

Research on the Impact of CEO Tenure on Corporate Reputation -- Analysis of the Moderating Effect based on Information Transparency and External Supervision

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Abstract

To explore the impact of CEO tenure on corporate reputation, as well as the moderating role of corporate information transparency and external monitoring mechanism in the impact of CEO tenure on corporate reputation, and to better promote the realisation of high-quality development of corporations, non-financial listed companies are selected as the object of the study for the period of 2008-2021. The study shows that CEO tenure significantly improves corporate reputation, and in order to increase the robustness of the baseline regression conclusions, the conclusions remain robust after this paper adds fixed province effects, replaces explanatory variables, and lags the first-order robustness test. The moderating effect analysis shows that corporate information transparency and external monitoring mechanism play a reinforcing moderating role in the effect of CEO tenure on corporate reputation. Based on the above findings, this paper puts forward three research recommendations: first, to play the role of increased CEO tenure in promoting corporate reputation; second, to avoid frequent changes in CEO positions and reduce the problem of short-termism brought about by short-term CEO tenure; and third, to establish a long-lasting assessment mechanism for CEOs, and to increase the weight of long-term performance in the assessment of CEOs.

Keywords

CEO Tenure; Corporate Reputation; Information Transparency; External Monitoring.

1. Introduction

As the most important intangible asset of an enterprise, the promotion of good corporate reputation is a necessary prerequisite for the realisation of high-quality development of the enterprise. On the one hand, in the context of the booming market economy, enterprises have shown surging development, but at the same time, the degree of competition among enterprises has intensified, and the risk of corporate debt default has increased, out of risk aversion motives, enterprises will seek for trustworthy partners, and corporate reputation, as the most important intangible assets of the enterprise, provides enterprises with good screening criteria, and receives the key attention of the stakeholders. On the other hand, a good corporate reputation is conducive to the accumulation of human capital, the expansion of social networks, and the promotion of high-quality development. It has been found that promoting good corporate reputation is conducive to improving corporate innovation performance, enhancing corporate risk-taking ability, inhibiting the concealment of corporate internal control deficiencies, and improving corporate performance.

As the helmsman and decision-maker of the enterprise, CEO plays a pivotal role in the development of the enterprise and has an important impact on corporate reputation. In terms of CEO tenure, generally speaking, an increase in CEO tenure increases the percentage of CEO

compensation. However, CEO tenure and CEO pay can also potentially show a U-curve relationship, due to the fact that female directors optimise the director monitoring function, which helps to reduce the CEO's behaviour of obtaining excess pay. An increase in CEO tenure reduces the rate of CEO turnover due to performance. However, there are also studies that show the disadvantages associated with increased CEO tenure; increased CEO tenure increases CEO power, which reduces the number of independent directors expressing dissenting opinions. Regarding the impact of CEO tenure on business operations, Ai Yongfang and Tong Menghua show that staggered CEO and CFO tenure significantly inhibits corporate overinvestment; Chen Shouming et al. argue that CEO tenure has an inverted U-shaped relationship with corporate performance, while Ma Caifeng and Peng Zhengyin go even further and find that CEO tenure significantly improves the performance of unmanipulated firms; in addition, increased CEO tenure is conducive to enhancing corporate innovation ability, reduce corporate financing constraints, etc.

Research on the influencing factors of corporate reputation shows that managerial competence is conducive to improving corporate reputation; investment in business efficiency significantly improves corporate reputation, while corporate social responsibility plays an enhanced moderating role; meanwhile, Ordóñez, et al. (2021) show that corporate transparency plays an important role in corporate reputation, and ESG performance significantly improves corporate reputation, while corporate transparency plays an important role in the impact of ESG performance on corporate reputation. ESG performance plays a reinforcing moderating role in the impact of corporate reputation; in addition, Geng L, et al. (2022) argued that firms improve corporate transparency by fulfilling their social responsibilities, which in turn significantly improves corporate reputation. Previous studies have mainly explored the impact of factors such as corporate transparency and corporate social responsibility on corporate reputation, but little literature has explored the role of the CEO as the core of managers in influencing corporate reputation. Does the CEO, as the core executive in charge of corporate business decisions, affect corporate reputation? Based on this, this paper examines how CEO tenure affects corporate reputation and the moderating role of corporate information transparency and external monitoring mechanisms in the impact of CEO tenure on corporate reputation from the perspective of human capital, social network, and stakeholder theory. The main contributions of this paper are: (1) Most of the current research on the economic consequences of CEO tenure focuses on the impact of CEO tenure on corporate management, corporate business performance, and corporate risk, etc., and there is little literature exploring the relationship between CEO tenure and corporate reputation, and this paper can make up for the lack of the above research by exploring the impact of CEO tenure on corporate reputation. (2) It explores the moderating role of corporate information transparency and external monitoring mechanism in the impact of CEO tenure on corporate reputation, which provides new ideas for better improving corporate reputation.

2. Research Hypothesis

2.1. CEO Tenure and Corporate Reputation

According to stakeholder theory, the survival and development of an enterprise depends on how well it meets the requirements of stakeholders such as shareholders, investors, employees and customers. Corporate reputation, as the most important intangible asset of a company, is a collection of stakeholders' cognitive judgement and emotional experience of the company, and stakeholders will consider their next action based on the cognitive judgement and emotional experience of the company's degree of satisfaction of their requirements. This means that a good corporate reputation is an important force for companies to obtain resources, which is conducive to obtaining and maintaining a competitive advantage, and it is beneficial for

companies to strengthen their reputation management (Mai and Nguyen, 2021). According to the senior echelon theory (Hambrick and Mason, 1984) and the stakeholder theory, the tenure characteristics, educational characteristics and personal experience characteristics of top management reflect the cognitive level and psychological motivation of top management to a certain extent, which influences the strategic choices of the enterprise, and is related to the degree of satisfaction to the requirements of stakeholders, and plays an important role in influencing the reputation of the enterprise. In addition, according to the theory of human capital and social network, the human capital and social network of CEOs will change accordingly with the change of the CEO's term of office. With the increase of the CEO's term of office, the human capital of the CEO will be accumulated and the social network of the CEO will be expanded, so that the enterprise can better satisfy the requirements of stakeholders, which is conducive to the enhancement of the enterprise's reputation. Relevant studies have found that the longer the CEO's tenure, the more his/her rich working experience is conducive to the accumulation of his/her human capital, especially the accumulation of the key specialised human capital of the enterprise, and thus the enterprise can obtain "quasi-rents". At the same time, the CEO's social network is also conducive to corporate reputation: the longer the CEO's tenure, the larger and closer the social network, which is conducive to corporate reputation; in addition, the longer the CEO's tenure, the more accurate he/she is in grasping the company's strategic choices, which also helps to enhance corporate reputation. Based on this, this paper proposes the following hypotheses:

Hypothesis 1: CEO tenure positively affects corporate reputation.

2.2. CEO Tenure, Information Transparency and Corporate Reputation

Corporate information transparency is conducive to easing corporate financing constraints, improving business performance and increasing corporate value, which plays an important role in the good development of enterprises. Information transparency is an important influence factor of corporate reputation, high corporate information transparency and good quality of corporate information disclosure are conducive to improving corporate reputation. On the one hand, according to the signalling theory, the improvement of corporate information transparency is conducive to alleviating the problem of information asymmetry, increasing stakeholders' understanding of the enterprise, and increasing the value of the enterprise. And with the increase in corporate transparency, the enterprise's own value increases, the CEO's human capital is accumulated, and at the same time, the social relationship network is expanded, which is conducive to better meet the requirements of stakeholders, thus improving corporate reputation. On the other hand, the increase of information transparency is in line with the risk aversion motivation of stakeholders, which reduces the risk of stakeholders and is conducive to meeting the requirements of stakeholders, thus improving corporate reputation. Therefore, based on the above analysis, this paper proposes the following hypothesis:

Hypothesis 2: Information transparency plays a positive moderating role in the impact of CEO tenure on corporate reputation.

2.3. CEO Tenure, External Monitoring and Corporate Reputation

External information users, represented by analysts and auditors, play an important role in external supervision of enterprises. By collecting and analysing various financial and non-financial indicators, analysts provide stakeholders with relevant corporate information to alleviate information asymmetry. The increase of analysts' attention is conducive to inhibit the increase of agency costs under the principal-agent relationship. Whereas, a decrease in analysts' attention can exacerbate corporate agency problems, for example, CEOs obtaining excessive compensation, damaging corporate value, etc. (Chen et al, 2015). If analysts find that corporate managers seek personal gain, especially the behaviour of the company's CEO, it will affect the overall valuation of the firm (Chauvin and Hirschey, 1993), resulting in negative

impacts such as reduced firm value and reputation, as well as adversely affecting the career development of the company's CEO. With the enhancement of the external supervision of the enterprise, the CEO tenure increases, on the one hand, the CEO out of risk aversion motives, will increase their own and managerial behaviour constraints, managerial self-interested behaviours can be effectively suppressed, to better meet the requirements of stakeholders, which is conducive to the improvement of the reputation of the enterprise; on the other hand, the external supervision of the enterprise will play an inspirational role for the CEO of the enterprise, the CEO will be more focused on corporate. On the other hand, the external supervision of the enterprise will play an incentive role for the CEO, who will pay more attention to the development of the enterprise, strengthen the management of the enterprise, and make strategic decisions that are more in line with the interests of the enterprise, which is conducive to the improvement of corporate reputation. Therefore, based on the above.

3. Data Description and Model Design

3.1. Data Description

Due to incomplete data indicators and more missing data of listed companies before 2008, this paper selects the data of A-share listed companies from 2008 to 2021 as the research sample and treats the data as follows: (1) Remove the listed companies whose listing status shows the ST and PT categories; (2) This paper researches the corporate reputation of listed entity companies, and for this reason removes the financial category; (3) Remove the missing data of the serious company samples; (4) by cleaning the data as described above, 25,056 observations are obtained. The tenure data of the firms in this paper come from the CRNDS database, and the rest of the data come from the Cathay Pacific database (CSMAR).

3.2. Variable Selection

Explained variable: corporate reputation (*repu*). Drawing on the practice of (Guan, Kaolei, and Zhang, Rui, 2019), 12 corporate reputation evaluation indicators were selected, and then, the corporate reputation score was calculated by using factor analysis on the 12 indicators.

Explanatory variable: CEO tenure (*ep*). Drawing on (Zhang Changzheng et al., 2021), CEO tenure is obtained by calculating the difference between the sample year and the year when the CEO first started his/her tenure. Meanwhile, a CEO tenure dummy variable (*ep1*) is set to divide corporate tenure based on the year, assigning a value of 1 to those greater than or equal to the median corporate tenure, and 0 to those less than the median corporate tenure.

Moderator variable 1: information transparency (*trans*). Information transparency is measured by calculating the average of the sample percentile ranks of five variables: listed companies' surplus quality indicators, disclosure appraisal scores, the number of analysts' followers, the accuracy of analysts' surplus forecasts, and whether or not they hire the Big Four as auditors for their annual reports; the larger the value of *TRANS*, the higher the information transparency.

Moderator variable 2: Analyst attention (*ana*). The number of organisations focusing on the firm in the sample year is selected as a proxy variable to measure analyst attention.

Control variables: the reference practice, the basic characteristics of the enterprise and the internal governance structure and other aspects of the factors into the control variables, the basic characteristics of the enterprise including enterprise size (*size*), assets and liabilities ratio (*alr*), return on assets (*roa*), the age of the enterprise (*age*), the growth rate of operating income (*bri*), the enterprise value multiples (*mul*), the structure of the assets (*as*), the internal governance structure of the enterprise including, shareholding ratio of the first largest shareholder (*ssr*), director size (*ds*), and percentage of independent directors (*idp*). Specific variables are defined in Table 1.

Table 1. Definition of variables

Variable type	Variable name	Symbol	Measurement method
Explanatory variable	Corporate reputation	repu	Factor composite value of corporate reputation evaluation indicators
Explanatory variable	CEO tenure	ep	Sample year minus the year when the CEO first started his/her tenure plus 1
		ep1	CEO tenure dummy variable
Control variable	Enterprise size	size	Natural logarithm of total assets of the enterprise
	Gearing ratio	alr	Total liabilities/total assets
	Return on assets	roa	Net profit/total assets
	Firm age	age	Number of years since the firm was established
	Growth rate of operating income	bri	(current operating income - previous period's operating income)/previous period's operating income
	Enterprise value multiple	mul	Market capitalisation / EBITDA
	Asset structure	as	Intangible assets/total assets
	Shareholding of largest shareholder	ssr	Shareholding of largest shareholder as a percentage of all shareholders' shareholdings
	Percentage of independent directors	idp	Number of independent directors/number of directors
	Size of directors	ds	Number of directors

3.3. Model Design

In order to study the impact of CEO tenure on corporate reputation and further examine the moderating mechanism of CEO tenure on corporate reputation, the regression model in this paper is designed as follows:

The direct effect of CEO tenure on corporate reputation. In order to test the direct impact effect of CEO tenure on corporate reputation, this paper constructs the regression model :

$$repu_{i,t} = \alpha_0 + \alpha_1 epi_{i,t} + \alpha_2 Controls_{i,t} + \theta_j + \lambda_t + \epsilon_{i,t} \tag{1}$$

$$repu_{i,t} = \alpha_0 + \alpha_1 ep1_{i,t} + \alpha_2 Controls_{i,t} + \theta_j + \lambda_t + \epsilon_{i,t} \tag{2}$$

where subscripts *i*, and *t* represent individual firms, and years, respectively. *repu* represents firm reputation; *e_{pi,t}* represents CEO tenure in year *t* for firm *i*, and *ep1_{i,t}* represents a dummy variable for CEO tenure in year *t* for firm *i*; *Controls* represent control variables. *Industry(θ_{j,t})* and *year(λ_t)* effects are fixed in the model to mitigate potential industry characteristics and macroeconomic factors from interfering with the estimation results. *ε* is the random error term. Hypothesis 1 is valid if the coefficient *α₁* is significantly positive, indicating that CEO tenure significantly increases corporate reputation.

To test the positive moderating role of information transparency in the effect of CEO tenure on corporate reputation, this paper constructs the regression model :

$$repu_{i,t} = \delta_0 + \delta_1 epi_{i,t} + \delta_2 epi_{i,t} * trans_{i,t} + \delta_3 trans_{i,t} + \delta_4 Controls_{i,t} + \theta_j + \lambda_t + \epsilon_{i,t} \tag{3}$$

$$repu_{i,t} = \delta_0 + \delta_1 ep1_{i,t} + \delta_2 ep1_{i,t} * trans_{i,t} + \delta_3 trans_{i,t} + \delta_4 Controls_{i,t} + \theta_j + \lambda_t + \epsilon_{i,t} \tag{4}$$

where $transi, t$ is the moderator variable representing the corporate information transparency of firm i in year t . $epi, t * transi, t$, $ep1i, t * transi, t$ are the interaction terms between CEO tenure and corporate information transparency, and the moderating effect focuses on the coefficient of the interaction term, δ_2 . If the coefficient of the interaction term is significantly positive, which indicates that corporate information transparency plays a positive role in the effect of CEO tenure on corporate reputation impact, then Hypothesis 2 is valid.

To test the positive moderating role of analyst attention in the effect of CEO tenure on corporate reputation, this paper constructs the regression model :

$$repu_{i,t} = \beta_0 + \beta_1 ep_{i,t} + \beta_2 ep_{i,t} * anai_{i,t} + \beta_3 anai_{i,t} + \beta_4 Controls_{i,t} + \theta_j + \lambda_t + \epsilon_{i,t} \quad (5)$$

$$repu_{i,t} = \beta_0 + \beta_1 ep1_{i,t} + \beta_2 ep1_{i,t} * anai_{i,t} + \beta_3 anai_{i,t} + \beta_4 Controls_{i,t} + \theta_j + \lambda_t + \epsilon_{i,t} \quad (6)$$

where $anai, t$ is the moderator variable representing analyst attention in year t for firm i . $epi, t * anai, t$, $ep1i, t * anai, t$ are the interaction terms between CEO tenure and the firm's analyst attention, and the moderating effect focuses on the coefficient of the interaction term, δ_2 . If the coefficient of the interaction term is significantly positive, which suggests that analyst attention received by firms plays a positive role in the effect of CEO tenure on firms' reputation impact, then Hypothesis 3 holds.

4. Analysis of Empirical Results

4.1. Descriptive Statistics

The results of the descriptive statistics of the variables are shown in Table 2. corporate reputation ($repu$) has a minimum value of 1 and a maximum value of 10, which indicates that there is a large gap in corporate reputation between some firms and some firms have a poor reputation. ceo tenure (ep) has a minimum value of 1 and a maximum value of 27, which indicates that there is a large gap in the year of the ceo 's tenure between some firms.

Table 2. Descriptive statistics

Variable	N	Mean	SD	Min	Max
$repu$	25056	5.508	2.837	1	10
ep	25056	4.857	3.469	1	27
$ep1$	25056	0.579	0.494	0	1
$size$	25056	22.14	1.322	15.42	28.64
age	25056	9.489	7.393	0	31
alr	25056	0.434	0.508	0.00708	55.40
roa	25056	0.0525	0.152	-0.0251	22.00
bri	25056	6.728	855.9	-0.986	134607
mul	25056	28.33	25.69	6.120	176.7
as	25056	0.0485	0.0668	0	0.926
ds	25056	10.07	2.621	4	27
idp	25056	0.380	0.0726	0.143	0.800
ssr	25056	0.354	0.150	0.00290	0.900

4.2. Benchmark Regression Analysis

This paper first examines the effect of CEO tenure on corporate reputation using a panel regression model of the form (1) and (2), and the regression results are shown in Table 3. Columns (1) and (2) of Table 3 report the effect of CEO tenure (ep) on corporate reputation,

and when no control variables are added and only industry and year effects are fixed, the coefficient of employee stock ownership plan is 0.0323, which is significantly positive at the 1% level, indicating that CEO tenure significantly improves corporate reputation. The regression model with the addition of control variables and fixing both industry and year effects, the regression results are shown in column (2), the coefficient of CEO tenure (ep) is 0.0152, which is significantly positive at the 1% level, again indicating that CEO tenure significantly improves corporate reputation. Columns (3) and (4) of Table 3 report the effect of CEO tenure (ep1) on corporate reputation, and the coefficient of CEO tenure (ep1) is significantly positive at the 1 per cent level without, as well as after, the inclusion of control variables, again verifying that CEO tenure significantly enhances corporate reputation.

Table 3. Baseline regression analysis

	(1)	(2)	(3)	(4)
	repu	repu	repu	repu
ep	0.0323***	0.0152***		
	(0.0036)	(0.0030)		
ep1			0.0908***	0.1347***
			(0.0251)	(0.0206)
size		0.8525***		0.8542***
		(0.0099)		(0.0099)
age		0.0107***		0.0118***
		(0.0016)		(0.0016)
alr		-0.0340*		-0.0325
		(0.0203)		(0.0203)
roa		0.9698***		0.9679***
		(0.0664)		(0.0664)
bri		-0.0000		-0.0000
		(0.0000)		(0.0000)
mul		-0.0106***		-0.0106***
		(0.0004)		(0.0004)
as		-0.9291***		-0.9259***
		(0.1588)		(0.1587)
ds		-0.0068*		-0.0070*
		(0.0041)		(0.0041)
idp		-0.6380***		-0.6502***
		(0.1410)		(0.1410)
ssr		0.0857		0.0712
		(0.0709)		(0.0706)
_cons	2.4243***	-15.0739***	2.4980***	-15.1269***
	(0.1257)	(0.2315)	(0.1260)	(0.2316)
Industry	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes
N	25056	25056	25056	25056
R ²	0.5342	0.6902	0.5329	0.6905

4.3. Robustness Tests

4.3.1. Controlling for Province Fixed Effects

To enhance the robustness of the findings and mitigate the impact of the province factor on corporate reputation, the province effect is fixed and the regression results are shown in Table 3. After fixing the effect of province on corporate reputation, columns (1) and (2) of Table 3 report the effect of CEO tenure (ep) on corporate reputation, and the coefficient of CEO tenure (ep) is significantly positive regardless of the inclusion of control variables, confirming that CEO tenure significantly improves corporate reputation. Columns (3) and (4) of Table 3 report the effect of CEO tenure (ep1) on corporate reputation, and the conclusion that CEO tenure significantly increases corporate reputation remains robust.

Table 4. Control province fixed effects

	(1)	(2)	(3)	(4)
	repu	repu	repu	repu
ep	0.0329***	0.0136***		
	(0.0036)	(0.0029)		
ep1			0.0958***	0.1258***
			(0.0251)	(0.0205)
size		0.8614***		0.8629***
		(0.0100)		(0.0100)
age		0.0125***		0.0135***
		(0.0016)		(0.0016)
alr		-0.0380*		-0.0366*
		(0.0202)		(0.0202)
roa		0.9748***		0.9729***
		(0.0661)		(0.0660)
bri		-0.0000		-0.0000
		(0.0000)		(0.0000)
mul		-0.0100***		-0.0100***
		(0.0004)		(0.0004)
as		-0.9573***		-0.9556***
		(0.1596)		(0.1596)
ds		-0.0069*		-0.0070*
		(0.0041)		(0.0041)
idp		-0.6344***		-0.6467***
		(0.1406)		(0.1406)
ssr		0.1173*		0.1053
		(0.0709)		(0.0706)
_cons	2.2601***	-15.4276***	2.3348***	-15.4811***
	(0.1344)	(0.2359)	(0.1348)	(0.2360)
Industry	Yes	Yes	Yes	Yes
Province	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes
N	25046	25046	25046	25046
R ²	0.5410	0.6943	0.5397	0.6945

4.3.2. Lagged First Order

As the effect of CEO tenure on corporate reputation may have a time lag effect, in order to avoid the endogeneity problem caused by reverse causality, this paper adopts lagged first-order treatment for the explanatory variables-CEO tenure (ep, ep1), as well as all the control variables, and then conducts regression analysis on corporate reputation, and the regression result is as shown in Table 5, regardless of the inclusion of the control variables, the coefficients of the Employee shareholding plan coefficients are all significantly positive, indicating that CEO tenure (ep, ep1) significantly improves corporate reputation, indicating the robustness and reliability of the benchmark regression results.

Table 5. Lagging first order

	(1)	(2)	(3)	(4)
	repu	repu	repu	repu
L.ep	0.0391*** (0.0042)	0.0174*** (0.0037)		
L.ep1			0.1408*** (0.0297)	0.1470*** (0.0252)
L.size		0.8225*** (0.0130)		0.8243*** (0.0130)
L.age		0.0127*** (0.0020)		0.0138*** (0.0020)
L.alr		-0.1193** (0.0565)		-0.1140** (0.0564)
L.roa		3.8658*** (0.2015)		3.8615*** (0.2015)
L.bri		-0.0000 (0.0000)		-0.0000 (0.0000)
L.mul		-0.0062*** (0.0006)		-0.0063*** (0.0006)
L.as		-0.7424*** (0.1899)		-0.7379*** (0.1898)
L.ds		-0.0153*** (0.0050)		-0.0157*** (0.0050)
L.idp		-0.7378*** (0.1753)		-0.7504*** (0.1752)
L.ssr		0.1686* (0.0866)		0.1526* (0.0861)
_cons	2.4828*** (0.1461)	-14.5246*** (0.2945)	2.5513*** (0.1465)	-14.5785*** (0.2945)
Industry	Yes	Yes	Yes	Yes
Province	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes
N	17458	17458	17458	17458
R ²	0.5768	0.6968	0.5753	0.6970

4.3.3. Replacing Explanatory Variables

To further enhance the robustness of the findings, the measure of CEO tenure is replaced and CEO compensation is used as a proxy variable for CEO tenure. CEO compensation is closely related to CEO tenure, and in general, the longer the tenure of the CEO, the more the CEO

compensation will increase accordingly, the regression results are shown in Table 6. After replacing the CEO tenure measure, CEO tenure (lnpay) is significantly positive regardless of whether control variables are added or not, again confirming that CEO tenure is conducive to significantly improving corporate reputation.

Table 6. Replacement of explanatory variables

	(1)	(2)	(3)
	repu	repu	repu
lnpay	0.3570*** (0.0151)	0.0955*** (0.0216)	0.0934*** (0.0128)
size		0.6023*** (0.0182)	0.8751*** (0.0110)
age		-0.0336*** (0.0028)	0.0119*** (0.0017)
alr		-0.2065*** (0.0352)	-0.0219 (0.0208)
roa		1.0121*** (0.1131)	0.8555*** (0.0665)
bri		-0.0000 (0.0000)	-0.0000 (0.0000)
mul		-0.0163*** (0.0008)	-0.0106*** (0.0005)
as		-4.1648*** (0.2780)	-0.9743*** (0.1730)
ds		-0.0481*** (0.0074)	-0.0103** (0.0044)
idp		0.6211** (0.2534)	-0.4575*** (0.1493)
ssr		-1.5675*** (0.1268)	0.0026 (0.0758)
_cons	-1.6720*** (0.2283)	-6.9305*** (0.4397)	-16.5874*** (0.2775)
Industry	Yes	No	Yes
Year	Yes	Yes	Yes
N	21512	21512	21512
R ²	0.5399	0.1096	0.6928

5. Further Analysis

5.1. Reconciliation Mechanism Test

5.1.1. Moderating Mechanism of Corporate Information Transparency

This paper tests the moderating role of corporate information transparency in the impact of CEO tenure on corporate reputation using the moderating effects model of equations (3) and (4), and the regression results are shown in Table 7. Columns (1) and (2) of Table 7 report the effect of the interaction term (ep_trans) between CEO tenure and corporate information transparency on corporate reputation. When no control variables are added and only industry and year effects are fixed, the coefficient of the interaction term (ep_trans) is 0.0839, which is significantly positive at the 1 per cent level, suggesting that corporate information transparency strengthens the positive effect of CEO tenure on corporate reputation. After the regression model adds control variables, the regression results are shown in column (2), and the coefficient of the interaction term (ep_trans) is 0.0813, which is significantly positive at the 1% level, again indicating that the transparency of corporate information significantly strengthens

the positive impact of CEO tenure on corporate reputation. Columns (3) and (4) of Table 7 report the effect of the interaction term of the dummy variable of CEO tenure and corporate information transparency (ep1_trans) on corporate reputation, with the coefficients of the interaction term (ep1_trans) being significantly positive at the 1% level without the inclusion of the control variables, as well as with the inclusion of the control variables, which similarly verifies that corporate information transparency significantly enhances the positive impact of CEO tenure on corporate reputation. positive influence effect.

Table 7. Enterprise debt risk adjustment mechanisms

	(1)	(2)	(3)	(4)
	repu	repu	repu	repu
ep	0.0113***	0.0060**		
	(0.0034)	(0.0030)		
ep_trans	0.0839***	0.0813***		
	(0.0182)	(0.0158)		
ep1			-0.0206	0.0834***
			(0.0238)	(0.0208)
ep1_trans			0.3552***	0.4556***
			(0.1265)	(0.1095)
trans	3.9043***	1.3955***	3.9455***	1.4007***
	(0.0636)	(0.0628)	(0.0636)	(0.0628)
size		0.7506***		0.7531***
		(0.0110)		(0.0110)
age		0.0149***		0.0154***
		(0.0016)		(0.0016)
alr		-0.0095		-0.0088
		(0.0200)		(0.0200)
roa		0.8463***		0.8463***
		(0.0657)		(0.0657)
bri		-0.0000		-0.0000
		(0.0000)		(0.0000)
mul		-0.0103***		-0.0103***
		(0.0004)		(0.0004)
as		-0.9357***		-0.9271***
		(0.1585)		(0.1585)
ds		-0.0082**		-0.0082**
		(0.0041)		(0.0041)
idp		-0.5672***		-0.5844***
		(0.1400)		(0.1400)
ssr		0.0343		0.0267
		(0.0705)		(0.0702)
_cons	1.2829***	-13.3397***	1.3238***	-13.4221***
	(0.1195)	(0.2443)	(0.1197)	(0.2447)
Industry	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes
N	24695	24695	24695	24695
R ²	0.5970	0.6982	0.5965	0.6982

5.1.2. Moderating Mechanism of Corporate External Supervision

This paper tests the moderating role of the firm's external monitoring mechanism in the effect of CEO tenure on corporate reputation using the moderating effects model of equations (5) and (6), and the regression results are shown in Table 8. Columns (1) and (2) of Table 8 report the effect of the interaction term (ep_ana) between CEO tenure and firm external monitoring on

corporate reputation. When no control variables are added and only industry and year effects are fixed, the coefficient of the interaction term (ep_ ana) is 0.0008, which is significantly positive at the 5 per cent level, suggesting that external corporate monitoring strengthens the positive effect of CEO tenure on corporate reputation. After the regression model adds control variables, the regression results are shown in column (2), and the coefficient of the interaction term (ep_ ana) is 0.0007, which is significantly positive at the 5 per cent level, again indicating that corporate external monitoring significantly enhances the positive impact of CEO tenure on corporate reputation. Columns (3) and (4) of Table 8 report the effect of the interaction term (ep1_ ana) between the dummy variable for CEO tenure and corporate external monitoring on corporate reputation, with the coefficient of the interaction term (ep1_ ana) being significantly positive without the inclusion of the control variable, as well as with the inclusion of the control variable, again verifying that corporate external monitoring significantly enhances the positive effect of CEO tenure on corporate reputation.

Table 8. External oversight of regulatory mechanisms

	(1)	(2)	(3)	(4)
	repu	repu	repu	repu
ep	0.0212***	0.0105***		
	(0.0039)	(0.0033)		
ep_ana	0.0008**	0.0007**		
	(0.0004)	(0.0003)		
ep1			-0.0177	0.0902***
			(0.0269)	(0.0227)
ep1_ana			0.0053*	0.0067***
			(0.0027)	(0.0023)
ana	0.0585***	0.0141***	0.0594***	0.0142***
	(0.0014)	(0.0013)	(0.0013)	(0.0013)
size		0.7709***		0.7727***
		(0.0129)		(0.0129)
age		0.0276***		0.0284***
		(0.0019)		(0.0019)
alr		0.0466*		0.0472*
		(0.0256)		(0.0256)
roa		7.6107***		7.6068***
		(0.2729)		(0.2728)
bri		-0.0000		-0.0000
		(0.0000)		(0.0000)
mul		-0.0083***		-0.0083***
		(0.0006)		(0.0006)
as		-0.8713***		-0.8654***
		(0.1780)		(0.1779)
ds		-0.0046		-0.0047
		(0.0045)		(0.0045)
idp		-0.7680***		-0.7779***
		(0.1547)		(0.1548)
ssr		0.0892		0.0783
		(0.0774)		(0.0771)
_cons	2.2854***	-13.8605***	2.3718***	-13.9119***
	(0.1374)	(0.2921)	(0.1377)	(0.2924)
Industry	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes
N	18781	18781	18781	18781
R ²	0.6170	0.7300	0.6163	0.7301

6. Conclusion and Research Recommendations

6.1. Conclusion

This paper explores the impact of CEO tenure on corporate reputation and mines its moderating mechanism using panel data of Chinese non-financial listed companies from 2008-2021, empirically tests whether CEO tenure significantly improves corporate reputation, and further explores the impact of CEO tenure on corporate reputation by analysing corporate financing constraints, the nature of property rights, and corporate governance heterogeneity, as well as testing whether corporate information transparency and external monitoring mechanism play a positive moderating role in the impact of CEO tenure on corporate reputation. The following conclusions are drawn: (1) The benchmark regression concludes that CEO tenure significantly improves corporate reputation, and in order to increase the robustness of the benchmark regression conclusions, the conclusions remain robust after this paper adds fixed province effects, instrumental variable method, lagged first-order, and robustness tests with replacement of explanatory variables. (2) The analysis of heterogeneity in corporate financing constraints shows that CEO tenure significantly increases the reputation of firms with high financing constraints, while the effect on increasing the reputation of firms with low financing constraints is not significant. The analysis of ownership heterogeneity shows that CEO tenure significantly increases the reputation of non-state-owned firms compared to state-owned firms. Corporate governance heterogeneity indicates that CEO tenure more significantly increases the reputation of firms with good corporate governance compared to firms with poor corporate governance. (3) The moderating effect analysis shows that corporate information transparency and external monitoring mechanism play a reinforcing moderating role in the impact of CEO tenure on corporate reputation, i.e., it indicates that increasing corporate information transparency and strengthening external monitoring of corporations will strengthen the significant contribution of CEO tenure to corporate reputation.

6.2. Research Recommendations

Based on the above research findings, the following recommendations are made: first, give full play to the role of CEO tenure increase in promoting corporate reputation. Corporate reputation is an important intangible asset on which the survival and development of enterprises depend, and enterprises should pay more attention to corporate reputation and give full play to the fact that increased CEO tenure improves corporate reputation through the accumulation of human capital and the expansion of social relationship networks so as to better satisfy the requirements for stakeholders. Through subgroup analysis, it is found that CEO tenure more significantly improves corporate reputation in the samples of enterprises with high financing constraints, non-state-owned enterprises, and enterprises with good corporate governance, therefore, the above enterprises should give fuller play to the good impact on corporate reputation brought about by the increase in CEO tenure, and the high financing constraints and non-state-owned enterprises can accumulate enterprise-specific human capital, social relationship networks through the increase in CEO tenure, and Compensate their development disadvantages by improving corporate reputation. And enterprises with good corporate governance can better utilise the positive role of CEOs in improving corporate reputation through increased CEO tenure to improve their competitive advantages and promote high-quality development. At the same time, enterprises should improve the transparency of corporate information and strengthen external supervision, which is conducive to curbing the motivation of managers to seek private profit, better meet the requirements of stakeholders, and thus improve corporate reputation.

Second, avoid frequent changes in the position of CEO and reduce the problem of short-termism caused by the short-term tenure of the CEO. As the helmsman and decision-maker of the

enterprise, the CEO has an important role in influencing the reputation and development of the enterprise. With the increase of CEO tenure, on the one hand, it is conducive to the accumulation of human capital, the expansion of social network, better meet the requirements of stakeholders, and improve the reputation of the enterprise. On the other hand, an increase in CEO tenure is conducive to the CEO making strategic decisions that are more in line with the long-term interests of the enterprise, and reducing the CEO's short-sighted decisions. Therefore, enterprises should try to reduce the frequent changes of corporate CEOs, so as to reduce the short-sighted behaviour of managers due to the short term of CEOs, and give full play to the good effect on the long-term development of the enterprise brought about by the long-term tenure of CEOs.

Third, establish a long-term assessment mechanism for CEOs and increase the proportion of long-term performance in CEO assessment. At present, China's listed companies to implement the CEO is the assessment mechanism is mainly based on short-term performance appraisal, CEO performance and the profits brought to the enterprise linked to the performance of the CEO at the same time does not meet the standards is also the main reason for the CEO to leave, which increases the CEO's short-sightedness, resulting in the CEO's decision-making is more inclined to the short-term, is not conducive to the enterprise to maintain the competitiveness of the long term. Therefore, enterprises should establish a long-term performance appraisal mechanism for CEOs, focusing on improving the core competitiveness of enterprises and promoting the long-term high-quality development of enterprises.

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