THE IMPACT OF DERMINING FACTORS (Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements) BY REDUCING AGENCY PROBLEMS & CONTROLLING CORRUPTION ON THE REPUTATION OF THE LISTED COMPANIES IN PAKISTAN STOCK EXCHNAGE FOR INVESTOR'S ATTRACTION AND STOCK MAXIMIZATION

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Abstract-Upswing in delisting & suspending of the listed companies in Pakistan invigorated to investigate how to resolve this issue and after deliberate understanding factors; Effective Corporate Governance, Experienced & Efficient Management, Fair Audit and Reliable Financial Data / Statements were determined to check the impact by resolving agency problems and controlling corruption on the reputation to attract investors and stock maximization of the listed companies in Pakistan. Therefore, this study was conducted to know the importance of selected factors and to know that the determining factors impacting on the reputation of the listed companies in Pakistan by reducing the agency problem and controlling corruption. The hypothesis were prepared to identify the significant relationship of independent variables, mediating variables and the dependent variable. Research methodology of the study comprised quantitative research approach, for this purpose a questionnaire was prepared and filled with a random sampling from 300 respondents. Factor Analysis including Frequency, Standard Deviation, Reliability Statistics, PCA Analysis, Regression and Multiple / Mediating Regression Analysis were applied to test the hypothesis, either to accept or reject. At the end, the result originated that the determining factors has significantly and positively impact on the reputation of the listed companies in Pakistan.

Keywords: Determining Factors; (Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements), Reputation, Investors, Stock Maximization, Agency Problems, Corruption, Listed Companies in Pakistan.

1 Introduction

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THIS research is all about to determine the impact of factors (i.e. Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements) on the reputation of listed companies in Pakistan.

According to Professor Hany, company is an artificial judicial person having a single separate entity with a perpetual succession and a common seal. The core objective of the company is to raise money, capital and all other benefits like creating employment opportunities, etc. Companies get registered in Pakistan Stock Exchnage (PSE) to accomplish its objective. Exchange imposes rules and regulations on the firms and brokers who are involved in the PSE activities. So, companies who do not implement the regulation of the PSE ultimately suspended and delisted. Moreover, Companies those who are suspended and delisted face difficulties to raise capital for its projects and other developments. Due to higher interest rates from other sources such as Banks, delisted and suspended companies' loss the opportunity to raise the capital from stock exchange markets.

The corporation is very important for business organization. When any business intends to get a large number of investments in expanding business, then the business converted itself into a corporation, Apple is one of the examples who converted into a corporation for expansion. There are millions of stockholders in a corporation such as in 2006, General Electronics Corporation has 4 million stockholders and 10 billion shares outstanding.

One major issue in early October 2nd 2000 to July 24th 2017 number of companies are suspending & delisting. According to the list of companies in which trading is suspended issued by Pakistan Stock Exchange (PSE), more than 100 companies suspended / delisted.

Securities & Exchange Commission of Pakistan (SECP) in its official website revealed that total 6133 companies have been ceased due to non-compliance of the regulations. The Securities & Exchange Commission of Pakistan (SECP) has advised the public to deal with these cancelled companies with their own interest and to be secured while dealing. Similarly, The Dawn News has voiced, Karachi Stock Exchange (KSE) warned 13 companies as "to rectify the defaults committed under the Listing Regulations within 30 days, i.e. up to March 12, failing which the exchange shall initiate action against the companies as required under the regulations."

Companies do not implement various sub-sections to Section 30 (1) of the Listing Regulations that held companies defaulters i.e. failure to commence commercial production / business for three years from the date of formal listing; failing to hold annual shareholders' meetings for two consecutive years; winding-up proceedings initiated against the companies; official liquidators appointed; failing to pay annual listing fee for two years/ penalty/any other dues and the refusal of company to join Central Depository System.

Mr. Khalid Mirza, Chairman, Securities and Exchange Commission (SECP) on Thursday April, 25th, Karachi identified that companies did not like to fall under the capacity of Code of Corporate Governance would be allowed to delist themselves from the stock exchange. Mr. Nadeem Naqvi, Managing Director, Karachi Stock Exchange asserted that delisted & suspended companies were did not draw profit and loss account, did not hold shareholders' meetings, did not pay listing fees and appointed liquidator. Furthermore, he mentioned that most of the companies belonged to the 'Textile Sector'.

Experimental evidences reveal that countries implemented good corporate governance have experienced robust growth and have higher ability to attract investors than those who have poor corporate governance. Therefore, weak corporate governance system hinders investments and economic development. According to a McKinsey survey issued in June 2000, investors from all over the world indicated that they would pay large premiums for companies having effective corporate governance.

Effective Corporate Governance (ECG) deals with the interest of all stakeholders: management, customers, suppliers, financiers, government and other communities. It also provides a structure for the management to achieve the company's objectives. Investors invest without knowing better return, and not sure about how much they will receive against their investments. Therefore, they wish to invest in those companies where corporate governance is effective.

ECG plays an important role to reduce agency problems & control corruption because all the rights and duties mentioned in the code of corporate governance that companies have to implement on it. It increases efficiency, enhances capital and confirm sustainability, also used as an anti-corruption tool. It comprises transparency and

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accountability, a bribe is also very difficult to give anyone and to conceal it.

Corporate Governance (CG) is a very effective tool for resolving the agency problems. Effective Corporate Governance (ECG) plays a vital role for the enhancement of investors' confidence and very helpful for the companies to prevent fraud, conflicts and employee satisfaction. It also enhances the reputation of a firm and attract the interest of investors, suppliers, customers and other stakeholders of the company.

Likewise, Experienced and Efficient Management (EEM) plays a very important role in reducing agency problem and controlling corruption to become the company reputed. They have an ability to work as leaders, supervisors and they also guide the fresh employees very efficiently. They tackle the issues of employees and communicate with them very wisely. EEM easily learned new things, follows guidelines, regulatory requirements and performs well in their jobs. EEM know the policies; convey ideas effectively and thoughtfully to the others. EEM always remain confidence about their ideas / suggestions with upper management. Moreover, they make good leaders due to stronger communication skills, they communicate efficiently while advising and guiding to their colleagues. EEM are very loyal to their duties and have good ethics. So, a chance of agency problems and corruption is lower.

Fair Audit (FA) is a very important factor and compulsory for the companies to ensure audit under the law. Securities and Exchange Commission of Pakistan for the protection of its investors added in its regulation that companies must publish the true financial position of the company. To obey the regulatory requirements of the SECP companies conducted internal and external audit to ensure that the records are maintained according to the Accounting Standards of the Institute of Chartered Accountants of Pakistan (ICAP).

FA check fraud and error in a company, also helpful to identify weak points of the accounting system and suggests the improvements. The director feels free from day to day involvement because FA assures business is working according to the information they are receiving, also helps to reduce frauds and poor accounting. Furthermore, FA give advice that can have real financial benefits for the companies. FA comprise information about how the business is running, what can be expected and how can be achieved. Sales planning, credibility & reliability of the transactions is possible due to FA. Also provide published information to the employees, customers, suppliers, investors and others on the basis of credibility.

To build value in a capital market and to cover risks, companies conduct or require a Fair Audit (FA). FA is a legal requirement for the companies; these companies prepare information, later on the information published in the company's financial records at the end of each financial year. Furthermore, the investigation is also required when companies selected for research, so, FA plays a vital role in the companies.

Reliable Financial data / Statements (RFS) are very important for all kinds of businesses. These statements can show the favorable condition and can provide decision making strategies to the companies. Furthermore, general public & investors' trust are higher where company's financial statements show reliable information.

Reliable Financial Data / Statements are also the regulatory requirement imposed by SECP on the companies to secure the investors from frauds. Financial statements are prepared to fulfill the financial reporting obligations and to assist in strategic decision making. RFS helps the stakeholders to know what kind of resource companies are using and whether they are using these resources properly or not. RFS have also shown the information about financial decisions made in the organization. Government & regulatory authorities determines the legality of decision making and informed that the company is following correct accounting procedures with the help of financial statements. Analysts compare ratio analysis, trend analysis, time series analysis, etc. with different years due to RFS.

Reliable Financial Statements (RFS) provide financial information of the company to the outside parties and the basic purpose of these statements is to communicate with external and internal parties. It is very useful for investment purposes and credit decisions. Hence, unreliable and inaccurate financial statements cannot be useful; the main reason behind this is deliberate dishonesty and incompetence. Companies fight with these problems by hiring an outside firm to audit the financial statement.

Stockholders are not directly involves in the financial operations of the company. They appoint directors as an agent and later the directors appoints manager for financial operations. The relationship between management and stockholders has called agency relationship. Agency Problems (APs) arise when agents (directors) use their authority just for their own benefits rather than the principals (shareholders) and also refer disagreement

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between them. Furthermore, conflicts of interest among stockholder, bondholders and managers are called Agency Problem.

Sometimes, the agency problem arises when stockholders want to buy stock because these stocks are cheaper, but managers do not want to buy the stock because they feel that due to this there jobs may be lost. Moreover, Agency Theory reveals that when a chairman assume both positions, CEO for acting as decision making and supervisor then the function of the board to minimize the agency cost / problem could be faded massively; eventually corporate performance goes down.

Agency problem can be controlled by providing motivation and compensation to the managers and also be controlled by firing the employees. On the other hand, managers who are successfully pursuing stockholder goals can reap enormous rewards. For example, Terry Semel, the CEO of Yahoo! was the best paid executive in 2005. According to the Forbes magazine, he received about 231 million. Therefore, many manufacturing and other companies achieve progress due to their labor force's dedications and efforts, if they are not satisfied, then there are many chances of decreasing company's productivity, quality and at last companies face many problems. Workers where job satisfaction level is high love their job; feel justice, receive good pay &security, pleasant co-workers, Etc.

Corruption is a form of unethical conduct by a person entrusted with a position of authority often to acquire personal benefits. Pellegrilini and Gerlagh (2004) specified that corruption negatively effects on firm performance.

According to International Monetary Fund, corruption is naturally wise economic because it influences the economic structure of the economy, bad governance completely disturbs the activities of the economy, firm's performance and corporate structure of the organizations.

Reputation is the overall estimation about the performance and quality of the organization held by those who know it. Black and Carnes (2000) perceived that the corporate reputation has value to the investors and gives better financial benefits to the corporations. Likewise Spence (1974) discussed that reputation communicate with customers and other stakeholders as reputation works as a market signaling process for their maximize status. Caves and Porter (1977) regarded that companies having a strong reputation lift the entry barrier by rate of return above than the opportunity cost of capital. Hence, it enhances the market value.

In any case, the company does not implement regulations of the Exchange; the exchange thrills the company out of its exclusive club. So, for securing the companies from delisting and suspending, companies should implement all the regulations which would be possible by adopting the selected determining factors (Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements).

1.1. Purpose Statement

The aim of this study is to show the importance of factors; Effective Corporate Governance, Experienced and Efficient Management, Fair Audit and Reliable Financial Data / Statements on the reputation of the listed companies in Pakistan so that the delisting and suspending of the companies could be controlled.

1.2 Objective of the Research

The objective of the study is to investigate the determining factors; Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements that impacts on the reputation of the listed companies in Pakistan.

1.3 Significance of the Study

The significance of the study is the determining factors; Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements that will help the companies who converted the business into corporation to fulfill its aim (Stock Maximization) and intended to become a top reputed company to attract investors and stock maximization in the stock market by resolving agency problems and controlling corruption.

Henceforth, this study will also help the companies, to make policies, practices and theoretical implementation.

1.4 Research Gap

Number of listed companies delisted due to non-compliance of the instructions passed by the Securities & Exchange Commission of Pakistan and the Pakistan Stock Exchange. Therefore, it is a dire need to study the impact of factors determined in this article on the reputation of the listed companies for investors' protection and stock maximization. The study is under research in the perspective of Pakistan.

2 Literature Review

In accordance with Organization for Economic Co-operation Development (ECD) , (2015 a) corporate governance impact on business integrity, improve building market confidence and give focus on strategies. Kaufmann (a) asserted that poor companies increase their liabilities than higher companies, foreign direct investments are discouraged and poor companies ultimately become a reason of future financial crises. Shleifer and Vishy (1997) suggested that good corporate governance increases the efficiency in capital allocation and attracts the interest of investors.

OECD (2015 b) explained, Corporate Governance (CG) is a fundamental element for the success of the organizations. Likewise, Donovan (2003) proclaimed that CG is an internal mechanism comprising process, policies and people who work with integrity and sound management practices. Moreover, CG is beneficial for the stakeholders due to this a healthy board structure and sound corporate structure is created in the organization.

Ming Cheng WuOECD (2015) emphasized that Corporate Governance is an essential factor for the success of the organization.Magdi and Nedareh (2002) explained that corporate governance works in a way that its owners and stockholder receive fair returns on their investments and the expectations of other stakeholders are also fulfilled. Likewise, Collier (2005) said companies are managed, directed and controlled due to Corporate Governance. Similarly, Locke (1976) briefed that appraisal of one's job is due to Corporate Governance.

Letza, Kirbridge, Sun and Smallman (2008) in Freeman (1984) stressed that the purpose of Corporate Governance is to enhance the wealth of the corporations by providing interests of various groups in the society to which the corporation has direct or indirect interest. Corporate governance is not only a tool that improves efficiency, but also built employees satisfaction. Work, pay, promotion, environment, supervision and co-worker impact significantly on employee job satisfaction. (Luthans, 2005). Similarly, Ellickson & Longsdon (2001) adequate work equipment resources, trainings and equitable workload distribution also influence significantly on employee job satisfaction.

Kaufman (2003 b) declared that poor governance increases liabilities of the financial institutions, disfigure the effect against public institutions, discourage foreign investments and can make financial crisis. Gompers, Ishii, and Metrick (2003) showed that companies where shareholders' rights get strong 8.5% greater yield annual return than those with weak rights. So, these independent firms enjoyed higher valuations, higher profits, higher sales and lower capital expenditures.

According to the views of Donald & Dowling, 2000-2001 employees should be considered in the best interest of the company and employees should also be given the opportunity to be part of the decision-making process (Supra, 1987). Mckinsey & Co. embraces the view that corporate governance plays very heart's role in the investment decision. Investors use corporate governance as a financial indicator while decision making. Cost of capital is lower in well governed companies and the majority of investors want to pay a premium / installment in the companies where high standards of governance are applied.

The Calper has decreed in his study, 42 companies had a poor Stock Index by 52.5 per-cent in the five year period and after Calpers involvement for improvement in corporate governance from 1987 to 1992 these companies had trailed the index by 66 percent. That study also found that investors are willing to pay an average of 11 percent premium for companies they perceive as having Effective Corporate Governance (ECG).

Loizos Heracleous has discussed, Corporate collapses, fraud cases, shareholder suits or questionable strategic decisions invite attention to the top decision making group (board of directors) of the corporation. Good governance means more investor interest and higher returns for shareholders. Effective Corporate Governance contains separation the roles of CEO and Chairman; having a balanced board in span of skills and competencies, it defines the criteria for principal's independence; establish audit and other committees; applies healthy and transparent processes for director appointment; carries out effective performance evaluations; associates reward for performance and communicates sufficiently and openly with investors.

MacDougall and Hurst (2005) avowed that in the globalization arena human capital helps organizations to build and maintain their competitive advantage. Similarly, Garcya Meca and Martinez (2005) also identified that organizations having educated and wise people are responsible for creating wealth for their organizations and the simple machinery not do this fairly. Furthermore, Cabrita and Bontis (2008) argued that human capital is an important component for the success of the organizations and nations. Hajiha and Hasanloo (2011) claimed that human or work force is very scholastic asset of the organizations. Ahmadi et al., (2011) briefed that human capital plays an important part in the organizational performance.

Rehman (2012) revealed that companies where human capital is efficient have better financial position. Likewise, Hsiung and Wang (2012) stated in their study that human capital with education, skills and experience create the value of the company and increase performance. Roose et al., (2001) human capital includes competence, skills, and ability to make decision at once. Gruian (2011) observed that human capital means skill, knowledge and abilities of employees. Moreover, Zambon (2002) discussed that organizations not owned the human capital, it is only rented for the period until they leave the organization. Likewise, Sharabati et al., (2010) viewed that when an employee, he or she leaves the organization, human capital also goes with them.

Ahiazu (1989) affirmed that experience plays an important part in the performance of the employees. People get wiser due to experience and more exposure. So, experience and efficient management are very important for the performance of the organization which ultimately arise reputation of the companies. Dawson and Dobson (2002) asserted that managers' performance is very important for the performance of the business.

Brief (1988) believed that attitude expresses an employee towards his / her job is represents jobs satisfaction. Additionally, job characteristics, compensation and benefits, status, social security, advancement opportunities, technological challenges and respect are due to job satisfaction (Tella, Ayeni, & Popoola 2007). Ellickson & Logsdon (2001) recognized that adequate work equipment, resources, and training opportunities and fair workload distribution impact extensively and positively on employee job satisfaction.

Benston (1980) and DeAngelo (1981 a) expressed that audit quality is based on the size of the external audit firm. DeAngelo (1981 b) further debated that perception of the Auditor's report in the corporate annual report is based on the value of external audit. So, the discovery a material error and properly report the errors are the ability of the auditor. DeAngelo (1981 c) and Fama & Jensen (1983 c) clarified that independent audit firms have great incentives to maintain independence from their clients and also report any misstatement and errors, ensures compliance with their clients with legal and regulatory reporting rules.

Shilpa jainusms (2010) specified that where an organization has consistently amongst its structure, systems, internal control mechanism, people, culture and good fit with the strategy have satisfied, motivated, less stressed performing workforce. According to the McGrath, Siegel, Dunfee, Glazer and Jaenicke (2004) Audit report is the final outcome of the audit process and communicated externally about what the auditor had done and concluded throughout the audit.

According to the study of Pictures Partners (2010 page 02) external audit reduces risks for business failures and also give an understanding of the businesses about how to mitigate the risk of the businesses. Moreover, audit is very essential for the growth and prosperity of the business, external audit checks the integrity and transparency of financial statements. Hence, credible financial statements / reporting with fair audit built confidence in the financial system and also important for economic growth.

International auditing and Assurance Standard Board viewed that it is a duty of management to prepare accounting process to determine the financial position. Moreover, the auditor checks whether the values of disclosures are according to the financial reporting framework.

Healy & Wahlen (1999 a, Page 368) proclaimed that earnings occur when managers alter financial reports to either mislead some stakeholders about the underlying economic performance of the company as well as to influence on the contractual outcomes that depends on reporting accounting numbers. Furthermore, Healy &Wahlen (2001 b page 66) explained that managers communicate inside information to stakeholders for creating earnings. FAR (2011, page 14-17) viewed that exchange between relevance and reliability of disclosing information is constant. Management has more appropriate information than outsiders, so if management issued information on the basis of their judgments, then information disclosed increase in relevance with a decline in reliability.

According to the Alexander et al., (2011 Page 137) transactions or events should be recorded as and when they occurs and should be reported when the economic activity relates to the transactions or events. Similarly, Burnett et al., (2012 Page 1879) explained that after the collapse of Enron and WorldCom the financial markets started to focus on audit quality, which arose the audit liability. When audit liability arose managers adopted more reliable and inspired methods to meet earnings such as stock purchase.

Norri (2013) and Ajibolade (2008) uttered that techniques and practices helps to break down the bigger companies like Arther Anderson, Dnron, World Com, Parmalat, etc. these companies are providing unreliable and misleading information to the users. Furthermore, Ogbonna (2010 a) pointed out that organizations lack ethical consideration may not survive to fulfill its objectives and goals prepared for its stakeholders. Likewise, Victoria (2014) stated that creative accounting is that to implement the best options for achieving the goal: to provide true and fair view of the financial position of the company.

Ogbonna and Appah (2012 b) noticed that accountants are responsible to prepare reliable, relevant, timely, accurate, understandable and comprehensive financial reports. Likewise, Nozotta (2008) said that shareholders want reliable information for investment and to check the financial aspects of the organization. So, the financial statement prepared by financial accountant is based on reliable information.

Murphy (1985) pointed out that managers increases the size of the companies and do not think about the interest of the shareholders because their incomes and status based on size expansion. This situation causes conflicts of interest between both of them regarding expansion value for managers and maximization of value for shareholders. So, if suitable funds are available, managers get motivated, ultimately profitability increase investments. Furthermore, Jensen (1986a) perceived that limiting the freedom of managers, reducing agency cost of equity. Due to this dividends payout, share repurchases and extra debts reduces the amount of money, which is under the control of managers.

According to the views of Jensen (1976 b) and Meckling (1976 a); Fama (1983) and Jensen (1983 b); Patton and Bake, 1987; Empirical studies by Daily and Dalton, 1993 and Dahya, Lonie and Power 1996) CEO duality could bring negative effects on companies' performance. So, this is a reason of agency problem to assign a dual position to the CEO. Sometimes managers make decisions that made conflict because decisions are mostly in the best interest of the shareholder that is removal. The reason occurs when manager owns less than 100% of the firm's common stock and stakeholders skips the advice or decision of manager regarding borrowing loans from creditors for the sake of their interest may cause an agency problem between stockholders and creditors.

In modern corporations where role of management and ownerships are separate, corporate governance required to be raised. Furthermore, the principal agent problem found by Jensen (1976 c) and Meckling (1976 b) showed that management activities damage the interest of the shareholders and this problem can be lessened by the practices ensuing from effective / good corporate governance. Buckley (1998) anticipated that firm's potential, competitive advantage, ability to improve performance, i.e. market share and growth, employment and production enhancement is based on the corporate governance practices.

Shapiro (1999 Page 470) briefed that excessive corruption is controlled by giving compensation to the managers in the form of shares. He further reinstated that if a manager, equity participation increases, then they are likely to become more effective. Habib and Ljunjgqvist (2005) stated that the benchmark value of those firms' having an agency problem / cost decreases 16% which means loss of $1,432 Million. Hunsaker (1999) asserted that possibility of bankruptcy is high where leverage increase. So, the incentive should be given to the managers for the increase of their effort level.

Muhammad Sohail, Muhammad Arslan & Rashid Zaman (2014 Page 01) voiced that corruption is the indicator of Government failure, firm's performance effected long term due to corruption. Moreover, firm's performance affected by corruption, can be checked to perceive the study of Indonesia Corruption Index 2008 and Bribery Index. World Bank identified cost of corruption as total number of bribes paid in both developing and developed countries in 2001 & 2002 at 1 Trillion dollars equal to 3% GDP of the world at that time. Accordingly, embezzlement of public fund and theft was not included in the estimation as it was difficult to perceive. Moreover, deposed Kleptocrats in Indensia,Nigeria and Zairc embezzled 10 Billion Dollars during office time.

Anthena Soulil et al., (2012) supposed that Governments, policy makers and international organizations are interested in anti-corruption strategies to control corruption's effects on economic growth. Fisman and Svensson (2007) identified that 1% increase in the bribery payment / rate is associated with a 3% decrease in firm's performance. Likewise, the World Bank (2003) also viewed that corruption was a negative impact on the firm's growth.

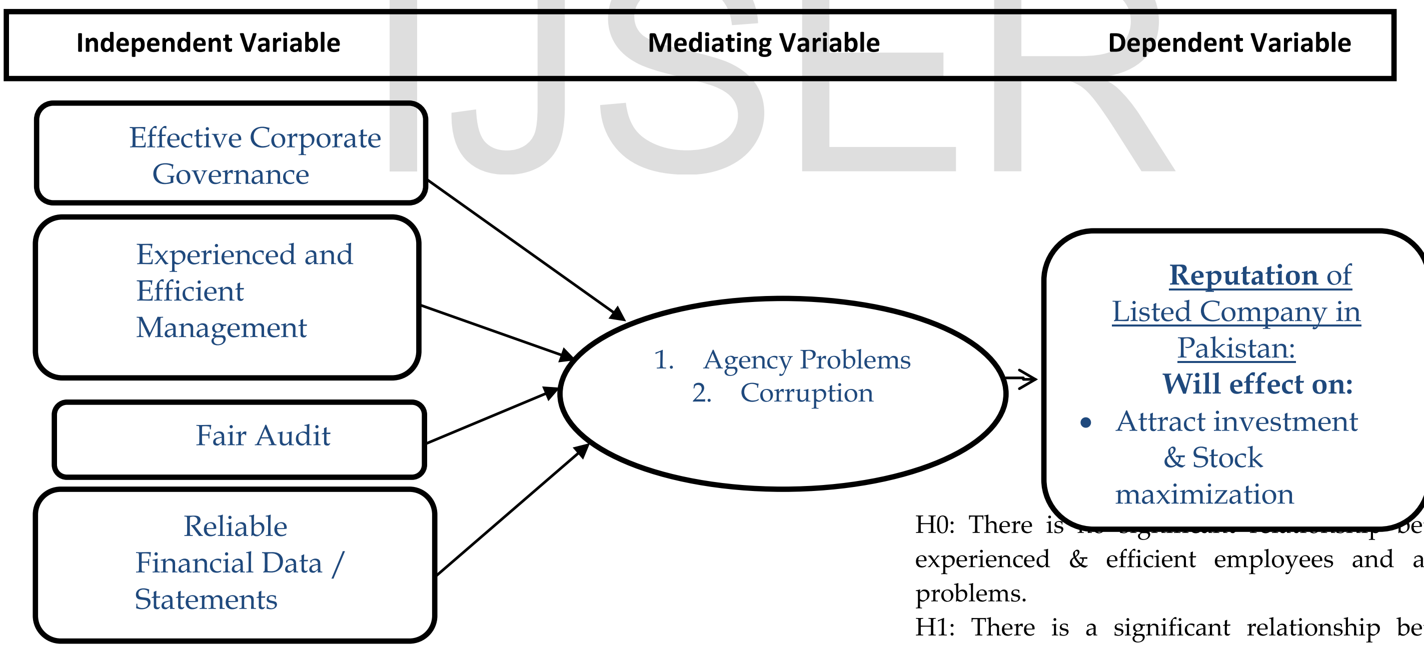
According to the Shleifer and Vishny (1993); Wei (1997) and Campo et al., (1999) identified that investments destroyed due to corruption as it arise operational costs and creates uncertainty. Mavro (1995) proved that corruption has a negative impact on investment and growth by providing econometric analysis.

Hussein A. H, (2007) declared that investors' consideration comprises expected earnings of the corporation, quickly development and creation of organized financial markets. Dimitrias I. M, (2007) conveyed in his study, conducted on investor behavior that the individual investors depend upon the news of Media/newspapers while making their investment. Similarly, Cohn et al., (1975) vowed that when the risk decreases, then the investors wealth increases. On the other hand Riley and Chow added not only investor increases wealth, but age, income and education also increase. Hence, reputation plays very vital role in investors' decision making about to invest without hesitation of risks.

Simon cole (2012) studied that corporate reputation is like a strong driver of shareholder return. Moreover, everyone believed in it, and also a real life and is very beneficial asset for the companies. A Corporation having good reputation assures investors about better returns. He, further, reinstated that the reputed companies earns better investment than other companies. Total 410 leading companies in the UK and USA, 91% of companies with a reputation are having a positive impact on shareholder wealth.

3 Theoretical Model

Figure1: Determining factors impact on the reputation of the listed companies in Pakistan.



H0: There is no significant relationship between effective corporate governance and agency problems.
H1: There is a significant relationship between effective corporate governance and agency problems.

Hypothesis 2

H0: There is no significant relationship between experienced & efficient employees and agency problems.
H1: There is a significant relationship between experienced &efficient employees and agency problems.

Hypothesis 3

H0: There is no significant relationship between fair audit and agency problems.
H1: There is a significant relationship between fair audit and agency problems.

Hypothesis 4

H0: There is no significant relationship between reliable financial data / statements and agency problem.
H1: There is a significant relationship between reliable financial data / statements and agency problem.

Hypothesis 5

H0: There is no significant relationship between effective corporate governance and corruption.
H1: There is a significant relationship between effective corporate governance and corruption.

Hypothesis 6

H0: There is no significant relationship between experienced and efficient employees and corruption.
H1: There is a significant relationship between experienced & efficient employees and corruption.

Hypothesis 7

H0: There is no significant relationship between fair audit and corruption.
H1: There is a significant relationship between fair audit and corruption.

Hypothesis 8

H0: There is no significant relationship between reliable financial data / statements and corruption.
H1: There is a significant relationship between reliable financial data / statements and corruption.

Hypothesis 9

H0: There is no significant relationship between agency problem and reputation.
H1: There is a significant relationship between agency problem and reputation.

Hypothesis 10

H0: There is no significant relationship between corruption and reputation.
H1: There is a significant relationship between corruption and reputation.

Hypothesis 11

H0: There is no significant relationship between effective corporate governance and reputation.
H1: There is a significant relationship between effective corporate governance and reputation.

Hypothesis 12

H0: There is no significant relationship between experienced & efficient employees and reputation.
H1: There is a significant relationship between experienced & efficient employees and reputation.

Hypothesis 13

H0: There is no significant relationship between fair audit and reputation.
H1: There is a significant relationship between fair audit and reputation.

Hypothesis 14

H0: There is no significant relationship between reliable financial data / statements and reputation.
H1: There is a significant relationship between reliable financial data / statements and reputation.

5 Research Methodology

The research methodology used for the study is based on quantitative method approach. For this purpose questionnaire was prepared. Questions were asked to gather the information from the respondents about the selected factors (Effective Corporate Governance, Experienced & Efficient Management, Fair Audit, Reliable Financial Data /Statements. Total 55 number of questions were asked from the selected population comprising 10 nos. of questions were asked for Effective Corporate Governance, 09 were asked for Experienced & Efficient Management, 06 were asked for Fair Audit, 10 were asked for Reliable Financial Data / Statements, 05 were asked for agency problems, 08 were asked for Corruption and 07 nos. of questions were asked for reputation. These questions were prepared through self-knowledge / information.

5.1 Population

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The population of the study was obtained from Public and Private listed companies and from other relevant population, such as students of Administration, Accounts & Finance in the Lahore District.

5.2 Population Size

Data collected from Lahore.

5.3 Research Instrument

The biographical questionnaire was used, incorporated the personal information of the respondents i.e. gender, age, qualification, name of department, number of employees in your department, sector, type of contractual appointment, rank & salary range.

5.4 Questionnaire Structure

Respondents selected one option which was best for their feelings or attitude at the given time of each question.

The selected responses were specified in five – points:

Strongly Disagree = 1
Disagree = 2
Neutral = 3
Agree = 4
Strongly Agree = 5

5.5 Sample Technique

The Random Sampling technique was used in this research. Random sampling means each individual in the population has an equal probability of being selected (John W. Creswell 2003).

5.6 Sample

Pakistan Stock Exchange listed companies were selected for this research.

5.7 Sample Size

The sample size of the study was 300 respondents.

5.8 Data Collection / Data Gathering Instrument

Quantitative methodology was followed and questionnaire was used for data collection. The data gathering techniques were used to include a biographical questionnaire.

5.9 Reliability and Validity:

Reliability refers to the consistency or dependability of a measuring instrument (Leary, 2004, p. 69). Reliability refers to the consistency of a measure of a concept (Alan Bryman, Emma Bell 2003).

Validity, on the other hand, refers to the extent to which a measurement procedure actually measures what it is intended to measure rather than measuring something else, or nothing at all (Leary, 2004, p. 69). Whereas validity refers to the issue of whether or not an indicator (or set of indicators) that is devised to measure a concept really measures that concept (Alan Bryman, Emma Bell 2003).

Statistical Analysis:

According to Leary (2004, p. 37) "Statistical analysis is used to describe an account for the observed variability in the behavioral data". Thus the purpose of statistics is to summarize and answer questions about the behavioral variability that was taken in the research.

6.1 Demographic Profile of Respondents

A Questionnaire was distributed among 350 respondents, and 300 questionnaires were responded accordingly. Demographic Profile of Respondents is presented in table 01, cited below. This table contains information of all the respondents on the basis of gender, age, qualification, name of department, number of employees in your department, sector, type of contractual appointment, rank & salary range.

Table No. 01

Respondents Responses	Frequency	Percent
Male	207	69
Female	93	31
Age (N=300)		
Under 20 Years	46	15.3
21-30 Years	180	60.0
31-40 Years	46	15.3
41-50 Years	11	3.7
51-60	17	5.7
Qualification		
PHD	12	4.0
MPhil	81	27.0
Master Degree	110	36.7
Other (Please Specify)	97	32.3
Department		
Mentioned Department Name	230	76.7
Not Mentioned Department Name	70	23.3
Employees in your Department		
10-50	225	75.0
50-100	7	2.3
100-1000	51	17.0
1000-10000	2	.7
1001 and Above	50	10.0
Sector		
Public	67	22.3
Private	233	77.7
Appointment		
Permanent	135	45.0
Full time contractual	165	55.0
Rank		
Director	14	4.7
Manager	94	31.3
Auditor	27	9.1
Accountant	155	51.7
Supervisor	10	3.3
Salary Range		
Below 30,000	119	39.7
Rs. 31,000 – 80,000	165	55.0
Rs. 81,000-100,000	10	3.3
Rs. 100,000 to above	6	2.0

Interpretation:

Table 01 compress that out of 300 respondents, 207 (69%) were males and 93 (31%) were females. Of the 300 respondents, 46 (15.3%) were under 20 Years old, 180 (60%) were in the age of 21-30 Years, 46 (15.3%) were in the age of 31-40 Years, 11 (3.7) were in the age of 41-50 Years, 17 (5.7%) were in the age of 51-60 Years old, this result shows, the most of the respondents in this study were within the age of 21-30 Years. 300 respondents provided information on their qualification: 12 (4.0%) hold a PHD degree, 81 (27.0%) holds an MPhil, 110 (36.7%) were holing a Master degree and the rest of the others 97 (32%) hold Other's degree. 230 (76.7%) provided information regarding their department. 70 (23.3%) were not provided information about their department. Questions were asked about the number of employees at the department. 225 (75.0) were under the category of 10-50 employees, 7 (2.3) were within the category of 50-100 employees in the department, 51 (17.0) were in the category of 100-1000 employees, 2 (0.7) were in the list of 1000-10000 range and 50 (10) were falling in the category of 1001 and Above. 67 (22.3) belongs to a public listed companies and 233 (77.7) their appointment was a full time contract. Total 300 numbers of respondents gave the information about their rank from which 14 (4.7%) were Directors of the companies, 94 (31.3%) were Managers, 27 (9.4%) were Auditors and 155 (51.7) were accountants 10 (3.3%) of rest were supervisors. So most of the participants responded the questionnaire were accountants. Moreover, all of the 300 respondents gave information regarding salary range from which 119 (39.7%) were earning below 30,000, 165 (55.0) were earning Rs. 30,000 to Rs. 80,000, (82%) and 9 (18%) were within 31,000 to 80,000, 10 (3.3) were earning Rs. 80,000 to Rs. 100,000. 6 (2.0) were earning Rs. 100,000 to Above.

It is pertinent to mention here that the sample taken in this study was representative of the population or not. An integral part of the study was based on factor analysis and for this purpose a sample size of 300 is considered a good rule of thumb (Tabachnick and Fidell, 1996). Green (1991) suggests a general rule of N>50+8X where N and X represented, the sample size and the number of independent variables in a model respectively. Moreover, he recommended, a sample size above 130 could be considered sufficient to acquire the necessary statistical power for the tests. So, the sample selected / used in this research could be considered to be descriptive.

6.2 Descriptive Statistics

Descriptive statistics are used to describe the behavior of the respondents in a study. They refer to the ways in which a large number of observations are reduced to interpretable numbers such as average and percentages.

Frequency tables used to provide information on key demographic variables, as well as the means and standard deviations on the responses.

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The mean is a measure of central tendency of the variables and provides an arithmetic average for the distribution of scores.

The standard deviation, on the other hand is a measure of variability, which is calculated as the square root of the variance (Leary, 2004). Mean scores of different items range from 3.7567 to 4.3900 and the value of standard deviations ranges from .55875 to 1.80541.

Table No. 2

	N	Minimum	Maximum	Mean	Std. Deviation
A company controlled or directed through effective corporate governance	300	2.00	5.00	4.2867	.55875
ECG resolves agency problems of the company	300	1.00	5.00	4.0167	.87499
It controls corruption and notify the employees about legal punishment	300	1.00	5.00	4.1667	.71221
It attracts the interest of investors	300	2.00	5.00	4.0667	.74660
It protects all the stakeholders from irregularities caused by management	300	2.00	5.00	4.2733	.63242
It deals with the interest of all the stakeholders	300	1.00	5.00	3.9667	.82937
It provides a structure to the management for achieving the company's objectives	300	1.00	5.00	4.0333	.91744
It increases effeciency, enhances capital and confirm sustainability	300	2.00	5.00	4.0500	.83856
Every investors makes the decision to invest in those companies where implementation of corporate governance effective	300	1.00	5.00	3.9933	1.02149
It impacts on the reputation of listed companies in Pakistan	300	1.00	5.00	4.0033	.93070
Experienced & Effecient Management leads the company in an effective manner	300	1.00	5.00	4.3300	.71844
EEM make better policies and decision making	300	2.00	5.00	4.1800	.74573
EEM Control Corruption and reduce Agency Problems	300	1.00	5.00	3.9600	.88752
EEM help to resolve problem of the employees	300	2.00	5.00	4.1333	.72386
EEM easy learned new things, follows guidelines, regulatory requirements and perform well in their task	300	2.00	5.00	4.0367	.85894
EEM have stronger communication skills	300	2.00	5.00	4.1533	.65159
EEM communicates effeciently while advising and guiding to their collegues	300	2.00	5.00	4.0300	.76881
EEM are very loyal to their duties and have good ethics	300	1.00	5.00	3.7567	.90933
EEM impact on the reputation of listed companies in Pakistan.	300	1.00	5.00	3.8200	.94724
Fair Audit makes accounting information more relevant.	300	3.00	5.00	4.3900	.62117
FA controls errors or irregularities.	300	2.00	5.00	4.3567	.70554
FA is very useful for planning and decision making.	300	1.00	5.00	4.2533	.67131
FA controls corruption.	300	2.00	5.00	4.2533	.70532
FA plays an important role for better investment.	300	2.00	5.00	4.2167	.79066
FA impact on the reputation of listed companies in Pakistan	300	1.00	5.00	4.1667	.81718
Maintain reliable financial data / statements are very important for all kinds of businesses.	300	1.00	5.00	4.2233	.89599
RFS controls corruption.	300	1.00	5.00	3.9033	.94000
RFS attract the interest of the investors to invest in a company.	300	2.00	5.00	4.1900	.75883
RFS shows the financial position of the company.	300	1.00	5.00	4.3300	.80618
Management when preparing RFS observed, drawbacks and solve at the proper time.	300	2.00	5.00	4.0367	.72370
General public & investors' trust is higher where company's financial statements show reliable information.	300	1.00	5.00	4.3033	.68768
RFS is prepared to fulfill the financial reporting obligations and assist in strategic decision making.	300	2.00	5.00	4.2433	.69214
RFS is very useful for investment purpose and credit decisions.	300	3.00	5.00	4.2600	.65357
RFS is not reliable, then it will be difficult to find investors or even pay them higher interest rates.	300	1.00	5.00	4.0400	.83309
RFS impact on the reputation of listed companies in Pakistan.	300	1.00	5.00	4.1767	.87636
Agency problems can be reduced due to determining factors.	300	1.00	5.00	3.9433	.84211
Employee Satisfaction reduces APs.	300	1.00	5.00	3.9600	1.01084
Where APs are lower interest of investors to invest are higher.	300	1.00	5.00	3.9733	.78401
Reduction in APs controls corruption.	300	1.00	5.00	3.8900	.99054
Reduction in APs impact on the reputation of listed companies in Pakistan.	300	1.00	5.00	4.0233	.84765
Corruption controls due to determining factors.	300	1.00	5.00	4.0033	.74734

Corr. is due to dissatisfaction of employees.	300	1.00	5.00	3.9300	.90249
Where Corr. is higher interest of investors to invest are lower.	300	2.00	5.00	4.0600	.71515
Corr.is a one of the greatest problems of firm performance and social development.	300	1.00	5.00	4.2633	.77631
Corruption can control by giving incentives to the employees.	300	2.00	5.00	4.0533	.77405
Corr. is due to agency problems between directors and managers.	300	1.00	5.00	3.8600	.90727
Listed companies are suspended / delisted due to higher APs and Corr.	300	1.00	5.00	3.9167	.99986
Control on Corr. increases reputation of the listed companies in Pakistan.	300	1.00	24.00	4.2967	1.80541
Reputed companies raised additional funds through the issuance of stock.	300	1.00	7.00	4.1200	.94971
Repu. attracts the attention of market makers and institutional traders.	300	2.00	7.00	4.1800	.74124
Reputed companies have lower agency problems and corruption.	300	1.00	7.00	3.9167	1.03923
Companies are reputed due to determining factors.	300	2.00	7.00	4.0300	.83151
Companies overall functions among the stakeholders make a reputation.	300	2.00	7.00	4.0633	.80091
Corporate reputation is built on external and internal stakeholders' perceptions.	300	1.00	7.00	4.1800	.81434
Repu. supports an organization in times of crisis or controversy.	300	1.00	7.00	4.2233	.91446
Valid N (listwise)	**300**				

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6.3 Reliability Statistic

Cronbach's alpha is used to measure internal consistency / reliability. It is also used when multiple questions in the form of scale are prepared for survey analysis and it is required to check the reliability of the scales.

Table No. 3

Variables	Cronbach's Alpha	Items
Effective Corporate Governance	.811	10
Experienced & Efficient Management	.819	9
Fair Audit	.797	6
Reliable Financial Data / Statements	.884	10
Agency Problem	.798	5
Corruption	.705	8
Reputation	.861	7

7 Factor Analysis

Factor analysis was conducted using the PCA technique with a varimax rotation method to check the construct validity (convergent and discriminant validity).The Result of the PCA technique is given in the table 03, 04& 05.

KMO (sampling adequacy test) and Bartlett's test of sphericity was measured to check whether data is adequate to apply factor analysis or not. Sampling adequacy represents the strength of connection between variables, whereas sphericity refers to the orthogonality of the components of a construct. Hence, these two tests can provide confirmation about worth proceeding with factor analysis.

Furthermore, factor analysis reduces the data from a large number of items to a small number of interrelated factors. These interrelated factors cover the information and contained in the original dimensions as much as possible. These factors simplify the interpretation and understanding of the complex phenomenon. For instance, if factor analysis reduces four dimensions of independent variables (Effective Corporate Governance, Experienced & Effeceint Management, Fair Audit, Reliable Financial Data /Statements) into just one factor, then what happens with the independent variables, they can be analyzed and interpreted as due to a change in an independent variable rather than saying what happens to a dimension of determining factors is due to a change in an independent

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variable. It is worth nothing that the underlying assumption of using factor analysis is that the dimensions of a construct are correlated.

Interpretation

This table reflects that all the variable alpha coefficient is within the range of .88400 to .705, suggesting that the items have relatively high internal consistency. A reliability coefficient of .70 or higher is considered "acceptable" in most social science research situations.

7.1 KMO and Bartlett's Test

The KMO technique indicates the suitability of factor analysis. The value of KMO varies from 0 and 1. A value of 0 indicates that there is a larger distribution in the outline of correlations; henceforth, application of factor analysis changes with inappropriate. If a value of 1 indicates the outline of correlation is relatively solid, then it means factor analysis is appropriate.

According to (Hutcheson and Sofroniou, 1999): value of KMO if 0.5 is considered poor, if 0.6 and 0.7 is average, if between 0.7 - 0.8 is reflected good, if between 0.8 and 0.9 will be great and if 0.9 is considered superb.

Table No. 4

Constructs	No. of Items	KMO Measure of sample adequacy	Bartlett's Test of Sphericity Chi-Square	Bartlett's Test of Sphericity Sig.
Effective Corporate Governance	08	.783	649.547	.000
Experienced & Efficient Management	04	.587	455.848	.000
Fair Audit	06	.661	590.720	.000
Reliable Financial Data	10	.872	1420.678	.000
Agency Problem	05	.694	504.217	.000
Corruption	05	.692	276.173	.000
Reputation	07	.835	934.389	.000

Interpretation:

This table illustrates that the value of each construct is equal to the recommended acceptable level, i.e. 0.6 except Experienced and Efficient Management, its KMO is .587 or .6 it is acceptable, but considered average. KMO of the Effective Corporate Governance is .783, value of fair audit is .661, reliable financial data / statements value is .872, value of agency problem & corruption is .694 or .7 & .692 or .7 and the value of reputation is .835. So, the KMO technique specifies worth of factor analysis.

Bartlett's test of sphericity is used to check the significance level of the relationship between the items of a construct. If there is no relationship among the items of a construct, then it is impossible to go onward with factor analysis. Bartlett's test on the above contains. 000, .000, 000, .0000, .000, .000, .000 and .000. Generally, a p-value of Bartlett's test in the case of all constructs is less than 0.05 which provides evidence against at the null hypothesis of no correlation.Henceforth, it is possible to continue to factor.

7.2 Eigenvalues and Total Variance Explained

If components of a construct considered as principal components are called eigenvalue, it should be greater than 1 and these are used for further analysis.

Table No.5

Construct	Compone nts	Total	Initial Eigenvalues % of Variance Explaine d	Cumulative % of variance explained
Effective Corporate Governance	Comp 1	3.395	42.433	42.433
Experienced & Efficient Management	Comp 1	2.481	62.031	62.031
Fair Audit	Comp 1	2.923	48.714	48.714
Reliable Financial Data & Statement	Comp 1	5.170	51.703	51.703
Agency Problem	Comp 1	2.772	55.447	55.447
Corruption	Comp 1	2.302	46.031	46.031
Reputation of listed companies	Comp 1	3.877	55.388	55.388

Interpretation

Table 5 shows all eigenvalues and shows total variances explained for the constructs. Effective Corporate Governance, with 08 items, explained 42.433% variance by the participants, 04 values explained 62.031% variance for Experienced & Efficient Management, 06 values explained 48.714% variance for Fair Audit , and 10 values were explained 51.703% variance for Reliable Financial Data/Statements, Agency Problem & Corruption had 05 & 05 values explained 55.447% & 46.031% variances and Reputation has 07 values are explained 46.031% variance.

7.3 Component Matrix

Table No. 6

Items	Component
Effective Corporate Governance	**PCAECG**
A company controlled or directed through effective corporate governance.	.529
ECG resolves agency problems of the company.	.467
It controls corruption and notify the employees about legal punishment.	.719
It attracts the interest of investors.	.517
It deals with the interest of all the stakeholders.	.647
It provides a structure to the management for achieving the company's objectives.	.769
It increases efficiency, enhances capital and confirm sustainability.	.769
Every investor makes the decision to invest in those companies where implementation of corporate governance effective.	.715
Experienced & Efficient Management	**PCAEEM**
Experienced & efficient management leads the company in an effective manner.	.809
EEM make better policies and decision making.	.873
EEM easy learned new things, follows guidelines, regulatory requirements and perform well in their tasks.	.747
EEM have strong communication skills.	.711
Fair Audit	**PCAFA**
Fair Audit makes accounting information more relevant.	.727
FA controls error or irregularities.	.742
FA is very useful for planning and decision making.	.693
FA controls corruption.	.775
FA plays an important role for better investments.	.681
FA impact on the reputation of listed companies in Pakistan.	.546
Reliable Financial Data & Statement	**PCARFS**
Maintain reliable financial data / statements are very important for all kinds of businesses.	.727
RFS controls corruption.	.719
RFS attract the interest of investors to invest in a company.	.722
RFS shows the financial position of the company	.755
Management when preparing RFS observed, drawbacks and solve at the proper time.	.762
General public & investors' trust is higher where company's financial statements show reliable information.	.687
RFS is prepared to fulfill the financial reporting obligations and assist in strategic decision making.	.776
RFS is very useful for investment purpose and credit decisions.	.742
RFS is not reliable, then it will be difficult to find investors or even pay them higher interest rates.	.699
RFS impact on the reputation of listed companies in Pakistan.	.582
Agency Problems	**PCAAPs**
Agency problems can be reduced due to determining factors.	.716
Employee satisfaction, reduces APS.	.705
Where APs are lower interest of investors to invest are higher.	.795
Reduction in APS controls corruption.	.690
Reduction in APs impact on the reputation of listed companies in Pakistan.	.809
Corruption	**PCACOR**
Corr. Is due to dissatisfaction of employees.	.710
Corr. Is a one of the greatest problems of firm performance and social development.	.430
Corruption can control by giving incentives to the employees.	.738
Corruption is due to the agency problem between directors and managers.	.737
Listed companies are suspended / delisted due to higher APs and Corr.	.724
Reputation	**PCAREPUT**
Reputed companies raised additional funds through the issuance of stock.	.550

Repu. attracts the attention of market makers and institutional traders.	.754
Reputed companies have lower agency problems and corruption.	.750
Companies are reputed due to determining factors.	.831
Companies overall functions among the stakeholders make a reputation.	.881
Corporate reputation is built on external and internal stakeholders' perceptions.	.706
Repu. Supports an organization in times of crisis or controversy.	.693

Interpretation

Table 6 expresses the values of the factors loading all items. According to Straub et al. (2004), the minimum value for the loading of all items should be greater than 0.40 and the cross-loading of the items should not be above 0.40. Factors of effective corporate governance are loading .467 to 769. Factors of experienced & efficient management are loading .711 to .873. Factors of fair audit are loading .546 to .775. Factors of reliable financial data / statements are loading .582 to .776. Moreover, factors of agency problem & Corruption of all items are loading .690 to .809 & .430 to .737 and factors of the reputation of all items are loading .550 to .881.

So, the above illustrated results fulfill the criteria of construct validity, including both discriminant validity (loading of at least 0.40, no cross-loading of items above 0.40) and convergent validity (eigenvalues of at least 1, loading of at least 0.40) it means that the collected data, which is obtained from the instrument, is valid.

8 Regression Analysis

Regression analysis is used to identify the relationships of independent variables, i.e. Determining Factor (Effective Corporate Governance, Experienced &Efficient Employees, Fair Audit & Reliable Financia lData / Statement) on mediating variables,i.e. Agency Problem & Corruption and further determining the effect of mediating variables on the reputation of the listed companies in Pakistan. Moreover, acceptance and rejection of hypothesis are finalized due to regression analysis.

Table No.7

Independent Variables	Dependent Variables (Agency Problem) Adjusted R2	Durbin Watson	F-Statistic	T Ratios	VIF
			s		
Effective Corporate Governance	(.408) .163	1.849	59.431	7.709	1.000
Experienced & Efficient Management	(.223) .047	1.830	15.627	3.953	1.000
Fair Audit	(.347) .137	1.715	48.540	6.967	1.000
Reliable Financial Data / Statement	(.468) .216	1.763	83.547	9.140	1.000
Independent Variables	**Dependent Variables (Corruption)**				
Effective Corporate Governance	(.326) .104	1.766	35.542	5.962	1.000
Experienced & Efficient Management	(.117) .010	1.639	4.124	2.031	1.000
Fair Audit	(.368) .133	1.791	46.776	6.839	1.000
Reliable Financial Data / Statement	(.228) .049	1.762	16.405	4..05 0	1.000
Independent Variables	**Dependent Variables (Reputation)**				
Effective Corporate Governance	(.333) .108	1.917	37.221	6.101	1.000
Experienced & Efficient Management	(.245) .057	1.921	19.046	2.683	1.000
Fair Audit	(.383) .144	1.920	51.111	7.149	1.000
Reliable Financial Data / Statement	(.351) .211	1.966	41.986	6.480	1.000
Mediation Variables	**Dependent Variables (Reputation)**				
Agency Problem	(.536) .285	2.183	119.914	10.951	1.000
Corruption	(.561) .313	1.869	136.971	11.703	1.000

Interpretation

In the table 7, the model summary of variables shows the values of the Beta(β), β is the slope of coefficient and regression coefficient. It shows how much dependent variable (Y) changes with the change of one unit in the independent variable (X). Beta value if negative shows that, due to a change of one unit in independent variable, dependent variable will change with the same unit but in the opposite direction. Adjusted R square, Durban Watson, F-Statistics, T-ratio and Colinearity Statistic (VIF) is adopted for checking significance level. Constant Beta shows the positive or negative relationship of the variables. Adjusted R square shows the relationships in %age and tells the independent variable contribution with the dependent variable and explained the variance by the respondents, in the above table adjusted R square's values are positive, on the other side Durbin Watson should be within 1.7 to 2.3 so most of the values is falling within the standard. We can say that there is no serial correlation.

Likewise, F-statistic shows the significance level and tells the model is a good fit or not. It also represents that the values given in the table is significant. Similarly, T-ratio should be equal to 02 or more than 02 and also reveals significant level, i.e. 0.05 (It means 95% data is correct and 5% not sure). So, all the values shown in the table are greater than 02 and are significant. Colinearity is required to check the diagnostic test. VIF shows the Serial Colinearity and should be less than 10 and equal to 10 but not more than 10, the above values of VIF are less than 10, and it means there is no serial Colinearity. If Serial Colinearity exists, then there is no need to proceed with the independent variables to have no relationship between dependent variables.

The unstandardized coefficients give a formula from where we can predict their Score (Dependent variable) Y from the X score (Independent Variable). This formula would say the best way of estimating and individual's Y scores is also based on the individual's X scores.

Y= a +bx

Like Y= .408 +.408 (PCAECG) ECG (Effective Corporate Governance)

Y= .515

And so on………….

8.1 Multiple Regression Analysis:

Mediation may be tested when independent variable direct effects of a mediating variable, a mediating variable effect on a dependent variable and independent variable affects the dependent variable, also when shows significant result then mediation may be tested. Independent and mediating variables are entered in regression as independent variables to test the mediation of a variable. In case the coefficients of both independent and mediating variables are significant, then the mediation is called partial mediation between mediating, independent and dependent variable. If one (01) variable like mediating variable coefficient is remain significant, but the coefficient of the independent variable is insignificant, and both used in regression as independent variable, then the result will be shown as full mediation of mediating variable, independent variable and dependent variable.[1]

Table No.8

Independent Variables	Dependent Variable(Reputation)
Effective Corporate Governance	.138 (.2595)
Experienced & Efficient Management	1.32 (2.659)
Fair Audit	.212 (4.122)
Reliable Financial Data /Statements	.129 (2.348)

Interpretation

Table 8 shows independent variables and the dependent variable with beta and T-ratio values in parentheses. Furthermore, this table reflects that Fair Audit and Effective Corporate Governance implementation contributes higher than others variables on the reputation of listed companies in Pakistan.

Table No. 9

Independent Variables	Dependent Variable (Reputation)							
ECG	.138 (.2.595)	.168 (3.368)						
EEM		.132 (2.659)	.182 (3.857)					
FA			.212 (4.122)	.204 (4.047)				
RFS				.129 (2.348)	.236 (4.969)			
Aps	.401 (2.982)	.506 (10.189)	.456 (8.881)	.475 (8.652)				
Corr	.506 (10.153)	.540 (11.440)	.486 (9.667)	.507 (10.703)				
Adju-sted	.298	.299	.321	.196	.336	.343	.346	.363

[1] Baron and Kenny (1986) study can be seen for further details.

R2								
F-Statistics	64.477	64.715	71.669	6.984	76.532	79.113	80.211	86.273

Interpretation

Multiple regression analyses are used to test the mediation of selected mediating variables, independent variable and dependent variable. Table 9 reflects the results of multiple regression analyses where each mediating variable was selected as an independent variable along with the independent variables (Effective Corporate Governance, Experienced &Efficient Management, Fair Audit, Reliable Financial Data /Statements).

The above table represents the Beta value and T-ratio (with parentheses) of all the independent variables and mediating variables (as independent variables). Adjusted R2and F-statistics values of all variables are also shown in the table. Effective Corporate Governance (ECG) and Agency Problems (APs) show that APs partially mediate between ECG and Reputation because Beta value .138 and .401 are significant (less than 0.01). Moreover, Effective Corporate Governance (ECG), Corruption (Corr.) and Reputation is also partially mediating with each other, values of ECG & Corr. is significant because the values of Beta .168 and .506 are less than 0.01. On the other hand, other variables are also significant and partially mediating with dependent variables.

9 Discussions

This study found that determining factors (effective corporate governance, experienced & efficient management, fair audit and reliable financial data statement) reduce the agency problems and control corruption and impact the reputation of the listed companies in attracting investors and maximizing stock. As expected, it is observed that determining factors has a significant relationship with reducing the agency problem and controlling corruption and reputation of the firm.

10 Limitation of Study

This study was conducted in private and public limited companies and from other relevant population, such as students of Administration, Accounts & Finance in the Lahore District. Other districts should be studied for futue research.

11 Ethical Consideration

The study was conducted with ethical consideration. The name of respondents will not be shown or mentioned in this study to others.

12 Implication of the Study

This study will be very beneficial for those companies who intend to become a reputed company. If companies will focus on the implementation of determining factors their reputation will be increased as well as agency problems and corruption will be controlled.

13 Recommendations

It is recommended that there is a need to strengthen areas such as corporate governance, hiring experienced and efficient management, conduct a fair audit and distribute the reliable financial data/ statement from the general public and stakeholders to protect the firms from delisting and suspending from the Pakistan Stock Exchange. These factors will be very effective for controlling agency problem & corruption and will enhance the value of the firm amongst the investors and the market.

14 Conclusion

This study confirms that Determining Factors (Effective Corporate Governance, Experienced & Efficient Management, Fair Audit & Reliable Financial Data / Statements) have an impact on the reputation of the listed companies by reducing Agency Problem and Corruption. So, it is, concluded that implementation of Corporate Governance, Experience & Efficient Management, Fair Audit & Reliable Financial Data / Statements are very necessary for the protection of companies, and due to the implementation of DFs agency problems and corruption can be controlled as well as companies performed well. Henceforth, through determining factors companies can be reputed, and attract the interest of investors with maximizing the value of stocks.

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