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The determinants Of Fimrs Financial Performance: The case of industrial firms in Algeria over the periode 2013-2019

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Abstract: This study aims at testing the impact of someFirm specific factors such as size, age and capital intensity on the financial performance of 61 industrial companies in Algeria during the period between 2013 and 2019. It also Determines which of these factors are specific and explanatory for their financial performance.The study data were processed based onPanel Data method.The obtained results showed that the estimated model explains 43% of the change in financial performance represented by Return on assets, and that the age of the firm defines and explains the financial performance of the study sample and has a positive significant impact. Accordingly, some appropriate recommendations that allow firms raising their financial performance levels have been presented.

Keywords: capital intensity; industrial firms; financial performance; firm size; firm age; Panel Data Method.

JEL classifications codes:L25, M40,C33.

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I- Introduction:

A good financial performance is a fundamental objective of any economic firm, as the existence of the firm is linked to achieving certain levels of financial performance that ensure its continuity. This objective has attracted the attention of scientists and researchers, on both scientific and practical fields.

Not only did scientists and researchers focus on defining and measuring a concept of financial performance, but they also extended their research in investigating determinants of such performance; such as the reasons behindsomefirms achievement of high levels of financial performance while others don't, the factors that explain this performance, and the reasons for the success and failure of firms. The Discussons about the determinants of financial performance puts us in front of a range of intellectual currents and researchers that have attempted to develop models and interpretations to this phenomenon. However, the controversy still exists about the determinants of financial performance in light of the diversity and multiplicity of these determinants. Overall, these factors are classified as: internal (partial) firm-related manageable factors, relatively manageable industry-specific factors, and macro-factors that require adaptation.

Internal firm-specific factors such as its size, age and capital intensity as financial performance determinants were early discussed in literature (Caponet al., 1990; Hansen & Wernerfelt, 1989), and in recent studies (Lee, 2009; Pantea et al., 2014; St-Pierre et al.,2010). Whilestudies still discuss the impact of these factors and how they explain financial performance levels.

Within this context lays this study which attempts to test the impact of the aforesaid factors: the size and age of the firm andits capital intensity on explaining the financial performance of Algeria's industrial firms. This will allow these firms to know the impact of these factors on their financial performance and improve it, given thatsuch factors have not been of great importance in the Algerian context.

This study was divided into three main axes. The first one is a review of literature, whilethe second deals with explaining the field research methode and procedures.Thelast axis is devoted to discussing and interpreting the

results and testing hypotheses, and concluded with the study's most important findings.

Hypothesis:

Based on a review of the relevant literature, this study examines the interpretation of some of the internal factors specific to the firm, namely the size, age, and capital intensity of the financial performance of industrial firms. All of these relationships are summarized in the following hypotheses provided that they are sufficiently justified depending on the theoretical and applied literature in the next section.

H_1:A positive and significant impact of size on the financialperformance of the firms under study exists

H_2: A positive and significant effect of age on the financial performance of the firms under study exists

H_3: A positive and significant effect of capital intensity on the financial performance of the firms under study exists.

The Objectif of the study:

This study aims at testing some of the firm-specific internal factors represented in the size of the firm, the age of firm, capital density. It determines which of these factors is specific and explanatory for the financial performance of Algeria's industrial firms, to allow these firms improve and enhance their performance.

The importance of the study:

Financial performance of the firm is very important to many stakeholders.Adebate is ongoing on the determinants and explanations of such performance. On another hand, the study takes place in Algeria which is a developing country,and was concerned with industrial firmes, which are very important as engines to the country's economy.Knowing the determinants of the financial performance of the firms under study will help them identify ways to raise and enhance their financial performance and will help the various stakeholders to take appropriate decisions.

II- **Background of the study:**

1-Firm Size:

Many researches and studies have been interested in the impact of size as a performance interpreter, and whether larger firmsenjoy the highest performs.

The idea that larger firms dominate little ones comes originally from the industrial economy. Large firms have the resources to be more coordinated, able to achieve economies of scale, and have greater bargaining power with stakeholders (Ben Mlouka & Sahut, 2008, p. 80).They also have the necessary resources that enable them to produce multiple products at the same time (having a large number of labor, many production lines, etc.) (Smith et al., 1989, p. 66).

Bain (1959), as cited by (VETTORI & JARILLO, 2000),considers the size of the firm linked to and commensurates with its industry environment. He alsolinks the idea of economies of scale in a sector, to the market share of the firms active in this sector, and the degree of industrial concentration.

On the other hand, some researchers believe that SMEs (small and medium firms) have a greater ability to interact and adapt to changes and solve problems (Ajzen et al., 2016).The advantages related to task specialization that characterize large firms are encountered by many disadvantages related to the loss of motivation and team spirit.These firms spend significant costs on motivating manpower, in addition to the fact that hierarchy and the horizontal and vertical distribution of tasks can lead to bureaucracy and additional costs of coordination (Ben Mlouka & Sahut, 2008, p. 80), and faces agency costs problems (Kamasi, 2016, p. 51).

Supporters of the specialization approach argue that SMEs have the specificity of business excellence, and some interested researchersconcluded that the relationship between size and diversification strategy is not entirely certain, and that SMEs can operate with the same characteristics as large firms (Ben Mlouka & Sahut, 2008, p. 80). Whereas the field study focuses on the effect of size on performance, our literaturereview reveals that many studies indicated a positive effect of

size(Chandrapala & Knápková, 2013; Ghaia & Al - Ammar, 2018; Lee, 2009; Liargovas & Skandalis, 2010; Mirza & Javed, 2013; Pantea et al., 2014; Tyagi & Nauriyal, 2016; Vu et al., 2019). Some studies revealed a negative effect (Nikolaus, 2015; Seelanatha, 2011).

In this researchpaper, the hypothesis related to the size of the firmis formulatedas follows:

H1:A positive and significant impact of size on the financial performance of the firms under study exists.

2- The age of the firm:

The age of the firm is the number of years since its establishment. Many applied studies have focused on the impact of age and whether older firms have the highest performs.

The strongest argument for a positive age impact on performance is that older firms are more experienced so that they benefit from past experiences.They may also have a good reputation with stakeholders, notably lenders and customers, which increases the size of its profits, In addition to having easy access to finance due to the low level of risks as uncertainty decreases with the age of the firm.Unlikethe newly established firms which have highlevels of risk (Pervan at al., 2019).

On the other hand, some researchers consider that age has a negative impact on the performance. Older firms tend to be stagnant, bureaucratic and lack flexibility and change, which constitutes an obstacle to organizational change and innovation, which is a determinant for adapting to rapid and continuous changes, especially in the case of dynamic markets featuredwith high degree of concentration and competition. In addition to seniority-related principles, whereby individuals working in the firm for long times are given preferential treatment when determining compensation, privileges, tasks and responsibilities; seniority is also used as an argument when senior staff colludes to benefit at the expense of junior staff, which adversely affects human and financial performance as a whole (Loderer & Waelchli, 2010).

From a financial perspective, specifically within the context of the owners' interest, as the age of the firm increases, the required return will decrease due to the lower levels of risk compared to a newly established firm.Consequently, owners cannot claim a high return due the positive correlation return-risk (Loderer &Waelchli, 2010).

As for the results of the field studies that were interested in testing the impact of age as a determinant of performance, the results were different; most of them found a positive effect (Al-Qudah, 2015;Pervan at al., 2019; Tyagi & Nauriyal, 2016),while the study of (Vu et al., 2019) has resultedin negative effect.

For this study, the hypothesis related to the age of the firmis formulatedas follows:

H2: A positive and significant effect of age on the financial performance of the firms under study exists.

3- Capital Intensity:

Capital intensity refers to the amount of capital used in the project. Capital-intensive firms are those that require or use a large amount of capitals invested in machinery, equipment and other assets tobe able to operate and generate profits. These firms possess relatively high cost assets, or rely more on technology in managing their activity. They are also often characterized by low labour volumes compared to physical tangible assets.

Capital intensity is also linked to the industrial activity of the firm. Firms belonging to capital-intensive industries with a large volume of fixed and sophisticated assets are often characterized by high productive capacities, which may bring them higher profits. The capital intensity in a particular industry also indicates the possibility of economies of scale within the industry, limiting the number of firms that can operate profitably within it, and forms access barriers for newcomers.Access requires substantial and potentially limited financial resources for them newcomers, especially newly established firms, which may constitute an access barrier. Whereas capital-intensive firms have bargaining power with lenders and higher credit ratings (Pervan at al., 2019).

Besides physical capital,some researches argue that moral capital is of greater importance and determinant of performance (Atkinson, 1998; Kaplan &Norton, 1992),which may appear in the form of unique experiences and competencies that can't be easily imitated, and whichconstituteaccess barriers for the new competitors, compared to easy-to-imitate physical capital (Hamzaoui, 2009)whichincreases industry concentration and newcomersabsorb those surplus profits as a result of increased competition within the industry.

Capital intensity may also negatively affect profitability if the industry is in the stage of maturing or declining so that profit margins decrease as a result of the costs associated with the capital volume versus low revenues (Pervan at al., 2019). These assumptions are confirmed by some field studies which revealed a negative impact of capital intensity (Liargovas & Skandalis, 2010; Vu et al., 2019). However,the studies Pantea et al.(2014); Tyagi and Nauriyal (2016)resulted in a positive effect.

As for this study, the hypothesis related to capital intensity is formulatedas follows:

H3:A positive and significant effect of capital intensity on the financial performance of the firms under study exists.

III- Study methodology and procedures:

1- Study population and sample:

The study population is represented in the industrial firms in Algeria, specifically stock companies (SPAs) and limited liability companiesSARLs. Limitation of firms in this study in these two types is due to several reasons; such as their greater degree of disclosure and transparency, their high degree of sencorship, as well as the principles of governanceembodied in them, which give greater credibility to the financial statements, which are the basis of this study.

In the selection of the firms affiliated to the sectoron the CommerceRegistry website of the Ministry of Commerce. Due to the difficulty of accurately defining the community on the one hand, and in some cases the lack of the necessary financial statements for the firms

throughout the study period on the other hand, we opted for an accidental sample. This was based on a set of conditions such as: the availability of financial statements (the income statement and the statement of financial position) for these firms during the study period, that the firms should not have achieved frequent losses and are far from the risk of bankruptcy, and that they should not have undergone structural changes during the years of study. The sample size was 61 firms (the cross-sectional dimension) over a period of time from 2013 to 2019 (the time dimension), distributed over sectors as shown in the following table:

Table 1. Distribution of the study sample according to each sector

Sector	Number of firms
Wood and paper industry	13
Iron and steel industry, metallurgy, mechanical and electrical industry	20
Chemical, rubber and plastic industry	11
Building materials, pottery and glass	07
Food industry, tobacco and sulfur	10
Total	**61**

2- Study variables:

2-1 Financial performance:

In several studies in which financial performance was a dependent variable, it was expressed in terms of return on assets ROA (Ben Azouz &Ben Sassi, 2015; Banerjee & De, 2014; Chandrapala & Knápková, 2013; Deitiana & Habibuw, 2015; Doğan, 2013; Ghaia & Al-Ammar, 2018; Laing & Weir, 1999; Lazăr, 2016; Matar & Eneizan, 2018; McGivern & Tvorik, 1997; Pervan el al., 2019; Seelanatha, 2011),or return on assets ROA and return on equity ROE together. (Al-Qudah, 2015; Madaleno & Bărbuţă-Mişu, 2019; Pantea et al., 2014; Tari & Attari, 2018; Vătavu, 2015; Vu et al., 2019), while some added the return on sales ROS (El-Sayed Ebaid, 2009, Liargovas& Skandalis, 2010;).

Other studies have expressed the financial performance through value indicators or market indicators such as the return on the stock, the added

economic and market value, and Tobin's Q ratio, but this appeared mostly in the case of the listed firms in the financial market.

This study focuses on the ROA to express the financial performance. Itis calculated through the following equation:

- ROA = result after tax/ total assets.

2-2 Firm Size:

This variable has been measured in literature by several metrics, volume of employment such as in Moen (1999), total sales such as in Pantea et al. (2014), and in St-Pierre et al. (2010), asset size Such as in Hansen and Wernerfelt (1989) and Lee (2009). This variable will be expressedin this study in the decimal logarithm of the size of assets, which it is noted to be more appropriate in the case of industrial firms.

2-3 Firm age:

The age of an firm is often measured in studies by the number of years that have passed since the firm was established (Al-Qudah, 2015; Banerjee & De, 2014; Liargovas & Skandalis, 2010; Pervan et al., 2019; St-Pierre et al., 2010; Vu et al., 2019;).

In this study, this variable is expressed by the same measure through the logarithm of the number of years since the establishment of the firm until the study period.

2-4 Capital intensity:

This variable is expressed through the scale adopted by the Pantea et al. (2014) by dividing fixed assets by total assets.

The following table summarizes the symbols used to reflect the study's variables and theircalculation methods:

Table 2. Symbols used to express the study variables and their calculationmethod

Symbol	Variable	Calculation Method
ROA	Financial performance	Result after tax/total assets
Size	volume	Logarithm of total assets
Age	Age	Logarithm of age
CPI	capital intensity	Ratio of fixed to total investments

3- Descriptive statistics and the correlation between variables:

The following table summarizes the descriptive statistics for the study variables:

Table 3. Descriptive statistics of the study variables

	ROA	SIZE	Age	Cpi
Mean	0.067	22.090	2.748	0.467
Median	0.053	21.986	2.708	0.476
Maximum	0.478	27.890	4.564	0.994
Minimum	-0.353	18.214	0.693	0.004
Std. Dev.	0.088	1.799	0.601	0.245
Skewness	0.9065	0.422	0.1024	0.070

Source: EVIEWS9 output

Table 03 shows that ROA's average variable was 0.06, or 6%. This indicates the low financial performance of the firms in question, which may be due to the fact that some of these firms underwent losses during the period. Its standard deviation was 0.08, which is a good value not exceeding 01, while the twist was 0.90. The average independent variable Size was 22.09, and its standard deviation was 1.79. This is due to the different sizes of the firms under study, especially in some sectors such as the iron and steel industry and the chemical industry, which require large investments, while the skewness is at 0.42. For the independent variable "Age", its average was 2.74 and its standard deviation was 0.6, which is a good value less than 01, and the skewness value was 0.1. As for the

independent variable Cpi, its average was 0.46;which indicates that the exploitation cycle on average constitutes about 54% of the assets of the firms under study, and its standard deviation was 0.24; a value less than one, while the skewness was 0.07. It is clear from these measures that the data do not include a large dispersion, and indicate a moderation of the distribution.

Table 4. Correlation between study variables

	ROA	Size	Age	Cpi
ROA	1.000000	-	-	-
Size	-0.029068	1.000000	-	-
Age	0.137050	-0.000479	1.000000	-
Cpi	-0.034796	0.281741	-0.005093	1.000000

Source: EVIEWS9 output

The correlation matrix (as shown in Table 04) shows that the correlation between the dependent variable ROA and the independent variables SIZE, Age and Cpi was -0.02, -0.13 and -0.03, respectively. As for the correlation between the independent variables among themselves, the correlation coefficients between the independent variable Size and the independent variables Age and Cpi were -0.0004 and 0.28, respectively, and between Age and Cpi -0.005. It is noteworthy that the correlation coefficients are weak and do not exceed 0.7. This indicates that no problems related to linear or multiple correlations exist.

4- Estimation of the study model:

Studies of Panel Data are estimated based on the trade-off between 3 basic models: combined model, fixed effects model, and random effects model (model estimation results shown in Annex).

- Trade-off between combined model and fixed effects model:

Fisher's test is used to trade-off between the combined model and the fixed effects model, where the Fisher value is calculated and compared with the tabular F based on the following equation: $F = \frac{(R_{ur}^2 - R_r^2)/m}{(1-R_{ur}^2)/(n-K)}$

where: R_r^2 is the determination coefficient of the combined model and,

R_{ur}^2 is the determination coefficient of the fixed effects model;

m: The number of parameters omitted from the fixed effects model;

n: number of observations per sample;

K: The number of parameters estimated in the assembled model.

The hypotheses of the combined model are formulated as follows:

H0: We accept the combined model

H1: We accept random or fixed effects model

The calculated F value is 7,36 and is greater than the 2,21 tabular F value, so the zero hypothesis is rejected and the alternative hypothesisis accepted, i.e. the fixed effects model is more efficient than the combined model.

- The trade-off between the fixed-effects model and the random-effects model:

To trade-off between the appropriate model, whether the random effects model or the fixed effects model, we use the Hausman test, whose hypotheses are formulated as the following:

H0: we accept the random effects model;

H1: We accept the fixed effects model.

According toannex No. (04), it is noted that Chi-Sq statistical probability value equals 0.040, which is completely less than 0.05, and therefore H0 is rejected and H1is accepted. In other words, the fixed effects model is more significant and efficient in analysing the study data.

The following table shows the appropriate model estimationresults:

Table 5. Estimation Results (Dependent Variable - Return on Assets ROA)

	Coefficient	Prob
C	0.015	0.9262
Size	-0.004	0.5800
Age	0.051	0.0083
Cpi	0.004	0.8713
R-squared=0.51		
Adjusted R-squared=0.43	**Prob(F-statistic)=0.0000**	

IV- Discussion of the results:

According totable No. (05), the model estimationresults showed that the overall significance of the model is 0.0000, which is completely below the level of significance 0.05.This indicates the presence of statistical significance for the estimated parameters.It is also apparent from the table that the value of the determination coefficient R2 is equal to 0.51 and the value of the Adjusted R2 coefficient of determination is 0.43; this is explained by the fact that the independent variables have the ability to explain the financial performance by 43%, which is an average percentage, especially since the financial performance of the firm is affected by many factors.

The results of the study showed a negative impact of the size variable on the financial performance as measured by the ROA, but this effect is insignificant.These results are inconsistent with many studies that proved how the size is a determinant of financial performance (Banerjee & De, 2014 Chandrapala & Knápková, 2013 Doğan, 2013; Ghaia & Al-Ammar, 2018; Liargovas & Skandalis, 2010; Pantea et al., 2014; Vintilă & Nenu, 2015; Vu et al., 2019;). However, they match the results of some studies that deny the effect of size on performance (Al-Qudah, 2015; Deitiana & Habibuw, 2015; Lazăr, 2016;). This is likely due to the different environments in which the study was conducted, or the difference in the scales used to express the variables. Therefore, the hypothesis of the size of

the firm, which states that a positive and significant effect of the size on the financial performance of the firms under study exists, is rejected.

The results of the study revealed that the age variable has a positive and significant effect on the financial performance as measured by the ROA, as the more the age variable value of the firmincreases by 01, the moreROAincreases by 0.05. These results are consistent with several studies that revealed that age has a positive effect (Al-Qudah, 2015, Pervan et al., 2019;Tyagi & Nauriyal, 2016). They are in line with the hypothesis that older firms are more experienced; i.e. they benefit from past experiences, and may enjoy a good reputation with stakeholders, particularly lenders and customers, which is likely to increase the size of its profits.In addition to enjoying easy access to financing due to the low level of risk compared to the newly established firms, the uncertainty decreases with the age of the firm. Thus, the hypothesis of the age of the firm, which states that a positive and significant effect of age on the financial performance of the firms under study exists, is accepted.

The results of the study also showed that the capital density variable has a positive effect on the financial performance as measured by the ROA, but this effect insignificant. These resultsare inconsistent with some studies that demonstrated how the capital intensity variable is a determinant of performance (Lazăr, 2016; Liargovas & Skandalis, 2010; Papadogonas, 2007; Pantea et al., 2014; Tyagi & Nauriyal, 2016). Thus, the hypothesis of capital intensity, which states that a positive and significant effect of capital intensity on the financial performance of the firms under study exists, is rejected.

Conclusion:

This study focused on the subject of determinants of financial performance by examining the impact of certain firm-related factors such as: firm size, firm age and capital intensity on the financial performance of a sample of Algeria's industrial firms.It attempted to determine which of these factors is specific and explanatory for the financial performance of the firms under study. To achieve the purpose of the study, financial statements of a sample of 61 industry firmshave been used for the period

2013-2019.The data were processed using the multiple linear regression method and based on the Panel Data method.

The obtained results showed that the estimated model explains 43% of changes in financial performance as measured by ROA. The results also showed that the age of an firm has a positive and significant impact on its financial performance, and consequently, older firmsenjoybetter financial performance. For firm size and capital intensity variables, the results have shown that their impact is insignificant.

In the light of these results, older firms can benefit from this advantage, earn more profits by making the most of their experience, and build and promote good relationships with stakeholders using age as a trump card. Newly established or under-aged firms can benefit from the expertise and experience of older firms and attempt to obtain age-related benefits to raise their performance levels.

Finally, although this study reached a set of important results on both scientific and practical fields, it has some limits to be taken into account in future research; it was limited to testing a limited number of factors. The study space can be expanded in future research by adding other factors. Future studies can also adopt or develop other industry-level measures to express variables such as size and capital intensity and compare the obtained results.

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Appendices:

Annex No. 01: Combined model

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/10/22 Time: 12:42
Sample: 2013 2019
Periods included: 7
Cross-sections included: 61
Total panel (balanced) observations: 427

Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.1542	-1.427299	0.056005	-0.079936	C
0.0015	3.189381	0.002451	0.007817	SIZE
0.5405	-0.612494	0.007035	-0.004309	AGE
0.1110	-1.597144	0.017978	-0.028713	CPI

0.067473	Mean dependent var	0.025501	R-squared
0.088160	S.D. dependent var	0.018589	Adjusted R-squared
-2.028770	Akaike info criterion	0.087337	S.E. of regression
-1.990768	Schwarz criterion	3.226510	Sum squared resid
-2.013760	Hannan-Quinn criter.	437.1425	Log likelihood
0.813290	Durbin-Watson stat	3.689663	F-statistic
		0.012057	Prob(F-statistic)

Annex No. 02: Fixed Effects Model

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/10/22 Time: 12:43
Sample: 2013 2019
Periods included: 7
Cross-sections included: 61
Total panel (balanced) observations: 427

Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.9262	0.092734	0.161907	0.015014	C
0.5800	-0.553863	0.007505	-0.004157	SIZE
0.0083	2.652892	0.019475	0.051665	AGE
0.8713	0.162178	0.030339	0.004920	CPI

Effects Specification

Cross-section fixed (dummy variables)

0.067473	Mean dependent var	0.518728 R-squared
0.088160	S.D. dependent var	0.435201 Adjusted R-squared
-2.453231	Akaike info criterion	0.066255 S.E. of regression
-1.845189	Schwarz criterion	1.593463 Sum squared resid
-2.213065	Hannan-Quinn criter.	587.7649 Log likelihood
1.569616	Durbin-Watson stat	6.210337 F-statistic
		0.000000 Prob(F-statistic)

Annex No. 03: Random Effects Model

Dependent Variable: ROA
Method: Panel EGLS (Cross-section random effects)
Date: 08/10/22 Time: 12:44
Sample: 2013 2019
Periods included: 7
Cross-sections included: 61
Total panel (balanced) observations: 427
Swamy and Arora estimator of component variances

Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.4250	-0.798495	0.088128	-0.070370	C
0.1919	1.307171	0.003843	0.005023	SIZE
0.3540	0.927968	0.011193	0.010387	AGE
0.8750	-0.157385	0.022691	-0.003571	CPI

Effects Specification

Rho	S.D.	
0.4310	0.057661	Cross-section random
0.5690	0.066255	Idiosyncratic random

Weighted Statistics

0.026878	Mean dependent var	0.006591 R-squared
0.066653	S.D. dependent var	-0.000455 Adjusted R-squared
1.880072	Sum squared resid	0.066668 S.E. of regression
1.360128	Durbin-Watson stat	0.935446 F-statistic
		0.423439 Prob(F-statistic)

Unweighted Statistics

0.067473	Mean dependent var	0.009615 R-squared
0.779828	Durbin-Watson stat	3.279106 Sum squared resid

Annex No.04: Hausman's test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Prob.	Chi-Sq. d.f.	Chi-Sq. Statistic	Test Summary
0.0404	3	8.291174	Cross-section random

Cross-section random effects test comparisons:

Prob.	Var(Diff.)	Random	Fixed	Variable
0.1544	0.000042	0.005023	-0.004157	SIZE
0.0096	0.000254	0.010387	0.051665	AGE
0.6733	0.000406	-0.003571	0.004920	CPI

Cross-section random effects test equation:
Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/10/22 Time: 12:45
Sample: 2013 2019
Periods included: 7
Cross-sections included: 61
Total panel (balanced) observations: 427

Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.9262	0.092734	0.161907	0.015014	C
0.5800	-0.553863	0.007505	-0.004157	SIZE
0.0083	2.652892	0.019475	0.051665	AGE
0.8713	0.162178	0.030339	0.004920	CPI

Effects Specification

Cross-section fixed (dummy variables)

0.067473	Mean dependent var	0.518728	R-squared
0.088160	S.D. dependent var	0.435201	Adjusted R-squared
-2.453231	Akaike info criterion	0.066255	S.E. of regression
-1.845189	Schwarz criterion	1.593463	Sum squared resid
-2.213065	Hannan-Quinn criter.	587.7649	Log likelihood
1.569616	Durbin-Watson stat	6.210337	F-statistic
		0.000000	Prob(F-statistic)