

THE EFFECT OF AGENCY COSTS ON FINANCIAL FLEXIBILITY AND LABOR INVESTMENT INEFFICIENCY IN THE LIFE CYCLE STAGES

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ABSTRACT

One of the important hypotheses in the literature of positive theories is that managers seek to increase their interests. Based on this, it is likely that he used the agency fee to achieve this goal. Therefore, this research seeks to investigate the impact of agency costs on financial flexibility and the inefficiency of human capital investment in the life cycle stages of companies. In this research, the number of 148 companies from the Tehran Stock Exchange in the period of 2014-2021 has been examined. In order to test the hypotheses, panel, pooled and logistic regression models were used, the findings of the research show. Agency cost in the whole period (growth, maturity and decline) has a significant negative impact on financial flexibility and a significant positive impact on the inefficiency of human resources investment.

KEYWORDS: *Agency Costs, Financial Flexibility, Human Capital Investment Inefficiency, Life Cycle.*

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