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# Empirical Study on the Interaction between Corporate Governance and Corporate Performance in Tourism Listed Companies

Xuefeng DU<sup>1</sup>, Jia YANG<sup>2</sup>, Qizhi YANG<sup>3</sup>

## Abstract

In the modern enterprise management, the relevant research and methods of corporate governance and corporate performance are very rich, the conclusions obtained are also different, there are different results related to the existence of academic controversy. Therefore, this paper takes the tourism listed companies as the empirical object, explores the relationship between corporate governance and corporate performance under the interaction, and this paper also studies the mechanism of corporate governance on corporate performance and the mechanism of divisional performance on corporate governance. Finally, we examine the correlation between the two by using innovative intermediary variables and media supervision intermediary variables. Hence, this paper analyzes the interactive relationship between corporate governance and corporate performance from two-dimensional perspective, and it constructs an empirical model of interaction between corporate governance and corporate performance in tourism-listed companies. The results confirm the positive relationship between the two, which can help the listed companies examine the integrity of their own system, image in the market competition and help the listed companies in the tourism industry to build a sustainable development Governance mechanism proposed effective guidance and countermeasures.

*Keywords:* tourism listed companies, corporate governance, corporate performance, interaction, empirical research

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## Introduction

### *Research background*

Tourism industry is an emerging economy in our country. It has some differences from traditional corporate governance model. Therefore, it is necessary to discuss the interaction between corporate governance and corporate performance in tourism-listed companies. Corporate governance is an important part of an enterprise's development strategy. The modern listed companies in our country separate ownership and management over two laps, it enables the enterprises to maintain a stable and healthy state through scientific and standardized corporate governance. In the organizational structure of listed companies, the general meeting of shareholders, the board of directors, the board of supervisors and the management level are all internal organizational structures. The responsibilities and responsibilities within the organization are distinct; they are also more conducive to corporate governance and the effective realization of the company's value. In corporate governance, the clear division of responsibilities and responsibilities is its typical characteristics, usually including power, decision-making, supervision and implementation of four parts (Liu & Song, 2016), the various components of each division of their checks and balances, the formation of an organic whole.

Tourism industry is a resource-based and knowledge-based industry. With the continuous improvement of people's living standards, tourism has become an integral part of life. It is necessary to introduce new tourism projects and tourism products continuously, which can expand the influence of tourism enterprises (Lu, & Zhu, 2001; Chen, & Xu, 2001; Hu, & Hu, 2006). It is one of the important factors to govern the corporate performance of travel companies (Yang & Wang, 2015). The innovation activities of tourism enterprises need the joint efforts of shareholders, managers, and implementers to make the rational allocation of resources related to tourism projects. This requires a completed team to operate. The team management system and functions are assigned to ensure innovation activities (Li & Jiang, 2013; Zhu, 2003). The successful completion of the key also directly affects the company's earnings, which have related to the interests of all relevant participants, so the innovation of tourism-listed companies can indirectly, a considerable reflection of corporate governance on corporate performance. At the same time, through the supervision of the media, it can provide reference to relevant stakeholders for the operation of the company, play a role in influencing the judgment and action of the stakeholders, and determine the corporate governance level. Therefore, the interaction between corporate governance and corporate performance is complementary to each other. Today, the booming tourism industry in our country, the tourism listed companies to clarify the interaction between the two plays a crucial role in promoting the healthy development of Chinese tourism enterprises (Dai, 2013; Liu, 2005; Dong, 2006).

### ***Research status at home and abroad***

In recent years, the research on the relationship between corporate governance and corporate performance has been very active both at home and abroad. The experts and scholars choose different angles and adopt different methods to study, and they establish a theoretical basis with innovation and operability. In a foreign study, Zagorchev & Gao (2015) studied the ownership structure and corporate performance of listed companies, finally they concluded that the smaller the number of shareholders of listed companies, the greater their role-played and the ability to control the operation and management of the company effectively (Zagorchev & Gao, 2015). They reduce the internal differentiation of opinions; improve the performance of listed companies (Zagorchev & Gao, 2015). Afrifa & Tauringana (2015) conducted a research on the concentration of equity and the return on net assets, by confirming the negative correlation between ownership concentration and stock return. The concentration of equity will have a negative impact on the performance of the company. On the contrary, Scattering will increase the company's profitability (Afrifa & Tauringana, 2015). Lekovic & Maric (2016) analyzed the communication costs and coordination costs of business operations from the perspective of board size and board independence. It considers that the board size of directors has a positive correlation with the ability of corporate governance oversight. The larger the board size, the stronger its corporate governance (Lekovic & Maric, 2016). Watkins, Spronk, & van Dijk (2017) analyzed the theory of corporate reputation and the media's interest in business performance (Watkins, Spronk, & van Dijk, 2009). They found that media supervision could effectively supervise the chaos of corporate governance. In particular, the supervision of executive compensation is particularly prominent through media and social. Regulation can regulate the remuneration of executives in listed companies at a reasonable level.

Although the research on the interaction between corporate governance and corporate performance in our country started relatively late, based on the existing research theories, the research results in recent years have been increasing. Zou, Yang, & Lin (2017) analyzed the level of corporate governance from the perspective of the company's innovation and development. He proposed that innovation is a comprehensive performance of corporate governance capability. Only when the corporate system is complete, and the company functions intact can enterprises succeed in innovation (Zou, Yang, & Lin, 2017). Yang & Wang (2015) analyzed the characteristics of the tourism industry and proposed that the tourism industry is an industry with many inputs, high risks, and high returns. Therefore, the corporate governance should encourage and restrict all stakeholders, on the securities market information asymmetry problem analysis; both investors and operators need the media's involvement in the management of corporate governance is still relatively small. To get their own interests, investors hope to get through the media business reality, managers hope that through the media to

attract investors, thus using the media to intervene in the way to analyze corporate performance and thus the status of business operations has a certain feasibility, which is supervision of corporate governance through media intervention (Jia, 2015). Reasonable and standardized contracts under the guidance of corporate governance need to ensure the continuous development of tourism enterprises momentum (Yang & Wang, 2015).

At present, there are many research results on the relationship between corporate governance and corporate performance at home and abroad, but the current research results are more general. The current research on the specific industry has the full connotation of corporate governance and corporate performance of the real relationship between the deepening of research and theoretical landing (Liu, Zhao, & Duan, 2007; Hu, & Chen, 2010). The impact of corporate governance on corporate performance research is more, while the research on the effect of corporate performance on corporate governance is relatively small, the corporate performance involves a lot of content and is broader, and the entry points for research are more scattered. Therefore, this paper puts forward a new way of introducing innovative intermediary variables in the study of the corporate governance effect, which is introducing media supervision intermediary variables in the function of corporate performance, and it is confirming the correlation between them. Enterprises cut the entrance for the demonstration, which is more specific about the interaction between the two relations, and it can provide better evidence for the hypothesis (Tian, & Sun, 2011; Du, & Gan, 2012; Gibson, & Schwartz, 1978)

## **Interactive mechanism of corporate governance and corporate performance in tourism listed companies**

### ***The mechanism of corporate governance on corporate performance***

The mechanism of corporate governance has mainly reflected in the institutional aspects of the impact on corporate performance. Under the modern enterprise system, rights, responsibilities, and interests form a standard operating mechanism. The rationality of the enterprise system structure and the rational implementation of the system are important criteria for the performance capability of enterprises (Tuo Zhong, 2016). The modern corporate governance divides the management rights and the ownership, which are forming a listed company with shareholders' assembly, board of directors and supervisory committee. The modern corporate governance is also dividing the functions of corporate governance and mutual supervision of the environment, and keeping the corporate governance system, so that the stakeholders involved in the company can maintain the same goal. Play the role of corporate governance on company performance. The performance of a company cannot be separated from the effort and expense of relevant stakeholders in the course of business operation (Insley, & Wirjanto, 2010). The level of corporate

governance directly affects the productivity of a company. Shareholders, investors, creditors and employees of the company pay their labor, financial resources and material resources in accordance with their respective responsibilities in the process of corporate governance, so that the company can develop according to the established goals and reach the expectations of the stakeholders concerned, and the expected standards and the results achieved is the company's performance (Pan, 2016). Thus, the effect of corporate governance on corporate performance arises from the outcome of a period of time when relevant stakeholders perform their respective duties according to specific systems and rules (Lee, Huang, & Wu, 2014).

### ***The mechanism of corporate performance on corporate governance***

In the information era, the company's rapid and accurate disclosure of company performance can arouse the media and society's attention, to gain recognition and recognition and improve the company's operating ability. The concern of the company by the media and the society is not only the good information of the enterprise, but also the supervision of the business information of the enterprise as a means of promoting corporate governance (Li, Huang, & Wang, 2015). The performance of corporate performance reflects the level of corporate governance. Corporate performance in corporate governance can be manifested through two ways. One is to construct a market reputation mechanism to promote the enterprise to improve the corporate governance level. The second is through administrative intervention the way the standardization of corporate governance processes, so that illegal businesses to pay a higher administrative costs. Corporate performance reflects a considerable degree of corporate governance, and can provide shareholders, investors, creditors, employees and other direct data on the company's operating ability, market competitiveness, business conditions, and other decisions. Then corporate performance makes the appropriate decisions affect the corporate governance s level (Koenker, & Xiao, 2006).

### ***The relationship between corporate governance and corporate performance***

Corporate governance not only includes the internal management of the company, but also includes the coordinated application of the company external resources to create more value by maximizing the company's ability to operate all stakeholders. The level of company performance directly affects the stakeholders' judgments on the company's development, but also affects the company's motivation. According to the existing research, there is a significant positive correlation between corporate governance and corporate performance (Ding & Li, 2015). Due to the impact of the demand of creditors and investors, there is also an interaction between corporate performance and corporate governance. The level of corporate governance directly affects the correctness of the company's decision-

making, thus affecting the company’s value and performance. At the same time, the performance of the company will enhance the company’s reputation and provide positive energy information for the company healthy development by creditors, investors, governments and employees, which provides more resources for the company development. Moreover, the operation process affects the company. The multi-stakeholder supervision and participation can enhance the company’s governance efficiency and improve the company’s governance. As a result, the two-way relationship between corporate governance and corporate performance has formed a cycle of interaction and restriction (Majewski, Bormetti, & Corsi, 2015).

## **An Empirical Analysis of the Interaction between Corporate Governance and Corporate Performance**

### *The impact of corporate governance on corporate performance an empirical analysis*

This paper presents three hypotheses about the effect of corporate governance on corporate performance: First, the moderate board size of directors’ helps to improve corporate performance; second, the separate duties of chairperson and general manager is conducive to improving corporate performance; third, the independence of the board of directors enhances corporate performance. The paper constructs the function of corporate governance on corporate performance. The empirical variables include dependent variables, independent variables, intermediary variables and control variables. The variables are set as shown in Table 1 (Tong & Wang, 2015).

*Table 1. The impact of corporate governance on empirical variables set*

| Variable type       | variable                        | Code   | Calculation                        | Description                 |
|---------------------|---------------------------------|--------|------------------------------------|-----------------------------|
| Dependent variable  | Roe                             | ROA    | Net profit / total assets          | Corporate Performance       |
| Argument            | Board size                      | B-size | The number of board members        | Corporate governance system |
|                     | Set up two posts                | PM     | Separated as 0, unity as one       |                             |
|                     | Independence                    | Indep  | Independent director/ board member |                             |
| Mediation variables | Innovation investment intensity | R&D    | Innovation input/ operating income | Innovation                  |

|                   |                         |       |   |               |
|-------------------|-------------------------|-------|---|---------------|
| Control variables | Foreign ownership ratio | ForeC | Foreign shareholding/total share capital                  | other factors |
|                   | Geographic location     | Posi  | The economically developed area is 1, underdeveloped is 0 |               |
|                   | Company Size            | Size  | The total number of company staff                         |               |
|                   | Net gearing ratio       | Debt  | Total liabilities / net assets                            |               |

Innovation is an important performance in the process of enterprise development. According to the basic principle and measurement of intermediary effect test, we construct a mediation effect model to set the test model between corporate governance and corporate performance.

$$ROA_{it} = c_1 \cdot B - size_{it}(c_2 \cdot PM_{it} / c_3 \cdot Indep) + \sum m_j Control_{it} + e_{it} \quad (1)$$

$$ROD_{it} = a_1 \cdot B - size_{it}(a_2 \cdot PM_{it} / a_3 \cdot Indep) + \sum d_j Control_{it} + e_{it} \quad (2)$$

$$ROA_{it} = c_1' \cdot B - size_{it}(c_2' \cdot PM_{it} / c_3' \cdot Indep) + b \cdot R \& D_{it} + \sum f_j Control_{it} + e_{it} \quad (3)$$

$a, b, c, d, e$  are respectively, on behalf of the variable effect of the amount of mediation effect.

Using panel data method to test the regression model, 24 companies from 2008-2016 listed companies were used as samples. The effect of corporate governance of tourism listed companies on corporate performance the empirical results are shown in Table 2:

Table 2. The Effect of Corporate Governance on Firm Performance Empirical Results

|        | Model (1)ROA         |                   |                    | Model(2)R&D          |                    |                    | Model(3)ROA          |                   |                   |
|--------|----------------------|-------------------|--------------------|----------------------|--------------------|--------------------|----------------------|-------------------|-------------------|
|        | (1)t                 | (2)t              | (3)t               | (1)t                 | (2)t               | (3)t               | (1)t                 | (2)t              | (3)t              |
| B-size | -0.102**<br>(-2.845) |                   |                    | -0.076**<br>(-2.740) |                    |                    | -0.100**<br>(-2.614) |                   |                   |
| PM     |                      | 0.025*<br>(2.491) |                    |                      | 0.077**<br>(2.714) |                    |                      | 0.017*<br>(2.454) |                   |
| Indep  |                      |                   | 0.030**<br>(2.914) |                      |                    | 0.158**<br>(2.889) |                      |                   | 0.015*<br>(2.473) |



|  | F      | R <sup>2</sup> | Debt                 | Size                 | Posi               | ForeC                | R&D                |
|--|--------|----------------|----------------------|----------------------|--------------------|----------------------|--------------------|
|  | 44.505 | 0.362          | -0.398**<br>(-13.97) | -0.012*<br>(-2.498)  | 0.045*<br>(1.770)  | -0.096**<br>(-3.492) |                    |
|  | 48.523 | 0.376          | 0.404**<br>(14.01)   | -0.012*<br>(-2.498)  | 0.046*<br>(1.777)  | -0.094**<br>(-3.485) |                    |
|  | 64.315 | 0.427          | -0.096**<br>(-3.445) | -0.035**<br>(-2.927) | 0.622**<br>(21.01) | -0.129**<br>(-4.657) |                    |
|  | 44.505 | 0.362          | -0.398**<br>(-13.97) | -0.012*<br>(-2.498)  | 0.045*<br>(1.770)  | -0.096**<br>(-3.492) |                    |
|  | 48.523 | 0.376          | 0.403**<br>(14.01)   | -0.012*<br>(-2.498)  | 0.046*<br>(1.777)  | -0.094**<br>(-3.485) |                    |
|  | 64.315 | 0.427          | -0.096**<br>(-3.445) | -0.035**<br>(-2.927) | 0.622**<br>(21.01) | -0.129**<br>(-4.657) |                    |
|  | 44.505 | 0.362          | -0.398**<br>(-13.97) | -0.012*<br>(-2.498)  | 0.045*<br>(1.770)  | -0.096**<br>(-3.492) | 0.049*<br>(2.503)  |
|  | 48.523 | 0.376          | 0.403**<br>(14.01)   | -0.012*<br>(-2.498)  | 0.046*<br>(1.777)  | -0.094**<br>(-3.485) | 0.100**<br>(2.893) |
|  | 64.315 | 0.427          | -0.096**<br>(-3.445) | -0.035**<br>(-2.928) | 0.622**<br>(21.01) | -0.129**<br>(-4.657) | 0.095*<br>(2.551)  |

Where \* indicates a significant 5% level and \*\* indicates a significant 1% level.

As can be seen from Table 2, the size of the board of directors and the ROE of the company are inversely related, and the size of the board of directors has inversely related to the strength of the innovation investment. However, there is a positive relationship between the intensity of innovation input and the ROA of the company. There is an intermediary effect on the size of the board of directors and the performance of the company. There is a positive relationship between the separation of two posts and the return on assets of the company. The separation of two posts has positively related to the strength of investment in innovation. Thus, there is an intermediary effect between the two separations and the performance of the company. There is a positive relationship between the number of independent directors and the return on corporate assets, the number of independent directors and the intensity of innovation investment, and there is an intermediary effect

between the number of independent directors and the performance of the company. The results show that corporate governance system has an intermediary effect on corporate performance, and the normativeness of corporate governance system affects the level of corporate performance.

***The impact of corporate performance on corporate governance Empirical analysis***

The media and the society supervise the performance of listed companies in the tourism industry, and corporate performance reflects the level of corporate governance. This paper analyzes the effect of corporate performance on corporate governance, selects executives' compensation level of travel listed companies as the proxy of corporate governance, and reflects the level of corporate governance through the salary level. We put forward three hypotheses; one is the media and social supervision agencies, which can fulfill the supervisory function of the listed tourism enterprises. The other is the media and social supervision, which enhance the standardization of executive compensation of the listed tourism enterprises. Third, the media and social supervision have a positive effect on the high. The impact of management compensation has an intermediary role. The construction of corporate performance on corporate governance Empirical variables set as shown in *Table 3*.

*Table 3. Effect of Corporate Performance on Corporate Governance Empirical Variable Settings*

| variable                 | Code    | Calculate  |
|--------------------------|---------|--|
| Executive pay            | Salary  | The sum of the top three remunerations of the highest-paid company + 1 logarithm   |
| Too high                 | max     | The executive compensation according to the size of an average of 5 groups, the highest group of max value equal to 1, the other for the 0     |
| Too low                  | min     | The executive compensation according to the size of an average of five groups, the minimum value of a group of min equal to 1, the other 0     |
| reasonable               | mid     | According to the size of the executive compensation will be divided into 5 groups, the middle group of mid value is equal to 1, the other is 0 |
| Compensation chaos       | Asalary | To salary as a variable, model regression, the absolute value of the residual  |
| Rate of change of salary | Dsalary | (Highest three pay for the year and - last year) / highest three pay for the previous year and   |
| company achievements     | ROA     | Return on Assets   |
| Supervision              | MED     | News report statistics (newspaper included database)   |
| Nature of equity         | STATE   | State is 0, others are 1   |
| Ownership concentration  | NO1     | First shareholders shareholding ratio  |

|                     |       |  |
|---------------------|-------|--|
| Growth              | GORW  | Sales revenue growth rate                    |
| Financial leverage  | Lever | Assets and liabilities                       |
| Company Size        | Size  | Total assets logarithm                       |
| Geographic location | Add   | Developed area is 1, non-developed area is 0 |

The rationality of executive compensation is separated by regression, and the regression model residual is used to judge the salary chaos. The model is shown below.

$$\text{Salary}_t = c + \alpha_1 \text{ROA}_t + \alpha_2 \text{ROA}_{t-1} + \alpha_3 \text{State}_t + \alpha_4 \text{CBD}_t + \alpha_5 \text{CON}_t + \alpha_6 \text{Lever}_t + \alpha_7 \text{BDS}_t + \alpha_8 \text{Size}_t + \varepsilon_t \quad (4)$$

$\alpha$  is the parameters for each variable.

Judge whether the supervision of the compensation chaos detection model is expressed as follows.

$$\text{MED}_t = c + \alpha_1 \text{Min}_{t-1} + \alpha_2 \text{Max}_{t-1} + \alpha_3 \text{State}_{t-1} + \alpha_4 \text{NOI}_{t-1} + \alpha_5 \text{ROA}_{t-1} + \alpha_6 \text{GROW}_{t-1} + \alpha_7 \text{Lever}_{t-1} + \alpha_8 \text{Size}_{t-1} + \varepsilon_t \quad (5)$$

$$\text{MED}_t = c + \alpha_1 \text{Asalary}_{t-1} + \alpha_2 \text{State}_{t-1} + \alpha_3 \text{NOI}_{t-1} + \alpha_4 \text{ROA}_{t-1} + \alpha_5 \text{GROW}_{t-1} + \alpha_6 \text{Lever}_{t-1} + \alpha_7 \text{Size}_{t-1} + \varepsilon_t \quad (6)$$

Whether the supervision can promote the test of corporate executive compensation rationality is expressed as the following formula.

$$\text{DMax}_t(\text{DMin}_t) = c + \alpha_1 \text{MED}_{t-1} + \alpha_2 \text{State}_t + \alpha_3 \text{ROA}_t + \alpha_4 \text{GROW}_t + \alpha_5 \text{Lever}_t + \alpha_6 \text{Size}_t + \alpha_7 \text{Add}_t + \text{DMax}_{t-1}(\text{Dmin}_{t-1}) + \varepsilon_t \quad (7)$$

$$\text{Asalary}_t = c + \alpha_1 \text{MED}_{t-1} + \alpha_2 \text{State}_t + \alpha_3 \text{ROA}_t + \alpha_4 \text{GROW}_t + \alpha_5 \text{Lever}_t + \alpha_6 \text{Size}_t + \alpha_7 \text{Add}_t + \text{Asalary}_{t-1} + \varepsilon_t \quad (8)$$

DMax and Dmin as dependent variables represent the rate of change of high and low pay.

The supervision intermediary role test model is expressed as follows.

$$\text{Mid}_t = c + \alpha_1 \text{ROA}_{t-1} + \alpha_2 \text{State}_t + \alpha_3 \text{GROW}_t + \alpha_4 \text{Lever}_t + \alpha_5 \text{Add}_t + \alpha_7 \text{Mid}_{t-1} + \varepsilon_t \quad (9)$$

$$MED_t = c + \alpha_1 ROA_{t-1} + \alpha_2 State_t + \alpha_3 GROW_t + \alpha_4 Lever_t + \alpha_5 Size_t + \alpha_6 Add_t + \alpha_7 NO1_t + \varepsilon_t \quad (10)$$

$$Mid_t = c + \alpha_1 ROA_{t-1} + \alpha_2 MED_{t-1} + \alpha_3 State_t + \alpha_4 GROW_t + \alpha_5 Lever_t + \alpha_6 Size_t + \alpha_7 Add_t + \alpha_8 Mid_{t-1} + \varepsilon_t \quad (11)$$

Still 24 listed companies as samples are adopting the fitting result of stochastic effect model to test the media and social supervision agencies and fulfill the supervisory function to the listed tourism enterprises. The test results are shown in Table 4.

Table 4. Supervision agencies can monitor the performance of tourism-listed companies to test results

| Variable               | Model (5)            | Model (6)            |
|------------------------|----------------------|----------------------|
| Intercept              | 0.257**<br>(0.000)   | 0.113***<br>(0.000)  |
| Max <sub>t-1</sub>     | 0.073***<br>(0.000)  |                      |
| Min <sub>t-1</sub>     | 0.075***<br>(0.000)  |                      |
| Asalary <sub>t-1</sub> |                      | 0.072***<br>(0.000)  |
| State <sub>t-1</sub>   | 0.617***<br>(0.000)  | 0.134***<br>(0.000)  |
| NO1 <sub>t-1</sub>     | -0.481***<br>(0.000) | -0.217***<br>(0.000) |
| ROA <sub>t-1</sub>     | -0.040**<br>(0.036)  | -0.067*<br>(0.097)   |
| GROW <sub>t-1</sub>    | 1.597***<br>(0.000)  | 0.565***<br>(0.000)  |
| Lever <sub>t-1</sub>   | -1851**<br>(0.022)   | -0.377***<br>(0.000) |
| Size <sub>t-1</sub>    | 1.809***<br>(0.000)  | 0.282***<br>(0.000)  |
| adjR <sup>2</sup>      | 0.387                | 0.625                |
| F                      | 10.809***<br>(0.000) | 38.076***<br>(0.000) |

Where () is the P value, \* is significant at 0.1 level, \*\* is significantly at 0.05 level, and \*\*\* is significant at 0.01 level.

It can be seen from *Table 4* that over and under pay will cause media/social concern and high negative impact on the enterprise. Therefore, it can be seen that the supervisory function of media and society plays a significant role in corporate governance. Similarly, for the media and social supervision role in raising the standardization of executive compensation in tourism-listed companies and the media/social supervision for the executives of tourism-listed companies have a mediating role in the test of intermediation can prove the establishment of hypotheses.

## **Research findings and inspiration**

### ***Research results***

This paper examines the interaction between corporate governance and corporate performance through empirical testing of listed companies in tourism, the innovation, and development of enterprises as an intermediary variable to prove that the scale of the directors' board is moderate, which is conducive to improving corporate performance. The separation of responsibilities of the chairperson and the general manager is conducive to improving corporate performance. We can improve company performance, with the same assumptions and assumptions. This article also uses the media and social supervision of corporate executive compensation as corporate performance on the impact of corporate governance. The media and social supervision agencies help to fulfill the oversight functions of listed companies in the tourism industry, media and social oversight enhance the executive-listed companies pay. The standardization level, media and social supervision have an intermediary effect on the executive compensation of tourism-listed companies. The result also proves that the hypothesis is established. Thus, the innovation of the listed companies in their business operations has mainly reflected in the standardization of the corporate governance system, which enables the enterprises to separate the two levels of the directors' board and maintain the appropriate number of independent directors. To sum up, we can strengthen the company's operating ability, which will help improve the corporate performance of listed travel companies. At the same time, the media and the society will concern companies with good performance, and they will have a stronger supervision on the listed companies, which can effectively restrict the behavior of the enterprise managers and make the listed companies more transparent to the corporate governance and help to improve the tourism listed company corporate governance level.

### ***Research Implications***

There is no doubt that the two-way interactive interaction between corporate governance and corporate performance exists. By optimizing the corporate governance system, improving the innovation and development ability of listed tourism enterprises, the company's operating performance can be improved. Traditionally, tourist enterprises in the form of scenic spots, hotels and other forms of tourism rely on the geographical advantages and monopolistic resources to make the company scale to a certain height.

However, the phenomenon of apportioning in corporate governance, clan phenomenon is ubiquitous, lack of norms of corporate governance system constraints. The tourism-listed companies in the separation of ownership and management increase the proportion of investors head, increase the number of independent directors, and improve ownership structure. The promotion of corporate performance has a catalytic role. Tourism listed companies are easily supervised by the media and the society. Tourism enterprises should not choose to evade the face of the media and society, we should make full use of the media and public opinions to enhance the corporate image, face the negative impact of positive public relations, and be strict and sincere attitude to solve the crisis. We also should make full use of media and social supervision to enhance the level of corporate governance. In order to improve the performance of the company so that enterprises can gain advantages in market competition and turn advantages into profits, enterprises must improve internal management system, coordinate external resources, and improve corporate governance to achieve higher performance.

### **Conclusion**

Through the empirical study of the interaction between tourism-listed company governance and corporate performance, this article further confirms the relationship between corporate governance and corporate performance is complementary. Therefore, it is the key to realize the progress and development of the enterprise that the effective way and method of choosing the listed companies during the operation of the listed companies are the positive and negative effects. Therefore, the self-centered monopolistic management inevitably exists in the course of operation, which restricts the sustainable development of enterprises and hinders the core competitiveness of listed tourism enterprises in the market economy promotion. With the large-scale and standardized development of Chinese tourism industry, tourism listed companies should make the best of their potential to change their traditional business thinking mode and constantly improve and optimize the enterprise structure to couple corporate governance and corporate performance, so that they can promote common development with each other. Although there are some representative studies on the interaction between corporate governance and corporate performance, which is based on the innovation of tourism-listed

companies and the intermediary variables of media supervision. This paper has a combination of many factors between corporate governance and corporate performance, the accuracy of the research needs to be further improved. The sample data is based on the data published by 24 listed travel companies, which is still somewhat meager based on the empirical evidence that quantitative support is needed. Therefore, in the future research, empirical data needs to be added to make tourism. Listed companies can find effective ways to integrate the corporate governance and corporate performance and promote their healthy growth.

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