

Financial Flexibility, Corporate Governance, and Enterprise Value among A-Share Listed Companies in China

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Abstract

This study aimed to determine the financial flexibility, corporate governance, and enterprise value among A-share listed companies in China from 2011 to 2020. This descriptive-correlational research involved 365 A-share listed companies in China. The study utilized secondary data collected from Wind and CSMAR databases. Data collected were processed and statistically analyzed using the STATA15.0. Study results revealed that, overall, the level of financial flexibility was *not high*. Specifically, cash flexibility was also *not high*, and with some A-share listed companies reserve debt flexibility. In terms of corporate governance, more than half of the companies had *low internal governance*, and nearly half of the enterprises had *moderate external governance*. Based on Tobin's Q value, taken as an entire group, Chinese A-share listed companies were able to achieve their asset preservation and appreciation goals and the market value of most Chinese A-share listings was *low*. In terms of ROA, the overall profitability of Chinese A-share listed companies was *not high*, of which, majority had *moderate* ROA. On the whole, the ROE was *not high*, but most companies registered *high* ROE. Furthermore, financial flexibility had a *positive* promoting effect on enterprise value. Finally, the improvement of the external governance environment was conducive to the improvement of ROA and ROE; hence, as the level of internal governance improves, the ROE likewise improves.

Keywords: Financial Flexibility, Corporate Governance, Enterprise Value

INTRODUCTION

Background and Rationale of the Study

China's annual GDP for 2021 was 1,143,670 billion yuan, which revealed an increase of 8.1% higher than the previous year, and the two-year average growth was 5.1%. Amidst the impact of the COVID-19 pandemic, China continues to facilitate a high-quality development of the industry and takes appropriate courses of action to accelerate the development of modern industry system. The supply system toughness has been further enhanced, showing the world a strong resilience and vitality of the Chinese economy (China Economic Herald, 2021).

With China's high-quality economic development, the A-share market in China has been developing quickly; hence, Shanghai and Shenzhen had nearly 4,250 listed companies at the end of 2020. The total market capitalization was nearly 80 trillion yuan, making it the world's second largest stock market (National Development and Reform Commission, 2021).

The stock market has made valuable contributions to China's economic development

which could be attributed squarely to good corporate governance. Hence, to provide a valuable reference for understanding how much has been improved in Chinese corporate governance and the main ambition of future reform efforts, the China Securities Regulatory Commission, conducted an assessment of broad range of laws, regulations and codes and the results showed that the stock market has been improved significantly since it was created in 1990. Generally, the A-share listed companies in China show a good development trend and the market value of enterprises increases year by year but their growth mode is relatively extensive and the characteristics of "large but not strong" are still prominent. It has been observed in recent years, however, that the quality of the firm's internal and external governance mechanism and the enterprise financial flexibility policy affect the enterprise value. Holding and reasonably reserving financial flexibility can help companies withstand future adverse shocks, seize favorable investment opportunities, reduce financial risk, and thus increase enterprise value. In terms of corporate governance, there are

still some unfavorable factors, such as high equity concentration, low degree of separation of two rights, imperfect external legal system, unbalanced marketization process, among others, despite of the government efforts to introduce policies aimed at standardizing the governance of listed companies gradually (Zheng, 2016).

In the light of the foregoing, the researcher decided to choose the information of A-share listed companies in China for the past ten years and analyzed empirically the relationship between financial flexibility, corporate governance, and firm value which can be used as bases to help promote the China's economy to achieve high-quality development.

Objectives of the Study

This study aimed to determine the financial flexibility, corporate governance, and enterprise

value among A-share listed companies in China from 2011 to 2020.

Specifically, this study sought answers to the following objectives:

1. Determine the financial flexibility in terms of cash flexibility, and debt flexibility.
2. Determine corporate governance in terms of internal governance and external governance.
3. Determine the enterprise value in terms of Tobin's Q value, ROA and ROE.
4. Determine the relationship between financial flexibility and enterprise value.
5. Determine the relationship between corporate governance and enterprise value.

Hypotheses of the Study

1. There is no significant relationship between financial flexibility and enterprise value.
2. There is no significant relationship between corporate governance and enterprise value.

Conceptual Framework

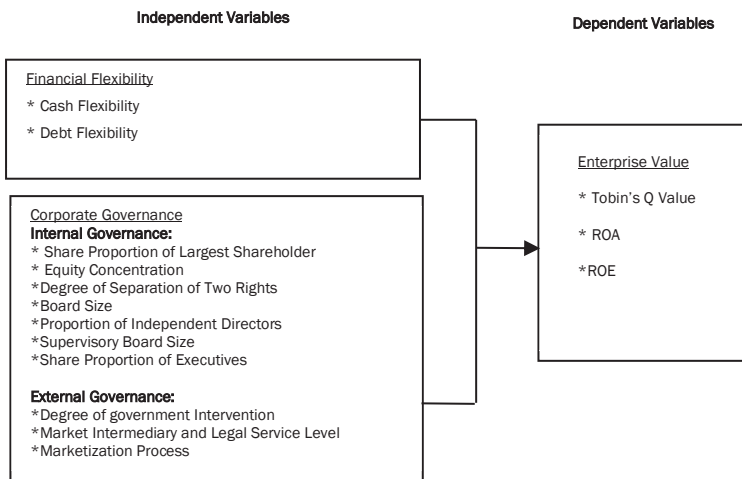


Figure 1. The conceptual Framework of the study

Significance of the Study

The results of this study would provide significant benefits to the following:

Chinese A-share Listed Companies. The findings of this study can help managers of listed companies to improve their awareness of financial flexibility, help enterprises seize favorable opportunities in an uncertain environment, resist adverse risk impact, and improve adaptability in an uncertain environment. It also enables companies to seize opportunities for favorable investment. Moreover, it can help to strengthen the internal governance of Chinese A-share listed companies.

Chinese Local Government. The research results provide theoretical support for local government units in the regions because they are provided with empirical data on how to improve their services, optimize and improve market access, create a business environment for fair competition and healthy development, build a unified, open, competitive, and orderly market system, and achieve coordinated regional economic development.

Capital Market Regulatory Authorities. The results of the study can provide theoretical and data support for China Securities Regulatory Commission and governments at all levels in the formulation of

policies so as to create a constantly sound and perfect legal and market environment for the survival and development of enterprises.

Employees. With the increasing value of enterprises, employees can not only obtain an increase in income level, but also obtain more development opportunities, which is conducive to promote the realization of self-worth among employees.

Academe. The results could be used as the basis of universities and colleges in developing cases in good governance and financial management courses for use of both faculty and students in class instruction.

Future Researchers. Other researchers would gain significant benefits from this study because the methodology, findings, and conclusions in this study can be used as their bases when conducting similar or related studies in the future.

Scope and Limitation

This study, which aimed to determine the financial flexibility, corporate governance and enterprise value among A-share listed companies in China from 2011 to 2020, utilized the descriptive-correlational research design.

This study used secondary data which were taken from Wind and CSMAR databases. The subjects of this study were 365 A-share listed companies which were randomly selected from a population of 3,949 A-listed companies. The collected data were encoded and processed using the Stata 15.0. The encoded data were statistically treated to analyze the data using the appropriate statistical tools for Frequency Count, Percentage Analysis, Mean, Entropy Method and Inferential Statistics.

METHODOLOGY

Research Design

This study used descriptive-correlational research design. This research design is appropriate to be used to determine the relationship between financial flexibility, corporate governance, and enterprise value.

a population of 3,949 A-listed companies, using a sample size determination formula. A stratified random sampling method was also used to ensure that the industry involved in this study were proportionately represented as shown in Table.

Subjects of the Study

The subjects of this study were 365 A-share listed companies which were randomly selected from

Table 1
Distribution of Subjects by Industry

Industry Code	Industry	N	n	%
A	Agriculture, forestry, animal husbandry and fishery	39	4	1.10
B	Mining industry	72	7	1.92
C	Manufacturing industry	2,637	243	66.58
D	Electricity, heat, gas and water production and supply	114	10	2.74
E	Construction industry	96	9	2.47
F	Wholesale and retail	164	15	4.11
G	Transportation, warehousing and postal services	103	9	2.47
H	Hotel and catering sectors	7	1	0.27
I	Information transmission, software and information technology services	332	31	8.49
K	Real estate	106	10	2.74
L	Leasing and business services	55	5	1.37
M	Scientific research and technology services	62	6	1.64
N	Water conservancy, environment and public facilities management	74	7	1.92
O	Residential services, repairs and other services	1	0	0.00
P	Education	11	1	2.74
Q	Health and social work	10	1	2.74
R	Culture, sports and entertainment	56	5	1.37
S	Public administration, social security and social organization	10	1	2.74
Total		3,949	365	100

Data Gathering Procedure

This study used secondary data, which were collected from the Wind database and CSMAR database, with a sample size of 365 A-share listed companies in Shanghai and Shenzhen from 2011 to 2020.

Data-Processing and Analysis

Data were downloaded from the Wind and CSMAR database and sorted into panel data. The collected data was processed by EXCEL2016 and STATA15.0. Frequency Count, Percentage Analysis, Mean, Entropy Method and Inferential Statistics were used to analyze the data.

In this study, the entropy method is used to synthesize the Share Proportion of the Largest Shareholder, Equity Concentration, Separation of Two Rights, Board Size, Proportion of Independent Directors, Board Size, Shareholding Ratio of Senior Executives, and Executive Compensation into internal governance, and the three indicators of Degree of Government Intervention, Market Intermediary and Legal Service Level, and Marketization Process are synthesized into external governance.

RESULTS AND DISCUSSION

Descriptive Data Analysis

Financial flexibility

Table 2 describes financial flexibility in terms of cash flexibility, debt flexibility.

Cash Flexibility. Cash flexibility with a mean value of 0.004, indicating that the overall level of cash flexibility of Chinese A-share listed companies is not high and there are large differences in cash flexibility management among companies. This finding is consistent with Song (2021) and Jiang (2022). From frequency of cash flexibility, 1502 (60.13%) are low cash flexibility, 791 (31.67%) are moderate cash flexibility, 205 (8.21%) are high cash flexibility. This

finding is consistent with Song (2021) and Jiang (2022).

Debt Flexibility. The mean value of debt flexibility is 0.095, indicating that only some A-share listed companies reserve debt flexibility. From frequency of debt flexibility, 1708 (68.37%) are low debt flexibility, 547 (21.90%) are moderate debt flexibility, 243 (9.73%) are high debt flexibility, indicating that there are large differences in debt flexibility management among companies. And overall, the level of financial flexibility management among Chinese A-share listed companies is not high, and this finding is similar to the findings of Tian (2016) and Dai (2017).

Table 2

Frequency of Cash Flexibility, Debt Flexibility

Category	m	f	%
Cash Flexibility			
Low (-.219, 0.003)	0.004	1,502	60.13
Moderate (0.004, 0.225)		791	31.67
High (0.226, 0.448)		205	8.21
Debt Flexibility			
Low (0, 0.14)	0.095	1,708	68.37
Moderate (0.15, 0.28)		547	21.90
High (0.29, 0.42)		243	9.73

Corporate governance

Table 3 describes corporate governance in terms of CGI and CGE

Internal corporate governance. From frequency of internal corporate governance, 1655 (66.25%) are low internal governance, 819 (32.79%) are moderate internal governance, 24 (0.96%) are high internal governance. The mean value is 0.0004003, which means that more than half had low internal

governance This finding is consistent with Song (2021) and Jiang (2022).

External Governance. From frequency of external governance, 640 (25.62%) are low external governance, 1215 (48.64%) are moderate external governance, 643 (25.74%) are high external governance. The mean value is 0.0004003, indicating that nearly half of the enterprises had moderate external governance. This finding is consistent with Zheng (2016) and Xue (2022).

Table 3
Frequency of Internal Governance and External Governance

Category	m	f	%
Internal Governance			
Low (0.0001326, 0.0004569)		1655	66.25
Moderate (0.0004570, 0.0007812)	0.0004003	819	32.79
High (0.0007813, 0.0011055)		24	0.96
External Governance			
Low (0.000045, 0.0002761)		640	25.62
Moderate (0.0002762, 0.0005072)	0.0004003	1215	48.64
High (0.0005073, 0.0007383)		643	25.74

Enterprise value

Table 4 describes enterprise value in terms of Tobin's Q value, ROA and ROE.

Tobin's Q value. The mean value of Tobin's Q value is 2.6, which is greater than 1, indicating that Chinese A-share listed companies as a whole are able to achieve their asset preservation and appreciation goals. From the frequency of Tobin's Q Value, 2140 (85.67%) are low Tobin's Q Value, 280 (11.21%) are moderate Tobin's Q Value, 78 (3.12%) are high Tobin's Q Value. Overall, the market value of most Chinese A-share listings is low. This finding is consistent with the findings of Wu (2019) and Gu (2021).

Return on total assets (ROA). The mean value of return on total assets (ROA) is 0.045, indicating that the overall profitability of Chinese A-share listed

companies using all assets is not high. From the frequency of ROA, 8 (0.32%) are low ROA, 2449 (98.04%) are moderate ROA, 4 (1.64%) are high ROA, which indicates that almost all companies have moderate ROA, and this finding is consistent with the findings of Lin (2022), Wang (2022) are consistent.

Return on equity (ROE). The mean value of return on equity (ROE) is 0.074, indicating that the ability of Chinese A-share listed companies to obtain net income from their own capital is not high, as it is generally considered that a return on net assets of 15%-40% is more appropriate (Zhang, 2019). From the frequency of ROE, 56 (2.24%) are low ROE, 90 (3.60%) are moderate ROE, 2352 (94.16%) are high ROE, indicating that most companies have a high ROE, which is consistent with the findings of Song (2021), Wei (2021) and He (2022).

Table 4
Frequency of Tobin's Q Value, ROA and ROE

Category	Mean	f	%
Tobin's Q Value			
Low (.399, 4.276)		2140	85.67
Moderate (4.277,8.153)	2.6	280	11.21
High (8.154, 12.03)		78	3.12
Return on Total Assets			
Low (-1.005, -0.398)		8	0.32
Moderate (-0.397, 0.209)	0.045	2,449	98.04
High (0.210, 0.816)		4	1.64
Return on Equity			
Low (-.591, -.268)		56	2.24
Moderate (-.267, .055)	0.074	90	3.60
High (.056, .379)		2,352	94.16

Inferential Data Analysis

Relationship between Financial Flexibility and Enterprise Value

Relationship between Financial Flexibility and Enterprise Value. Table 4 showed the regression between financial flexibility and Tobin's Q value of Chinese A-share listed companies. The regression results (1) showed that the coefficient of cash flexibility was 0.849 and cash flexibility was positively correlated to Tobin's Q value at the level of 1%, indicating that cash flexibility has a positive role in promoting Tobin's Q value. This result was consistent the findings of Tang and Wang (2018). Regression results (2) show that the coefficient of debt flexibility was 2.460, and debt flexibility was

positively correlated to Tobin's Q value at the level of 1%, indicating that debt flexibility has a positive effect on Tobin's Q value. This result affirmed the findings of Chen (2020).

Relationship between Financial Flexibility and ROA. Table 4 shows the regression between financial flexibility and ROA. The coefficient of cash flexibility in regression results (3) was 0.0982. The cash flexibility was positively correlated to the ROA at the level of 1%, indicating that cash flexibility has a positive role in promoting the ROA. This finding was consistent with Yang (2017). Regression results (4) show that the coefficient of debt flexibility was 0.109. The debt flexibility was positively correlated to the ROA at the level of 1%, indicating that debt

flexibility has a positive role in promoting the ROA. This finding was consistent with Yang (2017).

Relationship between Financial Flexibility and ROE. Table 5 showed the regression between financial flexibility and ROE. The coefficient of cash flexibility indicated that the regression results (5) was 0.130. The cash flexibility was positively correlated to ROE at the level of 1%, indicating that

cash flexibility has a positive role in promoting ROE. This result supported the findings of Chen (2020). Regression results (6) showed that the coefficient of debt flexibility was 0.0892. The debt flexibility was positively correlated to ROE at the level of 5%, indicating that debt flexibility has a positive role in promoting ROE. This finding was consistent with Xu (2016).

Table 5
Relationship between Financial Flexibility and Enterprise Value

	(1) Tobin's Q Value	(2) Tobin's Q Value	(3) ROA	(4) ROA	(5) ROE	(6) ROE
Cash Flexibility	0.849*** (2.85)		0.0982*** (6.23)		0.130*** (5.14)	
Debt Flexibility		2.460*** (5.81)		0.109*** (4.80)		0.0892** (2.45)
_cons	2.419*** (25.59)	2.126*** (19.53)	0.0722*** (14.42)	0.0616*** (10.59)	0.123*** (15.31)	0.117*** (12.44)
N	2498	2498	2498	2498	2498	2498
R ²	0.236	0.245	0.062	0.056	0.053	0.044
adj. R ²	0.101	0.112	-0.103	-0.111	-0.114	-0.124

t statistics in parentheses; * p < 0.1, ** p < 0.05, *** p < 0.01

Relationship between Corporate Governance and Enterprise Value

Relationship between Corporate Governance and Tobin's Q Value. Table 6 showed that coefficient in regression results (1) was not significant, indicating that there was no significant relationship between internal governance and Tobin's Q value. As Shang and Wang (2014) pointed out, the internal governance has a negative impact on enterprise value Tobin's Q. Regression results (2) showed that the regression coefficient was not significant. This implied that there was no significant correlation between external governance and Tobin's Q value. Tan et al. (2011) pointed out that external governance has a significant impact on Tobin's Q value.

Relationship between Corporate Governance and ROA. Table 5 showed the regression coefficient between internal governance and ROA in regression results (3) was not significant, indicating that there was no significant correlation between internal

governance and ROA. As Ye (2021) pointed out, there was a significant positive correlation between internal governance and ROA. Regression results (4) showed that the coefficient of external governance was 116.4. The external governance was positively correlated with ROA at the level of 1%, indicating that external governance has a positive role in promoting the ROA. This research finding was contrary to Zheng (2016).

Relationship between Corporate Governance and ROE. Table 5 showed that the coefficient between internal governance and ROE in regression (5) was 48.21. The internal governance was positively correlated to ROE at the level of 10%, indicating that internal governance has a positive role in promoting ROE, which was consistent with Wei (2021). Regression results (6) showed that the regression coefficient between external governance and ROE was 153.6, indicating that external governance has a positive role in promoting ROE. This finding was consistent with Qin (2012).

Table 6
Relationship between Corporate Governance and Enterprise Value

	(1) Tobin's Q Value	(2) Tobin's Q Value	(3) ROA	(4) ROA	(5) ROE	(6) ROE
Internal Governance	91.75 (0.31)		20.48 (1.31)		48.21* (1.92)	
External Governance		850.6 (1.06)		116.4*** (2.72)		153.6** (2.23)
_cons	2.413*** (15.49)	2.210*** (8.95)	0.0674*** (8.11)	0.0430*** (3.26)	0.108*** (8.11)	0.0848*** (4.01)
N	2498	2498	2498	2498	2498	2498
R ²	0.233	0.233	0.046	0.049	0.043	0.044
adj. R ²	0.098	0.098	-0.122	-0.119	-0.126	-0.125

t statistics in parentheses; * p < 0.1, ** p < 0.05, *** p < 0.01

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The overall level of financial flexibility was not high. Specifically, cash flexibility cash flexibility level was not high, and only some A-share listed companies reserve debt flexibility.

2. In terms of corporate governance, more than half had low internal governance, and nearly half of the enterprises had moderate external governance.

3. Based on Tobin's Q value, Chinese A-share listed companies, taken as an entire group, implied that the companies were able to achieve their asset preservation and appreciation goals. However, the overall, the market value of most Chinese A-share listings was low. In terms of ROA, the overall profitability of Chinese A-share listed companies was not high, of which majority had moderate ROA. The ROE was not high but most companies registered high ROE.

4. The financial flexibility has a positive promoting effect on enterprise value, and the improvement of financial flexibility is conducive to the improvement of enterprise value of Chinese A-share listed companies.

5. The external governance has a positive contribution to ROA and ROE, while internal governance has a positive contribution to ROE. The improvement of the external governance environment is conducive to the improvement of ROA and ROE; hence, as the level of internal governance improves, the ROE also increases accordingly.

Recommendations

Based on the above findings and conclusions, relevant policy suggestions are advanced:

For Chinese A-share listed companies. The financial flexibility and corporate governance can be improved based on the following recommendations with the end in view of enhancing enterprise value.

In the face of the larger external financing constraints in the new economic normal period and the transformation process of "de-capacity", "de-leveraging" and "de-inventory". The Chinese A-share listed companies should enhance the awareness of financial flexibility reserve, establish the concept of moderate reserve financial flexibility, and maintain a moderate flexibility structure by fully considering the strategic objectives of the enterprise and the actual needs of the enterprise when reserving financial flexibility. In addition, enterprises can obtain excess cash holdings through improving operational efficiency and strengthening asset management, as well as good corporate credit to obtain residual debt raising capacity. The financial flexibility structure and the level of flexible holdings should be adjusted in a timely manner according to the changes in the internal and external environment of the enterprise, especially the reserve of debt flexibility should be

highly concerned in order to avoid the cost pressure brought by high holdings for the enterprise.

The Chinese A-share listed companies should improve corporate governance with emphasis on equity checks and balances to prevent excessive concentration, strengthen the checks and balances of other major shareholders on the first major shareholders, and protect the interests of small and medium-sized shareholders. The enterprise should improve the separation system of two rights, and should eliminate the situation wherein the owner of the company concurrently serves as the general manager. Although independent directors comply with relevant laws and regulations, when selecting independent directors, they must fully consider their professional level, ability to perform their duties and the pertinence to the needs of the company, strengthen the information disclosure of independent directors and controlling shareholders of the company and other stakeholders, and enhance complete independence through involvement of more independent directors to ensure that independent directors can fully play their due role in corporate governance. The size of the board of supervisors shall comply with the provisions of the Company Law, shall maintain independence and professionalism, and shall supervise the enterprise's behavior on behalf of different interested groups, and shall safeguard the legitimate rights and interests of the shareholders of the company. It is also recommended to improve the incentive mechanism for senior executives so as to improve their enthusiasm for work, and shall make sound decisions from the perspective of profit maximization. The company's long-term operating performance can be improved through enhancement of executive compensation package and incentives to encourage executives to work hard to create higher enterprise value so as to avoid the short-sighted behavior among executives. The enterprises can implement equity incentive system, appropriately give enterprise managers to avail of virtual stocks and stock options with the mutual obligation in sharing enterprise risks, improve managers' income so as to encourage them to work hard for the common good, improve the company's operating efficiency, and promote the improvement of enterprise value.

For Local Government. There should be close coordination between the local government and the Chinese A-share listed companies to promote the decentralization, decentralization, and optimization of services, optimize and improve marketization process and exit policies in all aspects, reduce systemic transaction costs, innovate supervision methods and minimize government intervention in enterprises in order to maximize market vitality and

social creativity and create a business environment of fair competition and healthy development for Chinese A-share listed companies. In response to the current situation of unbalanced regional economic development, the Yangtze River economy is required to drive the central and western parts of the country to optimize industrial structure, accelerate the transformation of economic development and change growth momentum. Strengthen the orderly transfer of industries in the east, central and West so that the eastern region can rely on location, technology, industrial advantages, targeting the key areas of world economic development, and actively participate in global economic competition. The central and western regions can actively undertake the transfer of industries in the eastern region, shut down backward production capacity elimination, forcing industrial transformation and upgrading and high-quality development. Efforts should be encouraged to break down regional market barriers, smooth the free flow of labor, capital, technology and other factors between regions, optimize the allocation of channels, accelerate the construction of a unified and open, competitive and orderly market system, and gradually narrow the gap between regional economic developments, to achieve coordinated regional economic development. Through the joint efforts of the government, market intermediaries, legal service institutions and enterprises, creation of good external environment for the development of Chinese A-share listed companies can be made possible so as to promote improvement of their enterprise value.

For Capital Market Regulators. A capital market should be enhanced to provide a broader and fairer financing platform for China's listed companies. The national financial institutions should continue to promote a number of financial reforms in parallel, such as inclusive finance, green finance, and science and innovation finance, expand the coverage of digital inclusion to improve the financial service network, and increase the accessibility of inclusive finance to meet the diversified financial needs of Chinese A-share listed companies in order to improve the efficiency of debt financing of companies, which in turn, will help to enhance the value of enterprises.

For Employees. With the improvement of their financial flexibility, corporate governance and enterprise value, the employees will not only gain the increase of family wealth but also obtain more

growth opportunities. The company needs to define different sequences of position qualifications, integrate the long-term development vision of the company and personal career goals, design a clear and fair career development channel for employees, and combine with employee training and performance management to form a talent echelon construction plan, improve employees' sense of belonging to the company, reduce employee turnover rate, and achieve sustainable development of human resources. In addition, enterprises can also provide more training opportunities for employees, employees should also actively participate in various vocational skills and professional knowledge training, in order to have the corresponding professional behavior ability. Enterprises should also strengthen the professional behavior of employees, and employees themselves need to regulate their own behavior in accordance with corporate management requirements to promote the realization of business operation processes, so as to improve the operational performance of enterprises and promote corporate profitability, ultimately leading to the improvement of the enterprise value.

For researchers. The results of this study will expand the research perspective of factors affecting enterprise value and enrich the relevant research on financial flexibility, corporate governance and enterprise value. Subsequent researchers can read this dissertation to understand and learn from the research background, research objectives, theoretical framework, research significance, research design, research methods, etc., in this research field. It lays a good research idea and literature foundation for its in-depth study.

For the Academe. Universities and colleges in China and the Philippines can use the results of this study as a case study for classroom discussions in financial management courses. Studies on the sources and measures of financial flexibility and its economic consequences, the components and functions of internal and external corporate governance, the relationship between financial flexibility, corporate governance and firm value, and the significant differences on financial flexibility, corporate governance and firm value when classified according to the nature of the firm can enrich classroom cases and make financial management classroom teaching more lively.

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