).

3.2.4. Moderator variable

We have incorporated foreign ownership as a moderating variable that specifies foreign investors' stakes in local firms because of their investment. The foreign ownership has a significant impact on the relationship between the variables in this model. In most of the studies, it is seen that firms with foreign ownership significantly reduce agency costs. It also provides complete employee benefits to its employees; as a result, the fear of distress is notably reduced.

3.3. Econometric Model

$$EMZ - SCOR = \alpha + \beta 1(AC) + \beta 2(FRNO) + \beta 3(SIZE) + \beta 4(AG1) + \beta 5(ROA) + \beta 6(CR) + \beta 7(AT) + \beta 8(COVID1) + \varepsilon t$$

$$EMZ - SCOR = \alpha + \beta 1(AC) + \beta 2(FRNO) + \beta 3(AC * FRNO) + \beta 4(SIZE) + \beta 5(AG1) + \beta 6(ROA) + \beta 7(CR) + \beta 8(AT) + \beta 9(COVID1) + \varepsilon t$$

4. Initial Findings

Descriptive statistics is the fundamental part of the data analysis that assists in exhibiting the dataset pattern and trends in a single phrase (Kaur et al ,2019). Table 1 shows the descriptive analysis of variables. The total number of observations used in this study were 1050.

Table 1: Descriptive statistics

Variable	Observation	Mean	Min	Max	Std.dev
Emzscore	1050	5.961867	-37.24	104.61	5.873898
AC	1050	0.990093	0.0087046	4.341345	0.6099449
Frno	1050	0.0532	0	0.97	0.1643442
Acfrno	1050	0.0564817	0	1.975469	0.2128767
Size	1050	15.89159	9.563459	20.67826	1.811711
Ag1	1050	0.1085524	-1.35	1.21	0.1813439
Roa	1050	4.663752	-67.57	337.92	14.45554
Cr	1050	1.686105	.01	30.59	2.223231
At	1050	0.7518762	0	14.02	0.9389323
Covid	1050	0.6	0	1	0.4901314

Table 1 reports the descriptive statistics (minimum, maximum, mean, and standard deviation) of the variable. It shows EMZ-score as the dependent variable with a mean range from 5.961867 to the minimum value of -37.24 and the maximum value of 104.61, and the standard deviation of 5.873898. The independent variable mean value is 0.990093, with a minimum value of 0.0087046 and a maximum value of 4.3413, and the standard deviation is 0.6099. The mean value of frno, which is acting as a moderator variable, is 0.532 with a minimum value of 0 and a maximum value of 0.97, and the standard deviation is 0.1643442. The interaction term acfrno has a mean value of 0.564817, a minimum value of 0, and a maximum value of 1.97546. Mean value for the size is 15.89159, and its minimum value is 9.5634, and maximum value is 20.67832, with a standard deviation of 1,811. Ag1 is a control variable with a mean value of 0.108, and it has a minimum value of -1.35 and a maximum value of 1.21. Its standard deviation is 0.1813439. Another control variable, Roa, has a mean value of 4.663752. The minimum value for this variable is -67.57, the maximum value is 337.92, and the standard deviation is 14. 45554. The Cr has a mean value of 1.6861; its minimum and maximum values were 0.01 and 30.29, respectively, and its standard deviation is 2.22. The At is also another control variable. Its mean value is 0.75186, the minimum value is 0, and the maximum is 14.02. The standard deviation tends to be 0.9389. The COVID-19 acting as a control variable also has its mean value, which is 0.6, with a minimum of 0 and a maximum of 1, and a standard deviation of 0.4901314.

Table 2 provides us with pairwise correlation coefficients, which suggest no reason for multicollinearity. We do not find a high value correlation among variables, which proves there is no issue of multicollinearity.

Multicollinearity is a higher degree of association between two independent variables (Shrestha,2022). Table 3 shows the statistics containing VIF values, where all values are higher than 0.5, and VIF values are not higher than 3. Hence, there is no issue of multicollinearity.

Table 4 shows the regression results without the interaction term.

The regression results show that the coefficient ac has a significant negative impact on Emzscore. The coefficient Frno also has a negative impact on Emzscore. The interaction term Acfrno has a positive impact on Emzscore, while all other control variables, including (Size, Ag1, Roa, Cr, Covid), except (At), have a positive effect on Emzscore.

5. Conclusion and Implications

In this paper, the study was conducted on data from the period 2017 to 2021 with 210 sample of non-financial firms. The data is collected from the State Bank of Pakistan (PSX) to examine how Agency costs and employee benefit obligations impact the financial distress of the company. Our finding of a relation between agency cost and financial distress provided significant insight into the landscape. The final result shows that the agency cost has a significant negative impact on financial distress. It means that when agency costs increase, financial distress will decrease. Company health began to deteriorate more and more. When we discuss the moderating role of foreign ownership, the analysis suggests that it has a positive impact on Emzscore (financial distress), indicating that in the case of a foreign-owned company, its financial health improves. The above discussion in the introduction section also suggests that foreign ownership presence in the firm affects employee benefit obligation. Foreign investors typically demand higher transparency and prudent financial governance, including proper disclosure and funding of employee benefits. It means that when employees have complete benefits, agency conflicts will be reduced, preventing the firm from entering financial distress. In synthesizing these relationships, it becomes clearer that financial distress, agency cost, and employee benefit obligation are essential elements that give shape to corporate financial stability. The introduction of foreign ownership

Table 2: Correlation

	Emzscore	Ac	Frno	Acfrno	Size	Ag1	Roa
Emzscore	1.000						
Ac	-0.0370	1.000					
	0.2305						
Frno	-0.0062	0.380	1.000				
	0.8409	0.2182					
Acfrno	0.0547	0.1899	0.8687	1.000			
	0.0765	0.000	0.000				
Size	-0.0255	-0.983	0.0662	0.0607	1.000		
	0.4091	0.0014	0.0320	0.0492			
Ag1	0.0345	-0.0184	0.0179	-0.0239	0.1636	1.000	
	0.2641	0.6320	0.5626	0.4386	0.000		
Roa	0.2547	0.1624	0.0444	0.0845	0.0739	0.2063	1.000
	0.0000	0.000	0.1504	0.0069	0.0166	0.000	

Table 3: Multicollinearity analysis

Variable	VIF	1/VIF
Size	1.20	0.8345
At	1.19	0.8409
Ag1	1.13	0.8841
Roa	1.09	0.9170
Ac	1.07	0.9379
Cr	1.04	0.9631
Covid 1	1.03	0.9754
Frno	1.01	0.9911
Mean VIF	1.09	

Table 4: Regression

Emzscore	Cofficient	Std	T	P	95% Conf	Interval
AC	-0.4267688	.1750	-2.44	0.015	-0.7702	-0.0832
FRNO	-.8528	.6320	-1.35	0.178	-2.093	.3873
SIZE	.1444	.0624	2.31	0.021	-0.0218	.2670
Ag1	.6600	.6064	1.09	0.277	-0.5299	1.850
ROA	.0813	.0074	10.88	0.000	.0666	.0959
CR	2.070	.0473	43.69	0.000	1.977	2.163
AT	-.3248	.1201	-2.70	0.007	-0.5605	-0.0891
COVID	.0986	.2136	0.46	0.644	-0.3205	.5178
CONS	.3770	1.082	0.35	0.728	-1.7461	2.500
R-Square	0.6773					
F-Stat	273.17					
No of observation	1050					

Table 5: OLS regression

Emzscore	Cofficient	Std	T	P	95% confidence	Interval
Ac	-0.68610	.1822594	-3.76	0.000	-1.043745	-0.328493
Frno	-6.165871	1.310495	-4.070	0.000	-8.7373	-3.5494
Acfrno	4.769578	1.03365	4.61	0.000	2.7416	6.797693
Size	0.127224	0.0619927	2.05	0.40	0.0059	0.2488876
Ag1	0.9247682	0.6033573	1.53	0.126	-0.2591683	2.108705
Roa	0.0794328	0.0074095	10.72	0.000	0.06489	0.09372
Cr	2.056589	0.0470392	43.70	0.000	1.964286	2.148892
At	-0.326585	0.1189488	-2.75	0.006	-0.5599546	-0.0931314
Covid	0.131027	0.2116898	0.62	0.536	-0.2843608	0.5464148
Cons	0.9061545	1.0777685	0.84	0.4301	-1.2088687	3.020996
R-Square	0.6838					
F stat	249.92					
No. of observation	1050					

as a moderating variable can either expand or reduce this relationship, depending upon market regulations.

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