

THE EFFECT OF PRODUCT MARKET COMPETITION ON THE RELATIONSHIP BETWEEN MANAGERIAL ABILITY AND FIRM CHARACTERISTICS

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ABSTRACT

Management ability is one of the most important strategic parts of companies in order to create value for shareholders. With effective management, shareholders can get the maximum return from their investment. Accordingly, in this research, the impact of product market competition on the relationship between managerial ability and firm characteristics has been investigated. In this research, the number of 170 companies admitted to the Tehran Stock Exchange in the period of 2016-2020 has been examined. A panel regression model was used to test the hypotheses. The findings of the research show that there is a positive and significant relationship between managerial ability and the growth of market share and firm value but there is no significant relationship between management ability and capital expenditure. Also, product market competition has a positive and significant effect on the relationship between management ability, market share growth and firm value but product market competition does not have a significant effect on the relationship between managerial ability and capital expenditure.

KEYWORDS: *Management Ability, Market Share Growth, Firm Value, Capital Expenditure, Product Market Competition.*

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