ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR

CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW

Vol.03 No.01 (2025)

THE IMPACT OF FIRM GROWTH ON FIRM PERFORMANCE WITH THE MODERATING ROLE OF ECONOMIC POLICY UNCERTAINTY

Faizan Khalid*[1], Naveed Mukthar[2], Johar Abbass[3]

[1]Research Scholar, UE Business School, Division of Management and Administrative Sciences, University of Education, Lahore, Pakistan (email: msf23005552@ue.edu.pk)

[2]Research Scholar, UE Business School, Division of Management and Administrative Sciences, University of Education, Lahore, Pakistan (email: msf23005562@ue.edu.pk)

[3]Research Scholar, UE Business School, Division of Management and Administrative Sciences, University of Education, Lahore, Pakistan (Jauharabbas21@gmail.com)

**Corresponding Author Email: msf23005552@ue.edu.pk*

Abstract

This study explores the relationship between firm growth and firm performance, with a focus on how Economic Policy Uncertainty (EPU) moderates this relationship. The 193 firms that were listed on the Pakistan Stock Exchange between 2017 and 2021 make up the study sample. Additionally the information was taken from the State Bank of Pakistan's FSA report and the companies' annual reports. Our major regression method is the OLS model, and the robustness of the primary regression results is checked using FGLS regression. The findings represents that the positive and significant impact of firm growth on performance of the firms. The finding of moderation term has positive and significant impact on firm performance. Firm growth, whether through increased sales, assets, or market share, is generally seen as a drive of improved performance, helping businesses expand their operations and become more competitive. Firms that grow thoughtfully and uncertainty as an opportunity are more likely to achieve strong performance outcomes, even in challenging environments. Helping firms understand the impact of growth on performance under EPU involves guiding them in strategic planning, risk management, adaptability. Firms that are adept at handling uncertainty can transform obstacles into chances, guaranteeing that their expansion endeavors result in long-lasting and enhanced performance achievements.

Keywords: Assets Growth, Sales Growth, Tobin'Q, Return of Asset, Economic Policy Uncertainty

1. Introduction

Companies constantly try to find ways to enhance performance and maintain enlargement in a progressively unpredictable global economy. Firm growth is a central area of awareness since increasing a company's immoral assets is frequently connected to enhanced working capability, income, and economical edge. The link between firm development and performance is not always perfect how firm development and performance are linked, though a number of outdoor variables such as capacity affect this relationship. Economic Policy Uncertainty (EPU), which explains the changeable aspect of governmental strategies that upset corporate choices and market force at works, is one such element. This study observes the important connection between firm performance and growth, highlighting the moderating functions of EPU.

The asset growth impact is only apparent in the subpart of companies that will issue stock during the upcoming year. The evidence suggests that concurrent asset reduction, which hasn't been considered in earlier research, might offer a reason for rapidly expanding companies' poor performance (Ling et al., 2016). Investigation conducted by Cooper et al. (2008) argued that the

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

reason behind quickly growing companies' long-term underperformance is financial markets correcting shareholders' unrealistic expectations of past corporate performance. They found specifically, that companies with significant growth typically have stronger accounting records before growth events. On the other hand, rapid growth companies' following earnings reports are linked to unusually lower returns. According to the Coad et al. (2015) found that R&D has a greater positive impact on new firms' performance at the top percentiles of the increase rate dispersion, but a greater negative impact at its lowest categories. Thus, younger enterprises R&D expenditure seems to be more dangerous than that of more established firms, which may have certain regulatory effects. The growth of the organization is depends the outcomes of the financing quarter's recent success. When there is an ongoing rise in engagement while the business is operating, it might be claimed to be growing. Sales growth the organizations is defined as a rise in sales from year to year or as an indication of greater market share (Febriyanto, 2018b). Previous research of Inyiama et al. (2017), Febriyanto (2018), Brush et al. (2000), Yadav et al. (2021) indicated that the effects of firm growth on firm performance, furthermore, growth allows companies to operate more efficiently. They can take advantage of economies of scale, meaning the as they produce more, the cost per unit decreases. This efficiency reduces overall costs, helping the company achieve higher profits. On the other hand the some previous research of Williams et al. (2016), Irawan et al. (2022) showed that with growth comes more layers of management, which can make decision-making slower and less responsive. As decisions take longer to move through each level, the company may miss out on important opportunities or fall behind competitors

Stages of growth theory according to this theory, firms grow in stages, with each stage bringing new challenges and goals. A startup's first goal might be survival, while a larger, established company might focus on expanding its market or improving efficiency, each stage of growth builds on the previous one, with firms adapting their strategies as they grow Birley and Westhead (1990). Just like a person develops from a child to an adult, a business goes through phases as it expands and matures. Each stage requires the company to focus on specific needs or issues before it can move to the next (Diebolt & Perrin, 2024). Dynamic capabilities theory argued that the company abilities to adapt quickly to changes in the market tend to perform better. When firms can continuously learn, innovate, and adjust their strategies, they're better able to handle shifts in the economy or competition, which boosts performance over time (Pitelis et al., 2023). Dynamic capabilities also mean resilient, or able to bounce back from challenges. In unpredictable situations like economic downturns or regulatory changes firm with dynamic capabilities can adapt and survive, while others may struggle. This adaptability facilitated to stable, long-term efficiency. The theory of Keynesian economics states that uncertainty affects investment decisions. Businesses may reduce investment expenditure when EPU is high due to concern that future potential change in policy may harm earnings or increase expenses (Stadtfeld & Gruchmann, 2023). This concept assists in explaining why a high Economic Policy Uncertainty frequently outcomes in lower investment and poorer economic GDP. Firms delaying funds have an impact on the economy as a whole. Less corporate expenditure outcome in fewer employments being created and a slowdown demand for everything in the economy. This types of conservative expenditure by many businesses can be driven by high Economy Policy Uncertainty, which slows firm growth (Liu et al., 2023).

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

Despite the extensive research on firm's growth and performance, the addition of Economic Policy Uncertainty as a moderator is a new method. This demonstrates how changeable government travels, shifting tactics, or unstable monitoring can restrict the advantages of business expansion. This study offers an entirely new viewpoint on firm growth by taking external economic concerns into effects. The research is extremely pertinent in the current uncertain economic environment since it goes beyond the internal element of firm growth and performance to demonstrate how external volatility affects results. We also verify that the impact of COVID-19 differs through firms.

This study's primary objective is to investigate the relationship between frim growth and performance, paying certain attention to the moderating impact of economic policy uncertainty (EPU). Although a company's enlargement is normally linked to a larger market share, higher financial outcomes, and enhanced efficiencies, the effect of growth on performance can differ greatly founded on outside economic situation. Evaluate how firm increase affects performance metrics like return on assets. Explore how EPU affects the relationship between growth and performance, determining whether excessive policy uncertainty reduces or increase the advantages of improving firm performance. Provide guidance on how firms should strategically handle EPU to maximize plans for growth and maintain performance in uncertain economic periods.

2. Literature Review

More studies have focused on the connection between asset growth, firm performance, and economic policy uncertainty in earlier few years. Asset growth has long been regarded as a key factor influencing firm performance. As companies expand their assets, they often seek to improve operational efficiency, enter new markets, and enhance profitability. Previous studies have shown that increasing assets, such as new investments in technology, facilities, or human capital, can lead to higher revenues and a competitive edge. However, the relationship between asset growth and firm performance is not always straightforward, as several external factors may affect it. Economic policy uncertainty (EPU) refers to the unpredictability in government policies that can impact business decisions, such as tax regulations, trade policies, or fiscal spending. Firm operating under high EPU conditions may face challenges in forecasting future profits or managing their asset investments effectively.

2.1 Firm Growth and Firm Performance

Investigation conducted by Inyiama et al. (2017) demonstrated a positive and significant correlation between the industrial enterprises' income after taxed, their inactive asset, financial asset, and net asset growth rates in Nigeria. On the other hand, the current assets growth rate had a negative relationship with the enterprises' period-over-period income after taxes. According to Kouser et al. (2012) revealed that who listed the following factors as indicators of a growing company higher sales, larger assets, increased manufacturing quantity, more workers, higher profits, enterprise growth by mergers or acquisitions, creation of goods, corporate growth, and broadening. Firm expansion was also characterized by the traditional Economics School of Thought, which was led by David Ricardo, Adam Smith, John Stuart Mill, Thomas Malthus, as the simple movement from one state of balance point to another. According to Latifi et al. (2021) showed that there is no strong immediate connection among business model innovation and

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

company performance instead, this relationship is entirely mediated by increases in organizational capacity, income, and efficacy. Additionally, there are substantial direct impacts on company performance from increases in income, organizational capacities and profitability. Research conducted by Cooper and Maio (2019) also emphasized the role of asset expansion in supporting innovation and product development, which are essential for sustaining long-term growth profitability. When firms acquire more assets, they can invest in technology upgrades and improve production process, which directly contributes to improved firm performance. According to the Penrose (2017) demonstrated that firm can grow and improve performance by expanding their resources, which can help them increase productivity and profits. Firms with greater asset growth can enter new markets, produce more goods, and create new products, leading to higher firm performance. Investigation conducted by K. Wang et al. (2018) showed that the effect of CG on the profitability of travel firms varies. In regard to increase in sales, shareholder capital, and return on assets, CG has a considerable impact on hotel business performance, but it has little impact on Chinese tourism firms. Examination conducted by Gaur and Kesavan (2015) revealed how the movement of inventory varies with size and sales growth, using stock conversion to conduct analysis, evaluation, and working capital management, and pinpointing the reasons behind fluctuations in performance across duration and between companies, managers can be assisted in making aggregate-level assets choices. Research conducted by Febriyanto (2018) found that the following business to organize its selling goal is the one that has identified its financial resource. Selling products is a profitable endeavor for the business. To boost sales, the organization will implement certain sales methods. Organizations can boost sales and offer their products at competitive pricing by cutting expenses. Assessing sales is a crucial task. The goal is to increase sales. Growth in sales indicates more income for the organization and can impact firm performance. According to Odalo et al. (2016) found that more sales growth indicates that the business is operating profitably, which in turn encourages larger greater earnings. An increase in sales has a favorable impact on efficiency. The findings pointed in an upward trend. The company's earnings would rise with greater sales growth. The corporation is serious about marketing its goods in order to expand and increase business, which will boost earnings.

H1: The positive and significant relationship between Firm Growth and Firm's Performance

2.2 The moderating role of EPU in Firm Growth and Firm's Performance

According to Ozdemir et al. (2023) discovered that a lowering Tobin's Q indicates a negative relationship between rising EPU and company efficiency. But if businesses participate more corporate social responsibility have a higher percentage of public control, and accumulate more liquid assets, the effect of this detrimental impact on company performance lessens. Although an earlier increase the scope of research on EPU effects on the firm IT sector is still relatively new for a number of reasons. First, a significant body of earlier research uses a consumption-side methodology to examine the effect of EPU on travel consumption however this technique provides small-scale information for the participating enterprises. The impact of EPU on shares, profitability, and utilizing operations of firm enterprises in specific nations and areas, like turkey and Europe, are the only subjects for study on firm-level economic performance. There is a scarcity of more comprehensive data from advanced nations like the United States. There is some proof from previous studies that EPU has an adverse impact on the market-oriented

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

performance of organizations (García-Gómez et al., 2021). Investigation conducted by Qureshi et al. (2023) discovered that the significant proof the long-term performance of firm is impacted by policy uncertainty. During times of higher economic policy uncertainty, the companies limit their management and environmental-related operations and deal with pressing problems in order to maintain their existence. In contrast, the companies step up their networking presence in an effort to reduce the imbalance in knowledge imposed on by uncertainty. The authors' findings demonstrate that the firm's life cycle has an impact on both the level and type of environmental performance. The sustainability performance is negatively impacted by executive leadership accumulation while board gender diversity grows. According to Stein and Stone (2013) argued that the uncertainty related economic policy has a fundamental effect on investment, exhibiting traits like creative and multinational funding as well as business acquisitions and managers. With regard to business creativity, confusion in economic policy will probably to encourage businesses to advance through R&D. Investment, or causes and decline in the availability of funding through a rise in the financial situation's unpredictability. Investigation conducted by Akey and Lewellen (2016) found that following the U.S. legislative choice, the growth rate of goods shows a rising tendency, with policy-neutral enterprises experiencing higher rates of expansion compared to companies with a policy-related focus. Research conducted by Chakradhar and Gupta (2024) argued that highly leveraged enterprises seem to be negatively impacted by increasing EPU levels. The investigation's overall recommendation is that authorities should be made aware of how important it is to reduce EPU in order to support long-term company financial frim performance. According to the Feng et al. (2021) investigated a number of possible concepts and discovered proof economic policy uncertainty lowers business motivation to grow including uncertainty, liquidity, and taxation. Their work serves as an overview for legislators to successfully eliminate economic volatility in light of the microscopic research on firm factors.

H2: The positive and significant moderating relationship of EPU between Firm Growth and Firm's Performance

3. Data and Methodology

3.1 Sample and data source

The study's sample is collect from firm-level data of 193 non-financial companies from various industries that were listed from 2017-2021 on the Pakistan Stock Exchange. Gather information from the State Bank of Pakistan's financial statement analysis and the annual reports of both companies. The study sample consists of 193 non-financial companies in Pakistan: Including sugar industries, foods industries, textile firms, automobile industries, chemical industries, flue and energy industries, information and communication firms, paper industries, coke and refined petroleum, mineral product industries, electrical machinery firms, cement industries, manufacturing industries, and other firms.

1. Economical Group Wise Distribution of the Sample

Sr#	Sectors	Include/Excluded	Firms	Percentage
1	Textile	Included	66	47%
		Excluded	73	53%
		Total	139	100%
2	Sugar	Included	14	47%
		Excluded	16	53%
		Total	30	100%
3	Food Sector	Included	11	50%

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

		Excluded	11	50%
		Total	22	100%
4	**Chemical & Pharmaceuticals**	Included	19	42%
		Excluded	29	58%
		Total	46	100%
5	**Manufacturing**	Included	14	35%
		Excluded	26	65%
		Total	40	100%
6	**Mineral Products**	Included	7	78%
		Excluded	2	22%
		Total	9	100%
7	**Cement Sector**	Included	10	59%
		Excluded	7	41%
		Total	17	100%
8	**Motor Vehicles & Autoparts**	Included	8	37%
		Excluded	16	63%
		Total	22	100%
9	**Fuel & Energy Sectors**	Included	14	64%
		Excluded	8	36%
		Total	22	100%
10	**Information & Communication**	Included	9	52%
		Excluded	8	48%
		Total	17	100%
11	**Petroleum Sector**	Included	6	55%
		Excluded	5	45%
		Total	11	100%
12	**Paper, Paperboard & Product**	Included	4	45%
		Excluded	5	55%
		Total	9	100%
13	**Electrical machinery & apparatus**	Included	6	65%
		Excluded	3	35%
		Total	9	100
14	**Other services activities**	Included	5	45%
		Excluded	6	55%
		Total	11	100%
	Total	Included	193	48%
		Excluded	209	52%
		Total	402	100%

3.2 Variables Description

3.2.1 Dependent Variable: Firm Performance

Firm performance refers to how effectively a company is reaching its goals, satisfying customers, making profits, and staying competitive in the market. It's a way to see if the company is thriving or needs improvement. The firm performance is measured by the Return on Assets (ROA) means that shows how profitable a company is in relation to its total assets. It measures how efficiently a company is using its assets to generate profits (S. M. Hussain et al., 2023).

3.2.2 Independent Variable: Firm Growth

Firm growth refers to about a company getting bigger, making more money, and reaching more customers. Growth often leads to greater resources, a stronger position in the market, and new opportunities for company. There are following proxy used for measuring the frim growth: Assets Growth, Sales Growth, and Tobin's Q. The firm growth used as independent variable in this study (Cheratian et al., 2023; M. Cooper et al., 2023; Lim & Mali, 2023).

3.2.3 Moderating Variable: Economic Policy Uncertainty

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

We use the Economic Policy Uncertainty as moderating variable for this study. EPU refers to the uncertainty or unpredictability surrounding government economic policies, like changes in taxes, regulations, trade policies, or government spending. EPU is measured by previous study of Choudhary et al. (2020), Hussain et al. (2023). Using a thorough EPU index, we evaluate economic policy uncertainty which is made up of current events, monetary and fiscal policy forecast disagreement, and changes to the tax law (J. Wen et al., 2021; Fatima and Waheed, 2013).

3.2.4 Control Variables

We include a few control variables, in order to investigate aspects and potential sources of bias in our research. There are following control variables: Current Ratio (CR) that shows a company's ability to pay off its short-term debts with its short-term assets (Habib et al., 2018). Assets Tangibility (AT) shows how much of a company's value is tied to its physical items, which can impact borrowing ability, valuation, and financial stability (Li & An , 2020). Financial expenses (lnFE) represent the costs a company pays to manage and finance its operations, which reduce overall profit (Li & An , 2020). Total assets (lnSIZE) show the complete value of everything a company owns, which can be used for its business activities (Halvorsen, Skogestad, Morud, & Alstad, 2003). COVID-19 is included as a dummy variable to capture the impact of COVID during the study period (Asyikin et al., 2018).

Table 2. Variable Description

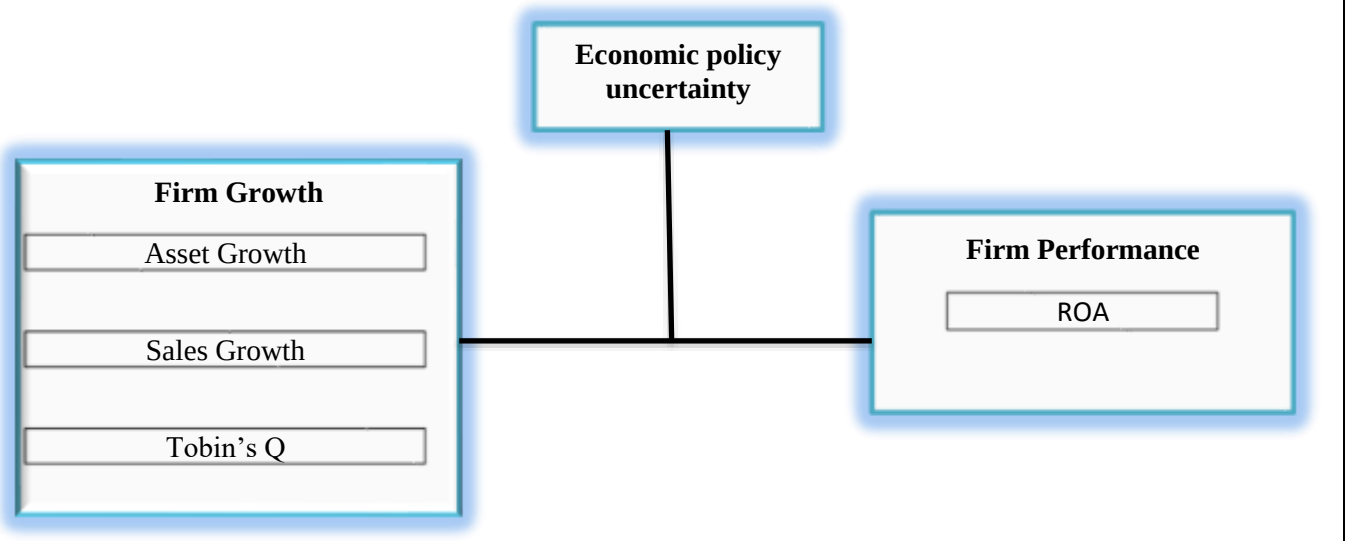
Variables	Label	Description	Authors
Dependent Variable			
Firm Performance	ROA	Earnings before interest tax scaled by assets	(Dang, Fang, & He, 2019)
Independent Variables			
Assets Growth	AG	Net sales to Net fixed assets	(Cooper & Maio, 2018)
Sales Growth	SG	Current sales to Previous sales	Zhou et al. (2024)
Tobin's Q	TQ	Market-to-book value	Ahmed et al. (2024)
Moderating Variable			
Economic Policy Uncertainty	EPU	EPU Index	J. Wen et al. (2021), Fatima and Waheed (2013)
Control Variables			
Current Ratio	CR	The company's capacity to use its current assets to pay off its short-term debt.	(Purba, Sinurat, Djailani, & Farera, 2020)
Asset Tangibility	AT	The company's tangible assets include pants, and equipment.	(Iswarini & Ardiansari, 2018)
Financial Expenses	lnFE	Shows the natural log of total financial expenses.	(Xuezhou, Hussain, Hussain , Saad, & Butt, 2020)
Firm Size	lnSIZE	Show the natural log of total assets.	(Xuezhou, Hussain, Hussain , Saad, & Butt, 2020)
COVID Dummy	COVID-19	Dummy variable	(PURWANTO, PERKASA, & ABADI,

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

			2023)

3.3 Econometric Model

The econometric model that follows was developed specifically to examine an association



The relationship between firm growth, frim performance and economic policy uncertainty

between firm growth and firm performance. The model's parameters are computed in order to fully comprehend how the econometric model specifies procedure in firm growth that influenced firm performance. We wanted to determine the effect of an increase in the firm growth on the firm performance by establishing the model's parameters. Some control variables included to enhance the reliability of the outcomes and determine the impact of firm growth on firm performance in a wider sense.

$$ROA \equiv \alpha + \beta 1(AG_{i,t}) + \beta 2(TQ_{i,t}) + \beta 3(SG_{i,t}) + \beta 4(CR_{i,t}) + \beta 5(AT_{i,t}) + \beta 6(lnFE_{i,t}) + \beta 7(lnSIZE_{i,t}) + \beta 8(COVID - 19_{i,t}) + \varepsilon t_{i,t}$$

$$ROA \equiv \alpha + \beta 1(FG_{i,t}) + \beta 2(EPU * FG) + \beta 3(CR_{i,t}) + \beta 4(AT_{i,t}) + \beta 5(lnFE_{i,t}) + \beta 6(lnSIZE_{i,t}) + \beta 7(COVID - 19_{i,t}) + \varepsilon t_{i,t}$$

The first of this econometric model show the impact of firm growth on firm performance and additional control variable were added into the model like current ratio, asset tangibility, financial expenses, frim size, and the effect of COVID-19. The control variables increase the internal efficacy of the research because they decrease the chances that uncertainty and others factors will have an influence. Table 2 provides the relevant information for each variable. The second equation is equivalent to the first equation but comprise the contribution of the moderator term (EPU*FG) between Economic Policy Uncertainty and Firm Growth. The term defined the combined effect of EPU and FG on the firm's performance.

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

4. Results

3. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	965	4.42	9.088	-45.03	57.97
AG	965	.11	.168	-.605	1.211
TQ	965	2.804	17.25	-45.593	259.962
SG	965	.095	.367	-3.044	5.542
EPU	965	100.95	16.857	82.89	128.91
CR	965	1.68	2.262	.014	30.59
AT	965	.688	.33	0	2.434
LnFE	965	11.7	2.62	.693	17.707
LnSIZE	965	16.054	1.698	11.702	20.678
COVID-19	965	.4	.49	0	1

Table 3 represents that the descriptive analysis of this research study. The mean value of the ROA is 4.42. The standard deviation of the ROA is 9.088. The mean value of the AG, TQ, and SG is .11, 2.804, and .095. The standard deviation value of the AG, TQ, and SG is .168, 17.25, and .367. The mean value of the economic policy uncertainty is 100.95 and the standard deviation value is 16.857 (Zhang & Vigne, 2020; K. Wang & Shailer, 2013; Yadav et al., 2021; RL & Mishra, 2021).

4. Pairwise correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) roa	1.000									
(2) ag1	0.255*	1.000								
	(0.000)									
(3) tq	0.107*	-0.030	1.000							
	(0.001)	(0.357)								
(4) sg	0.143*	0.183*	0.002	1.000						
	(0.000)	(0.000)	(0.953)							
(5) epu1	-0.103*	-0.170*	-0.039	-0.235*	1.000					
	(0.001)	(0.000)	(0.229)	(0.000)						
(6) cr	0.091*	-0.080*	-0.006	0.012	0.003	1.000				
	(0.005)	(0.013)	(0.845)	(0.700)	(0.935)					
(7) at	-0.253*	-0.244*	-0.018	-0.033	0.002	0.143*	1.000			
	(0.000)	(0.000)	(0.584)	(0.311)	(0.944)	(0.000)				
(8) lnfe	0.022	0.059	-0.031	0.046	0.113*	-0.366*	-0.145*	1.000		
	(0.494)	(0.066)	(0.342)	(0.155)	(0.000)	(0.000)	(0.000)			
(9) lnsize	0.191*	0.121*	0.026	0.022	0.049	-0.176*	-0.230*	0.805*	1.000	
	(0.000)	(0.000)	(0.428)	(0.486)	(0.130)	(0.000)	(0.000)	(0.000)		
(10) covid	-0.010	-0.093*	-0.042	-0.098*	0.655*	0.024	-0.009	0.085*	0.066*	1.000
	(0.748)	(0.004)	(0.192)	(0.002)	(0.000)	(0.459)	(0.789)	(0.009)	(0.039)	
****** p<0.01, ** p<0.05, * p<0.1***										

Table 4 represents that the pairwise correlations between variables of this study. Significant correlation coefficients exist for almost all of the variables. The correlation between the ROA and AG (0.255), TQ (0.107), and SG (0.143) is positive and significant, meaning there's a clear connection between the firm growth and performance generally improves. When the companies expand in sales, market reach, or size they tend to see better outcomes (Groza et al., 2021; G. Zhou et al., 2022). The correlation coefficient between ROA and EPU (0.103) is negative and

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

significant. It means that as EPU increases, firm performance also tends to increase. When there's more uncertainty about government policies, firms that can adapt or take advantage of this uncertainty tend to perform better (Iqbal et al., 2019b; Feng et al., 2021b).

5. Variance inflation factor

Variables	VIF	1/VIF
LnFE	3.524	.284
LnSIZE	3.226	.31
EPU	1.908	.524
COVID-19	1.774	.564
CR	1.254	.797
AT	1.136	.88
AG	1.136	.881
SG	1.102	.907
TQ	1.014	.987
Mean VIF	1.786	.

Table 5 represent that the variance inflation factor analysis of this study. In this study to find multicollinearity, regression analysis uses statistics' variance inflation factor (VIF) test. VIF values demonstrate that the degree of correlation among one independent variable with another independent variables. The help to detect the multicollinearity, when two or more than two variables in the model are highly correlate. The value of the VIF is above 10 so the high multicollinearity are exists among the variables. The results of VIF in our study is (1.786) represents that there are no significant multicollinearity are exists. This will enhance the validity of the findings from our regression model and guarantee that the coefficients are consistently understood (Hayat et al., 2024), (Ishaq et al., 2021).

6. Primary Regression

Variables	**Model 1**		**Model 2**		**Model 3**	
	Interaction	**No Interaction**	**Interaction**	**No Interaction**	**Interaction**	**No Interaction**
AG	9.981 (.108)	1.676*** (0.000)	-	-	-	-
EPU	-.023*** (0.000)	-.022** (.038)	.021*** (.000)	-.022** (.038)	-.022** (.022)	-.022** (.038)
EPU*AG	.1*** (.01)	-	-	-	-	-
TQ	-	-	-.021*** (0.000)	.015*** (0.002)	-	-
EPU*TQ	-	-	0*** (0.003)	-	-	-
SG	-	-	-	.75*** (0.002)	4.513***	.75*** (0.002)
EPU*SG	-	-	-	-	.047*** (0.000)	-
CR	.13*** (.005)	.13*** (.007)	.132** (.011)	.13*** (.007)	.131* (0.066)	.13*** (.007)
AT	.857*** (0.000)	-.851*** (0.000)	.85*** (0.000)	-.851*** (0.000)	.838*** (0.000)	-.851*** (0.000)
LnFE	.188***	-.189***	.191***	-.189***	.19***	-.189***

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
LnSIZE	.278*** (0.000)	.278*** (0.000)	.282*** (0.000)	.278*** (0.000)	.278*** (0.000)	.278*** (0.000)
COVID-19	.718* (.064)	.716* (.09)	.729* (.05)	.716* (.09)	.721 (.107)	.716* (.09)
Year Effect	Yes	Yes	Yes	Yes	Yes	Yes
Firm Effect	Yes	Yes	Yes	Yes	Yes	Yes
F-stat (P-value)	26.850 (0.000)	26.850 (0.000)	25.731 (0.000)	26.850 (0.000)	26.706 (0.000)	26.850 (0.000)
R-squre	0.185	0.185	0.160	0.185	0.184	0.185

Table 6 represents that the primary analysis of this study. The model 1 represents that the positive and significant impact of assets growth on firm performance. It indicates firms' overall performance usually increase in sufficient ways as their asset base increases. Increase in assets enables firms to raise outcomes and access a wider additional market. Examples of these include growing production facilities, extending equipment, or acquiring new properties (Cloyne et al., 2023). This enlargement can improve outcomes, helping to the organization generate advance income, and when managed professionally, it interprets to enhanced profits. For intense an industrial company includes new machinery that can raise production, leading to the advance income and sales. The assets growth provides the funds that necessary for the development of businesses, involves establishing distribution networks and opening additional locations (Mun & Jang, 2020). Businesses can ensure continuing development and performance by diversifying their income streams, expanding their client groups, and lowering their reliance on a single market (Varkey, 2023). The interaction term between EPU and AG (EPU*AG) is positive and significant impact on firm performance. It indicates that companies with solid asset growth typically the outstanding perform others even in unpredictable policy situation. Positive interaction represents that assets growth also help businesses chance the economic policy uncertainty into an improvement, enabling them to more efficiently controls barriers as well as capture opportunities. The asset growth provides the businesses more funds to diversifying the procedures, which eliminates the effect of any one policy change on the overall performance. For example business has participated in national and foreign marketplaces can handle the effect of change in national policy. The model 2 shows that impact of Tobin's Q on firm performance is significant and positive. It demonstrates that Tobin's Q examines the market worth of the firm's in term of the replacement cost in its assets. The market values of the firms extremely compared to the cost of its assets because of the high Tobin's Q, that's for the significant forecast of the company performance in the future (Ishaq et al., 2021). Highly Tobin's Q often allow companies to use the market value as leverage to purchases the other company stocks against of the cash, which is less expensive. Through the uses of strategic acquisitions, firms can enhance the competitive edge, boosts the overall performance by diversifying their product, increases the market shares, and gain the new markets or technology access (Cloyne et al., 2023). The interaction term among the EPU and TQ (EPU*TQ) is significant and positive effect on firm performance. This interaction term represents that the companies with higher Tobin's Q provides a unique opportunity to handle and profit from under the uncertain economy. How firms may secure funds, seeks opportunities for growth, and sustain their operational effectiveness during the time of instability when they have an appropriate market value (Alodat et al., 2021). Market volatility based on by uncertain policy situation can frequently presents possibility like reduced

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

assets prices or possibly purchases of falling companies. In the case of a company with sufficient assets base are may take opportunities to change in the market to obtain devalued assets or increase into the new sections, enabling it to develop although of unpredictable and strengthening its hold in the market (Brahma et al., 2020). The model 3 presents that the impact of sales growth on firm performance is significant and positive. The positive and significant impact shows that the improvements in overall performance of the firms due to the increase in the sales. This relationship is essential, the sales growth is not increases the income but also improve operational efficacy, competitive ability, and market demand (Freixanet & Rialp, 2021). Higher sales immediately raise income, when costs are hold effectively then the performance of the firms increase. When the firms are more sales products and services, they make more income, and this may outcomes in higher net profits. While sales growth demonstrates consistency and firm success, it enhances staff confidence. When the staffs see the firm success and growing, they are frequently motivated to better perform, the result in increased to the output and product quality (Ge & Xu, 2020). The moderating term between EPU and SG (EPU*SG) shows that the significant and positive impact on firm performance. The significant and positive interaction demonstrates that when the high sale growth of the firm so that the performance of the firm is similarly increase with meaningful ratio. When policies are uncertain the sales growth plays an important role in helping firms adjust, novelty, and benefits from opportunities. Increase in productions, new markets, or customer sections because of higher sales growth, which differentiates a firm's income sources (Yu et al., 2020).

5. Robustness Test

7. Robustness Analysis

Variables	Model 1		Model 2		Model 3	
	Interaction	No Interaction	Interaction	No Interaction	Interaction	No Interaction
AG	9.934 (.106)	1.663*** (0.000)	-	-	-	-
EPU	-.023*** (0.000)	-	-.021*** (.000)	-	-.022** (.021)	-
EPU*AG	.1*** (.009)	-	-	-	-	-
TQ	-	-	-.021*** (0.000)	.015*** (0.001)	-	-
EPU*TQ	-	-	0*** (0.003)	-	-	-
SG	-	-	-	-	4.492*** (0.000)	.73*** (0.000)
EPU*SG	-	-	-	-	.047*** (0.000)	-
CR	.13*** (.005)	.129*** (0.008)	.132** (.011)	.129*** (0.008)	.13* (0.065)	.129*** (0.008)
AT	.853*** (0.000)	.848*** (0.000)	.846*** (0.000)	.848*** (0.000)	.834*** (0.000)	.848*** (0.000)
LnFE	.187*** (0.000)	.187*** (0.000)	.191*** (0.000)	.187*** (0.000)	.189*** (0.000)	.187*** (0.000)
LnSIZE	.277*** (0.000)	.276*** (0.000)	.281*** (0.000)	.276*** (0.000)	.277*** (0.000)	.276*** (0.000)

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

COVID-19	.715* (.063)	.545 (.642)	.726** (.049)	.545 (.642)	.717 (.105)	.545 (.642)
Year Effect	Yes	Yes	Yes	Yes	Yes	Yes
Firm Effect	Yes	Yes	Yes	Yes	Yes	Yes
F-stat (P-value)	26.850 (0.000)	26.850 (0.000)	25.731 (0.000)	26.850 (0.000)	26.706 (0.000)	26.850 (0.000)
R-squre	0.185	0.185	0.160	0.185	0.184	0.185

Table 7 shows that the robustness analysis of this study. We also use the FGLS regression model to test the robustness of our analysis. The model 1 shows that the impact of assets growth on firm performance is positive and significant. It demonstrates that the firms are more clever and stable because of the substantial growth. Their robust market position gives them interest of the customer, competitive edge, shareholders, and collaborators who's viewing the firms like as an innovator. The moderation term demonstrates that the significantly and positively effect on firm performance. This moderation term suggests that during the time of unpredictable situation, firm with growing assets are able to survive or even grow. The firms gain more adaptability and stability when they increase their assets such as by financing in technology, funding or infrastructure of the company it helps them in handling the complex dynamics of unpredictable policy situation (Kayani et al., 2023; Rana & Hossain, 2023; Sulehri et al., 2023). The model 2 shows that the significant and positive effect of Tobin's Q on firm performance. It demonstrates that a firm's edge in its industries is seen in higher Tobin's Q. This competitive edge can conclude in higher customer confidence, higher sales, income, and also the capacity to charge higher prices, which all helps to improve the both efficiency and profitability. For example, a consumer products firm with the use of higher Tobin's Q and high loyalty of brand this goodwill to increase shareholders, maintain loyalty of customers, and charge high prices all of which immediately enhance economic indicators. The moderation term represents that the significant impact on firm performance. It examine that the firms with high Tobin's Q are able to differentiate themselves from rivals by investing in innovation since they have the ability and willingness to do so. This innovation can help us the firms to meet evolving regulatory obligations while sustaining the competitive edge during the time of policy uncertainty (Shakri et al., 2024; Hayat et al., 2024). The model 3 represents that the positive and significant impact of sales growth on firm performance. It suggests that the firms regularly raising the sales usually to build product loyalty, as return from the customer due to the satisfaction with products and services. Performance is further enhanced by the regularly customer relationship and repeat sales from this loyalty. The interaction term shows that the positive and significant effect on firm performance. During the period of higher EPU, firm face the uncertain change in macroeconomic environments, rules, and polices. Higher sales growth enable to the firms to meet these uncertain situation through constant revenue that enhance the performance and overall stability. Since a retails company's enhanced income act as a buffer for covering rising expenditures while preserving profitability and performance, so that they able to handle the changes in tax laws (Maqsood et al., 2024; Hayat et al., 2024; Falak et al., 2024).

6. Conclusion

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

The aim of this study is to investigate the relationship between firm growth and performance while determining into the probable moderating role of economic policy uncertainty. This study's results show that the positive effects of firm growth on performance and also positive and significant moderating effect of EPU. Businesses frequently experience increased revenue, better productivity, and stronger competitive positioning as they expand by increasing their funding, improving their processes, or breaking into new markets. Growth enables businesses to innovate, scale their operations, and better satisfy client demands. Firm growth has a positive effect on performance when managed attentively. Companies that emphasize on balanced and strategic growth are more likely to achieve sustained success and remain industry competitiveness. While uncertainty in economic policies can often create challenges, it can also push firms to adopt adaptive strategies, innovate, and optimize resources more efficiently. Firm growth positively drives performance, and EPU, as a moderating factor, enhances this relationship by motivating firms to adapt effectively to uncertainty. Policymakers also have a role in creating stable environments that allow businesses to succeed. With positive findings, the same study additionally examined at how the COVID-19 pandemic affected overall industries sectors. The study's results depend on the quality and availability of data. Missing or incomplete data may introduce biases or limit the generalizability of the findings. The study might focus on specific types of firms, such as large corporations, and may not fully reflect how smaller firms or startups experience growth and performance under EPU.

End References

Akey, P., & Lewellen, S. (2016). Policy uncertainty, political capital, and firm Risk-Taking. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2758395

Ahmed, J., Siddiqui, A. A., Mehmood, O., & Qayyum, A. (2024). The Impact of Ownership Structure on Firm Performance of Financial Firms: Evidence from Pakistan. *NICE Research Journal*, *17*(1), 64-78.

Alodat, A. Y., Salleh, Z., Hashim, H. A., & Sulong, F. (2021). Corporate governance and firm performance: empirical evidence from Jordan. *Journal of Financial Reporting & Accounting*, *20*(5), 866–896. https://doi.org/10.1108/jfra-12-2020-0361

Asyikin, J., Chandrarin, G., & Harmono, H. (2018c). ANALYSIS OF FINANCIAL PERFORMANCE TO PREDICT FINANCIAL DISTRESS IN SHARIA COMMERCIAL BANKS IN INDONESIA. *International Journal of Accounting, Finance, and Economics*, *1*(2), 11–20. https://journal.stkipsingkawang.ac.id/index.php/IJAFE/article/download/1260/1014

Brush, T. H., Bromiley, P., & Hendrickx, M. (2000). The free cash flow hypothesis for sales growth and firm performance. *Strategic Management Journal*, *21*(4), 455–472. https://doi.org/10.1002/(sici)1097-0266(200004)21:4

Brahma, S., Nwafor, C., & Boateng, A. (2020). Board gender diversity and firm performance: The UK evidence. *International Journal of Finance & Economics*, *26*(4), 5704–5719. https://doi.org/10.1002/ijfe.2089

Birley, S., & Westhead, P. (1990). Growth and performance contrasts between 'types' of small firms. *Strategic Management Journal*, *11*(7), 535–557. https://doi.org/10.1002/smj.4250110705

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

Choudhary, M. A., Pasha, F., & Waheed, M. (2020). Measuring economic policy uncertainty in Pakistan. *MPRA Paper*. https://ideas.repec.org/p/pra/mprapa/100013.html

Cooper, I., & Maio, P. (2019). Asset growth, profitability, and investment opportunities. *Management Science*, *65*(9), 3988–4010. https://doi.org/10.1287/mnsc.2018.3036

Cooper, M. J., Gulen, H., & Schill, M. J. (2008). Asset growth and the Cross-Section of stock returns. *The Journal of Finance*, *63*(4), 1609–1651. https://doi.org/10.1111/j.1540-6261.2008.01370.

Cooper, I., & Maio, P. (2018). Asset Growth, Profitability, and Investment Opportunities. *Management Science*, *65*(9).

Cloyne, J., Ferreira, C., Froemel, M., & Surico, P. (2023). Monetary policy, corporate finance, and investment. *Journal of the European Economic Association*, *21*(6), 2586–2634. https://doi.org/10.1093/jeea/jvad009

Coad, A., Segarra, A., & Teruel, M. (2015). Innovation and firm growth: Does firm age play a role? *Research Policy*, *45*(2), 387–400. https://doi.org/10.1016/j.respol.2015.10.015

Cheratian, I., Goltabar, S., Gholipour, H. F., & Farzanegan, M. R. (2023). Finance and sales growth at the firms level in Iran: Does type of spending matter? *Research in International Business and Finance*, *67*, 102142. https://doi.org/10.1016/j.ribaf.2023.102142

Cooper, M., Gulen, H., & Ion, M. (2023). The use of asset growth in empirical asset pricing models. *Journal of Financial Economics*, *151*, 103746. https://doi.org/10.1016/j.jfineco.2023.103746

Chakradhar, J., & Gupta, R. (2024). Heterogeneous effect of economic policy uncertainty and firm financial performance: Empirical evidence from India. *Managerial and Decision Economics*, *45*(7), 4930–4951. https://doi.org/10.1002/mde.4308

Dang, D., Fang, H., & He, M. (2019). Economic policy uncertainty, tax quotas and corporate tax burden: Evidence from China. *China Economic Review*, *56*.

Diebolt, C., & Perrin, F. (2024). Cliometrics of growth. In *Springer eBooks* (pp. 661–680). https://doi.org/10.1007/978-3-031-35583-7_3

Febriyanto, F. C. (2018). The effect of leverage, sales growth and liquidity to the firm value of real estate and property sector in Indonesia stock exchange. *Economics and Accounting Journal*, *1*(3), 198-205

Fatima, A., & Waheed, A. (2013). Economic uncertainty and growth performance: a macroeconomic modeling analysis for Pakistan. *Quality & Quantity*, *48*(3), 1361–1387. https://doi.org/10.1007/s11135-013-9841-5

Feng, X., Luo, W., & Wang, Y. (2021b). Economic policy uncertainty and firm performance: evidence from China. *Journal of the Asia Pacific Economy*, *28*(4), 1476–1493. https://doi.org/10.1080/13547860.2021.1962643

Freixanet, J., & Rialp, J. (2021). Disentangling the relationship between internationalization, incremental and radical innovation, and firm performance. *Global Strategy Journal*, *12*(1), 57–81. https://doi.org/10.1002/gsj.1412

Feng, X., Luo, W., & Wang, Y. (2021). Economic policy uncertainty and firm performance: evidence from China. *Journal of the Asia Pacific Economy*, *28*(4), 1476–1493. https://doi.org/10.1080/13547860.2021.1962643

Febriyanto, F. C. (2018b). THE EFFECT OF LEVERAGE, SALES GROWTH AND LIQUIDITY TO THE FIRM VALUE OF REAL ESTATE AND PROPERTY SECTOR IN INDONESIA STOCK EXCHANGE. *EAJ (Economics and Accounting Journal)*, *1*(3), 198–205. https://doi.org/10.32493/eaj.v1i3.y2018.p198-205

Falak, R., Rasool, F., Hussain, M. M., & Raza, M. A. (2024). Dynamics of Economic Policy Uncertainty and Exchange Rate: Evidence from Pakistan. *Bulletin of Business and Economics (BBE)*, *13*(2), 925–931. https://doi.org/10.61506/01.00410

Gaur, V., & Kesavan, S. (2015). The effects of firm size and sales growth rate on inventory turnover performance in the U.S. retail sector. In *International series in management science/operations research/International series in operations research & management science* (pp. 25–52). https://doi.org/10.1007/978-1-4899-7562-1_3

García-Gómez, C. D., Demir, E., Chen, M., & Díez-Esteban, J. M. (2021). Understanding the effects of economic policy uncertainty on US tourism firms' performance. *Tourism Economics*, *28*(5), 1174–1192. https://doi.org/10.1177/1354816620983148

Groza, M. D., Zmich, L. J., & Rajabi, R. (2021). Organizational innovativeness and firm performance: Does sales management matter? *Industrial Marketing Management*, *97*, 10–20. https://doi.org/10.1016/j.indmarman.2021.06.007

Ge, F., & Xu, J. (2020). Does intellectual capital investment enhance firm performance? Evidence from pharmaceutical sector in China. *Technology Analysis and Strategic Management*, *33*(9), 1006–1021. https://doi.org/10.1080/09537325.2020.1862414

Hussain, R. Y., Bajaj, N. K., Kumari, S., & Al-Faryan, M. a. S. (2023). Does economic policy uncertainty affect foreign remittances? Linear and Non-linear ARDL approach in BRIC economies. *Cogent Economics & Finance*, *11*(1). https://doi.org/10.1080/23322039.2023.2183642

Hussain, S. M., Ahmad, N., Fazal, F., & Menegaki, A. N. (2023). The impact of female directorship on firm performance: a systematic literature review. *Review of Managerial Science*, *18*(3), 913–939. https://doi.org/10.1007/s11846-023-00677-2

Hayat, M., Ali, Z., Khan, B., & Khero, A. (2024). Economic policy uncertainty and firm performance in Pakistan. *Bulletin of Business and Economics (BBE)*, *13*(3), 92–101. https://doi.org/10.61506/01.00450

Habib, A., Costa, M. D., Huang, H. J., Bhuiyan, M. B. U., & Sun, L. (2018b). Determinants and consequences of financial distress: review of the empirical literature. *Accounting and Finance*, *60*(S1), 1023–1075. https://doi.org/10.1111/acfi.12400

Halvorsen, I. J., Skogestad, S., Morud, J. C., & Alstad, V. (2003). Optimal Selection of Controlled Variables. *Industrial & Engineering Chemistry Research*, *42*(14).

Iswarini, T., & Ardiansari, A. (2018). The Effect of Ownership Structure, Profitability, Firm Size and Tangibility on Capital Structure. *Management Analysis Journal*, *7*(4), 494-505.

Ishaq, M., Islam, Y., & Ghouse, G. (2021). Tobin's Q as an Indicator of Firm Performance: Empirical Evidence from Manufacturing Sector Firms of Pakistan. *International Journal of Economics and Business Administration*, *IX*(Issue 1), 425–441. https://doi.org/10.35808/ijeba/683

Inyiama, O., Oluchukwu, R., & Chukwuani, V. (n.d.). Evaluation of the relationship between assets growth rate and financial performance of manufacturing firms in Nigeria.

Irawan, D. C., Pulungan, N., Subiyanto, B., & Dipa, T. (2022). The effect of capital structure, firm size, and firm growth on profitability and firm value. *Quality - Access to Success*, *23*(187). https://doi.org/10.47750/qas/23.187.06

Iqbal, U., Gan, C., & Nadeem, M. (2019b). Economic policy uncertainty and firm performance. *Applied Economics Letters*, *27*(10), 765–770. https://doi.org/10.1080/13504851.2019.1645272

International Journal of Managerial Studies and Research, *5*(10). https://doi.org/10.20431/2349-0349.0510006

Kouser, R., Bano, T., Azeem, M., & Masood-Ul-Hassan. (2012). Inter-Relationship between Profitability, Growth and Size: A Case of Non-Financial Companies from Pakistan. *DOAJ (DOAJ: Directory of Open Access Journals)*. https://doaj.org/article/7934d9b41b284fc29eaf01f107c974a1

Kayani, U. N., Gan, C., Rabbani, M. R., & Trichilli, Y. (2023). Is short-term firm performance an indicator of a sustainable financial performance? Empirical evidence. *Studies in Economics and Finance*, *41*(3), 619–637. https://doi.org/10.1108/sef-03-2023-0136

Latifi, M., Nikou, S., & Bouwman, H. (2021). Business model innovation and firm performance: Exploring causal mechanisms in SMEs. *Technovation*, *107*, 102274. https://doi.org/10.1016/j.technovation.2021.102274

Liu, Y., Guo, M., Han, Z., Gavurova, B., Bresciani, S., & Wang, T. (2023). Effects of digital orientation on organizational resilience: a dynamic capabilities perspective. *Journal of Manufacturing Technology Management*, *35*(2), 268–290. https://doi.org/10.1108/jmtm-06-2023-0224

Li , Y., Li, X., Xiang, E., & Djajadikerta , H. G. (2020). Financial distress, internal control, and earnings management: Evidence from China. *Journal of Contemporary Accounting & Economics*, *16*(3).

Li, Q., & An , L. (2020). Corruption Takes Away Happiness: Evidence from a Cross-National Study. *Journal of Happiness Studies, Journal of Happiness Studies*, 485-505.

Lim, H., & Mali, D. (2023). Does market performance (Tobin's Q) have a negative effect on credit ratings? Evidence from South Korea. *Asia-Pacific Financial Markets*, *31*(1), 53–80. https://doi.org/10.1007/s10690-023-09406-x

Ling, D. C., Ooi, J. T., & Xu, R. (2016). Asset Growth and Stock Performance: Evidence from REITs. *Real Estate Economics*, *47*(3), 884–927. https://doi.org/10.1111/1540-6229.12186

Mun, S. G., & Jang, S. (2020). Explaining the asset growth anomaly in the restaurant industry: Motivations and consequences. *Tourism Economics*, *28*(1), 62–82. https://doi.org/10.1177/1354816620954587

Maqsood, H. M., Khan, S. N., Alim, W., & Nawaz, K. (2024). The Impact of Economic Policy Uncertainty on Working Capital and Bank Stability: Evidence from Pakistan. *iRASD Journal of Economics*, *6*(1), 164–174. https://doi.org/10.52131/joe.2024.0601.0200

Odalo, S. K., Njuguna, A. G., & Achoki, G. (2016). Relating sales growth and financial performance in agricultural firms listed in the Nairobi securities exchange in Kenya.

Ozdemir, O., Erkmen, E., & Han, W. (2023). EPU and financial performance in the hospitality and tourism industry: Moderating effect of CSR, institutional ownership and cash

holding. *Tourism Management*, *98*, 104769. https://doi.org/10.1016/j.tourman.2023.104769 Penrose, J. (2017). The theory of the growth of the firm. In *Oxford University Press eBooks*. https://doi.org/10.1093/oso/9780198753940.003.0011

Purwanto, S., Perkasa, D. H., & Abadi, F. (2023). Assessment of Banking Conditions on Financial Distress During the Period of COVID-19 in Indonesia. *WSEAS Transactions on Business and Economics*, *20*, 467-474.

Purba, N. M., Sinurat, E. K., Djailani, A., & Farera, W. (2020). The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company. *Internaiton journal of social science and business, 4*(3).

Pitelis, C. N., Teece, D. J., & Yang, H. (2023). Dynamic Capabilities and MNE Global Strategy: A Systematic Literature Review-Based Novel Conceptual Framework. *Journal of Management Studies*. https://doi.org/10.1111/joms.13021

Qureshi, M. A., Ahsan, T., Gull, A. A., & Umar, Z. (2023). The impact of economic policy uncertainty on sustainability (ESG) performance: the role of the firm life cycle. *International Journal of Managerial Finance*, *20*(4), 872–891. https://doi.org/10.1108/ijmf-04-2022-0158

RL, M., & Mishra, A. K. (2021). Does investment in innovation impact firm performance in emerging economies? An empirical investigation of the Indian food and agricultural manufacturing industry. *International Journal of Innovation Science*, *13*(2), 233–248. https://doi.org/10.1108/ijis-07-2020-0104

Rana, M. S., & Hossain, S. Z. (2023). Intellectual Capital, Firm Performance, and Sustainable Growth: A study on DSE-Listed Nonfinancial Companies in Bangladesh. *Sustainability*, *15*(9), 7206. https://doi.org/10.3390/su15097206

Stein, L. C., & Stone, E. (2013). The effect of uncertainty on investment, hiring, and R&D: Causal evidence from equity options. *Hiring, and R&D: Causal Evidence from Equity Options (October 4, 2013)*.

Sulehri, F. A., Khan, H. M. A., Shahzad, M., & Ali, A. (2023). Beyond the Balance Sheet: Analyzing the Relationship between Corporate Governance, Financial Performance, and Stock Prices in Pakistan's Non-Bank Financial Industry. *Bulletin of Business and Economics (BBE)*, *12*(4), 88–95. https://doi.org/10.61506/01.00086

Stadtfeld, G. M., & Gruchmann, T. (2023). Dynamic capabilities for supply chain resilience: a meta-review. *The International Journal of Logistics Management*, *35*(2), 623–648. https://doi.org/10.1108/ijlm-09-2022-0373

Shakri, I. H., Yong, J., & Xiang, E. (2024). Corporate governance and firm performance: Evidence from political instability, political ideology, and corporate governance reforms in Pakistan. *Economics and Politics*. https://doi.org/10.1111/ecpo.12303

Varkey, A. M. (2023). Intangible Assets and Firm performance in Europe and Asia: A dynamic GMM Approach. *IEEE International Conference on Engineering, Technology and Innovation*, *14*, 1–8. https://doi.org/10.1109/ice/itmc58018.2023.10332441

Wang, K., Miao, Y., Chen, M., & Hu, D. (2018). Philanthropic giving, sales growth, and tourism firm performance: An empirical test of a theoretical assumption. *Tourism Economics*, *25*(6), 835–855. https://doi.org/10.1177/1354816618809260

ISSN E: 3006-1466
ISSN P: 3006-1458
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
CJSSR
CONTEMPORARY JOURNAL OF SOCIAL SCIENCE REVIEW
Vol.03 No.01 (2025)

Williams, C. C., Martinez-Perez, A., & Kedir, A. (2016). Does bribery have a negative impact on firm performance? A firm-level analysis across 132 developing countries. *International Journal of Entrepreneurial Behaviour & Research*, *22*(3), 398–415. https://doi.org/10.1108/ijebr-01-2016-0002

Wen, J., Khalid, S., Mahmood, H., & Yang, X. (2021). Economic policy uncertainty and growth nexus in Pakistan: a new evidence using NARDL model. *Economic Change and Restructuring*, *55*(3), 1701–1715. https://doi.org/10.1007/s10644-021-09364-2

Xuezhou, W., Hussain, R. Y., Hussain , H., Saad, M., & Butt, R. s. (2020). Interaction of asset tangibility on the relationship between leverage structure and financial distress in agriculture-linked non-financial Firms. *Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development*, *20*(3).

Yadav, I. S., Pahi, D., & Gangakhedkar, R. (2021). The nexus between firm size, growth and profitability: new panel data evidence from Asia–Pacific markets. *European Journal of Management and Business Economics*, *31*(1), 115–140. https://doi.org/10.1108/ejmbe-03-2021-0077

Yu, J., Shi, X., Guo, D., & Yang, L. (2020). Economic policy uncertainty (EPU) and firm carbon emissions: Evidence using a China provincial EPU index. *Energy Economics*, *94*, 105071. https://doi.org/10.1016/j.eneco.2020.105071

Zhou, Z., Wu, D., Su, Z., & Ren, T. (2024). Exploring the investment value of retail sales growth: Evidence from the China Retailer Alliance. *Finance Research Letters*, *63*, 105364. https://doi.org/10.1016/j.frl.2024.105364

Zhang, D., & Vigne, S. A. (2020). The causal effect on firm performance of China's financing–pollution emission reduction policy: Firm-level evidence. *Journal of Environmental Management*, *279*, 111609. https://doi.org/10.1016/j.jenvman.2020.111609

Zhou, G., Liu, L., & Luo, S. (2022). Sustainable development, ESG performance and company market value: Mediating effect of financial performance. *Business Strategy and the Environment*, *31*(7), 3371–3387. https://doi.org/10.1002/bse.3089