

The Impact of Executive Team's Academic Background on Corporate ESG Performance

Zhengyang Qi

Southeast University, Nanjing, China

2397426368@qq.com

Abstract. The ESG (Environmental, Social, and Governance) has become a significant metric for assessing a company's long-term value and its capacity for sustainable development. This study examines the impact of executive team academic backgrounds on corporate ESG performance using data from 26,400 China's A-share listed firms from 2008 to 2022. The findings reveal a positive correlation between the academic background of the executive team and corporate ESG performance. The enhancing effect of the executive team's academic background on corporate ESG performance is more pronounced in firms with low auditing quality and in non-state-owned enterprises. The study provides insights for companies aiming to improve their environmental standards, fulfill social responsibilities, and enhance corporate governance.

Keywords: ESG Performance; Executive Team; Academic Background; Corporate Sustainability; Social Responsibilities; Corporate Governance; Auditing Quality; Non-State-Owned Enterprises.

1. Introduction

The concept of ESG (Environmental, Social, and Governance) was first introduced in the 2004 report "Who Cares Wins" by the United Nations, representing the initials of the three key areas of environmental, social, and governance. The ESG philosophy is a developmental perspective that seeks to unify economic value with social value. It promotes corporate adaptation to economic globalization and sustainable development by focusing on a company's non-financial returns and stakeholder value (Leins, 2020). On June 26, 2023, the International Sustainability Standards Board (ISSB) officially released two disclosure standards, which provide a framework for regulatory authorities across various countries and regions to establish disclosure standards. As the concept of sustainable development has become more deeply ingrained, ESG has gradually emerged as a significant metric for assessing a company's long-term value and its capacity for sustainable development. How to enhance one's ESG performance and formulate corporate strategies to survive in future competition has become a significant concern for businesses.

Currently, a substantial body of scholarly research has examined the economic consequences of corporate Environmental, Social, and Governance (ESG) performance. Robust ESG performance has been shown to enhance corporate performance by bolstering innovation capabilities (Zhang Q et al., 2020), improving investment efficiency (Anwar and Malik, 2020), and reducing investment and financial risks (Broadstock et al., 2021). Consequently, in the context of the growing prominence of ESG principles, it is imperative to explore the determinants that influence a company's ESG performance.

At present, most academic research considers the impact of external factors such as government supervision (Wu Z et al., 2022) and financial pressure (Mu W et al., 2023), as well as internal factors like the circumstances of block institutional shareholders (Cheng et al., 2022) and the characteristics of the Chief Executive Officer (Garcia-Blandon et al., 2019) on corporate ESG performance. There is a relative scarcity of studies that investigate the influence of executive team background characteristics on corporate ESG performance from the perspective of the executive team's profile.

Corporate executives are pivotal decision-makers in strategic planning and policy formulation, exerting a profound influence on the routine operational and managerial activities of a company. An

extensive body of scholarly research has already explored the impact of executive team background characteristics on corporate behavior. Studies have delved into various aspects such as executive gender (Huang and Kisgen, 2013) and formative experiences (Bernile et al., 2017), with less emphasis on the relationship between the academic background of executives and corporate ESG performance. Given that the executive team is instrumental in crafting corporate decisions, the question arises: What influence does the academic background of its members have on the company's ESG performance?

To address this issue, this study examines the impact of executive team academic backgrounds on corporate ESG performance using data from 26,400 listed companies on the Shanghai and Shenzhen A-share markets in China from 2008 to 2022. The findings reveal a positive correlation between the academic background of the executive team and corporate ESG performance. This positive relationship holds true after a series of robustness tests have been conducted to validate the results. To deepen the analysis, the study further categorizes the sample based on whether the companies are audited by one of the "Big Four" accounting firms and by the nature of their ownership. The results indicate that the enhancing effect of the executive team's academic background on corporate ESG performance is more pronounced in companies not audited by the "Big Four" accounting firms and in non-state-owned enterprises.

This paper contributes to the literature by: 1) enriching research on the economic impact of the executive team's academic background, specifically on corporate ESG performance; 2) expanding understanding of the determinants of ESG performance, offering insights to companies looking to elevate their environmental, social, and governance standards; and 3) providing a theoretical basis for building executive teams and practical guidance for enhancing ESG performance and policy development, in line with growing stakeholder expectations.

The remainder of this paper is organized as follows: The second section presents a literature review, the third section provides theoretical analysis and research hypotheses, the fourth section details the data and research design, the fifth section discusses the empirical results, the sixth section conducts robustness checks, the seventh section presents further research with subgroup discussions, and the eighth section concludes the study with policy implications and acknowledges the limitations.

2. Literature Review

2.1. Research on Corporate ESG Performance

As the ESG (Environmental, Social, and Governance) concept continues to evolve, its importance within corporations is steadily rising, gradually becoming a focal issue in the realms of social, financial, and management research. Scholars both domestically and internationally have conducted extensive research on the economic consequences of corporate ESG performance. Zhang Q et al. (2020), based on 433 observations from the Shanghai and Shenzhen stock markets in China from 2007 to 2017, found that corporate ESG initiatives have a direct positive impact on innovation performance. Anwar and Malik (2020) demonstrated that high-quality disclosure of a company's involvement in social responsibility activities can improve investment efficiency, increasing their chances of being part of an investment-efficient group. Broadstock et al. (2021) found that during the global market financial crisis of the COVID-19 pandemic, corporate ESG performance can mitigate financial risks associated with the crisis.

Additionally, while scholars have explored the economic consequences of corporate ESG performance, there is a scarcity of research on the antecedents of corporate ESG performance. Summarizing the current scholarly research on factors influencing corporate ESG performance, the main determinants can be categorized into external and internal factors. In terms of external factors, the study by Wang et al. (2022) indicates that central environmental protection inspections, where companies are under government supervision, can significantly enhance ESG performance. Mu W et al. (2023) found that digital finance positively impacts corporate ESG performance by alleviating

financial constraints on companies. Regarding internal factors, Cheng et al. (2022) demonstrated that there is a negative correlation between block institutional shareholding and a company's ESG performance. Garcia-Blandon (2019) examined the relationship between CEO characteristics and company performance, finding that CEOs with engineering backgrounds tend to have better ESG performance.

2.2. Research on the Academic Background of Executive Teams

The academic background of executive teams, as an important aspect of executive characteristics, has also been the subject of extensive research on its economic outcomes. Jiang and Murphy (2007) found that executives with academic backgrounds from business schools can apply their solid theoretical knowledge to practice, making more accurate and effective business decisions, thereby significantly enhancing company performance. Cho C H et al. (2017), examining CSR (Corporate Social Responsibility) performance ratings, found that companies with directors who hold professorships perform better in CSR ratings than those without such academic positions. However, there are still gaps in research regarding the relationship between the academic background of executive teams and corporate ESG performance. As a comprehensive evaluation index for a company's non-financial performance, does the academic background of executive teams have an impact on the ESG practices of state-owned enterprises? To address this question, this paper proposes to conduct an empirical analysis to explore the issue in depth.

3. Theoretical Analysis and Research Hypothesis

Based on the Upper Echelons theory, the demographic characteristics of executives, such as age, occupation, and educational level, significantly influence strategic decision-making (Hambrick and Mason, 1984). Managers with specific work backgrounds are greatly shaped by their past learning or work experiences, which form their thinking patterns. When making management decisions, they often rely on their previous experiences to analyze and interpret information. The imprinting theory posits that the cognition and habits imprinted by organizations and environments will continue to influence an individual's future behavior, akin to a mark that is carried from one organization to another (Marquis and Tilcsik, 2013). Therefore, the specific impact of scholar-executives on corporate management practices depends on the "imprint" characteristics they have developed in academic settings.

Academic and scientific research work profoundly influences the development of society as a whole, which implies that in addition to fulfilling their professional duties, scholars are expected to embody the virtues of dedication and a commitment to serving society in their work and daily lives. Therefore, experiences in academic positions and engagement in scientific research not only equip executives with an academic background with a rich reservoir of knowledge but also instill moral concepts that integrate into their character. This contributes to shaping their ethical integrity and awareness of social responsibility (Bowman R F, 2005). This "moral cognitive imprint" is not easily erased and even when scholars transition into corporate management, they adhere to these ethical standards in organizational governance and decision-making. They actively fulfill environmental and social responsibilities and enhance the level of corporate governance, forming an intrinsic driving force for improving corporate ESG performance.

Therefore, we propose the following hypothesis:

H1: There is a positive correlation between executives' academic experience and corporate ESG performance.

4. Research Design and Data

4.1. Sample Selection and Data Sources

The sample companies for this study are selected from Chinese A-share listed companies on the Shanghai and Shenzhen stock exchanges between 2008 and 2022. The ESG rating data are sourced from the Hua Zheng ESG rating of Wind Database, while the background information of the executive team and the company's financial data are obtained from China Stock Market and Accounting Research Database (CSMAR), a centralized repository concentrating on the Chinese economy and finance. Based on this, the initial data were processed as follows: (1) Companies designated as ST or ST* were excluded; (2) Given the differences in financial reporting items and accounting subjects between the financial sector and real estate and other industries, samples from the financial and real estate sectors were excluded; (3) Samples with missing data on the academic background of the executive team and related control variables were removed. Ultimately, a total of 26,400 sample observations were obtained. We “winsorized” continuous variables at the 1% levels to reduce bias from outliers or extreme values.

4.2. Variable Definitions

4.2.1. Dependent Variable

The dependent variable represents the corporate ESG performance. Drawing from the research of Mu W et al. (2023), this study employs the Hua Zheng ESG rating to measure corporate ESG performance. Since 2009, Hua Zheng ESG rating has been comprehensively evaluating and ranking A-share companies in China on their environmental, social, and governance performance, providing corresponding rating scores. Overall, this index has three main advantages over other domestic ESG rating data: localization, coverage, and timeliness.

Specifically, the ratings are ranked from low to high as follows: C, CC, CCC, B, BB, BBB, A, AA, and AAA. The corresponding scores use 60 points as the passing mark, with higher scores indicating better ESG performance by the company. This paper utilizes the Hua Zheng ESG comprehensive score to construct the dependent variable.

4.2.2. Independent Variable

"Academic" represents the academic background of the executive team. Referring to the study by Francis et al. (2015), this paper defines the academic background of the executive team as the proportion of executives with an academic background out of the total number of executives. The executive team refers to senior management personnel who are directly involved in the company's operational decision-making, excluding board members. This includes the company's general manager, president, CEO, deputy general manager, vice president, and other executives listed in the annual report. An executive with an academic background is defined as someone who has had a position at a university, a research institution, or has been engaged in research at an association in the past or currently.

4.2.3. Control Variables

This study primarily explores the mechanism by which the overseas experience of executive teams influences corporate ESG performance, thus focusing on controlling for internal corporate factors. Drawing from the research by Velte P (2017), this paper includes firm size (Size) as a control variable. Referring to the study by Zhang Q et al. (2020), this paper controls for the return on total assets (ROA) as a variable. Following the research by Zahid et al. (2023), this paper also controls for board size (Boardsize) and the dual CEO-chairman role (Dual). For variables such as the asset-liability ratio (Lev), board independence (Indr), listing age (Age), and equity balance (Balance), this paper refers to the research by Mu W et al. (2023).

The definitions of each variable in this paper are as shown in Table 1.

Table 1. Variable definitions and measures

Type	Name	Symbol	Explanation
Dependent variables	Corporate ESG performance	ESG _{hz}	The nine grades of C-AAA are assigned to 1–9 successively
Independent variables	Top management team academic background	Academic	the ratio of academic directors to the board size
Control variables	Firm size	Size	Natural logarithm of total assets
	Return on assets	ROA	the ratio of net income to total assets
	Asset liability ratio	Lev	The ratio of total liabilities to total assets
	Board size	Boardsize	Natural logarithm of the number of directors on the board
	Independent boards	Indr	The ratio of independent directors to directors
	Firm age	Age	The firm age
	CEO duality	Dual	A dummy variable = 1 if CEO serves as the chairman of the board
	Equity balance	Balance	The ratio of shareholding ratio of the 2 nd largest shareholder to shareholding ratio of the first largest shareholder

4.3. Model Specification

To test the hypotheses, this paper constructs the following model:

$$ESG_{hz} = a_0 + a_1 Academic_{i,t} + a_2 Controls_{i,t} + \varepsilon_{i,t}$$

Here, $Academic_{i,t}$ represents the independent variable of the executive team's academic background, ESG_{hz} denotes the dependent variable of corporate ESG performance, i represents the individual firm, and t represents the year. Additionally, $Controls_{i,t}$ refers to a series of control variables used in this study's model, including firm size, return on total assets (ROA), asset-liability ratio (Lev), board size (Boardsize), board independence (Indr), listing age (Age), the dual CEO-chairman role (Dual), and equity balance (Balance). $\varepsilon_{i,t}$ is the stochastic disturbance term, representing other factors not included in the aforementioned model that may affect corporate ESG performance.

5. Empirical Results

5.1. Descriptive Statistics

This study presents the descriptive statistics for the variables in Table 2. In terms of corporate ESG performance (ESG_{hz}) across all samples, the mean is 3.7858 with a standard deviation of 1.5422, indicating a significant variation in ESG performance among different companies within the sample data. The mean of the executive team's academic background (Academic) is 0.1998, the median is 0.1875, the minimum is 0.0000, and the maximum is 0.5417, with a standard deviation of 0.1132. This suggests that executives with an academic background are still a minority in the companies within the sample data, with an average proportion of approximately 19.98%. The descriptive statistics for the other control variables are also reasonably presented.

Table 2. Results of descriptive statistical analysis

Variable	N	Mean	SD	Min	p25	p50	p75	Max
ESGhz	26,400	3.7858	1.5422	0.0000	3.0000	4.0000	5.0000	8.0000
Academic	26,400	0.1998	0.1132	0.0000	0.1200	0.1875	0.2667	0.5417
Size	26,400	22.2624	1.3179	19.8309	21.3246	22.0859	23.0075	26.3116
ROA	26,400	0.0356	0.0660	-0.2918	0.0135	0.0365	0.0661	0.2002
Lev	26,400	0.4412	0.2039	0.0586	0.2819	0.4378	0.5931	0.8964
Boardsize	26,400	8.5963	1.7071	5.0000	7.0000	9.0000	9.0000	15.0000
Indr	26,400	0.3751	0.0534	0.3333	0.3333	0.3529	0.4286	0.5714
Age	26,400	18.4708	5.8537	6.0000	14.0000	18.0000	22.0000	33.0000
Dual	26,400	0.2793	0.4487	0.0000	0.0000	0.0000	1.0000	1.0000
Balance	26,400	0.7094	0.5836	0.0271	0.2484	0.5531	1.0217	2.6689

5.2. Correlation Analysis

Following the aforementioned descriptive statistics, to avoid bias, this study conducts a Pearson correlation analysis on the main variables, as shown in Table 3. The data in the lower left portion of the diagonal represents the Pearson correlation coefficients. The results indicate a significant positive correlation between the executive team's academic background (Academic) and corporate ESG performance (ESGhz). A higher proportion of executives with an academic background within the executive team is associated with a higher level of ESG management, providing preliminary support for Hypothesis H1. Additionally, the correlation coefficients between the variables do not exceed 0.8, suggesting that there is no severe multicollinearity issue.

Table 3. Correlation analysis of major variables

Variables	ESGhz	Academic	Size	ROA	Lev	Boardsize	Indr	Age	Dual	Balance
ESGhz	1									
Academic	0.117***	1								
Size	0.204***	0.001	1							
ROA	0.207***	0.058***	0.025***	1						
Lev	-0.101***	-0.106***	0.475***	-0.354***	1					
Boardsize	-0.003	-0.011*	0.251***	0.027***	-0.147***	1				
Indr	0.065***	0.056***	0.023***	-0.026***	-0.007	-0.483***	1			
Age	0.072***	-0.021***	0.218***	-0.100***	0.159***	0.004	-0.009	1		
Dual	0.001	0.082***	-0.163***	0.029***	-0.144***	-0.184***	0.113***	-0.080***	1	
Balance	0.014**	0.080***	-0.088***	-0.012**	-0.136***	-0.001	-0.022***	0.006	0.052***	1

Note: *** indicate a notable level of significance at 1%, and the values in parentheses are robust standard errors

5.3. Regression Analysis

This paper first tests Hypothesis H1 by conducting a regression analysis on the executive team's academic background (Academic) and corporate ESG performance (ESGhz) across all samples. The results are presented in Table 4. Column (1) shows the regression results without the inclusion of control variables and without controlling for industry and year effects. Column (2) presents the results with control variables included but without controlling for industry and year effects. Column (3) displays the regression results with control variables included and with industry and year effects controlled for. From Column (1) of Table 4, the coefficient for the variable Academic is 1.5932, which is significant at the 1% level. This preliminary result indicates a significant positive correlation between the executive team's academic background and corporate ESG performance. The results in

Columns (2) and (3) are consistent with Column (1). After controlling for year and industry effects and including control variables, the coefficient for Academic is 0.7201, which remains significantly positive at the 1% level. These findings suggest that the higher the proportion of members with an academic background in the executive team, the higher the level of corporate ESG performance. In summary, Hypothesis H1 proposed in this paper is validated.

Table 4. Regression results

Variables	(1)	(2)	(3)
	ESGhz	ESGhz	ESGhz
Academic	1.5932*** (19.69)	1.1849*** (15.28)	0.7201*** (10.52)
Size		0.3279*** (37.78)	1.2693*** (33.26)
ROA		3.2576*** (20.52)	3.5464*** (24.01)
Lev		-1.3482*** (-23.88)	-0.9693*** (-187.21)
Boardsize		-0.0266*** (-3.90)	0.0235*** (4.03)
Indr		1.2287*** (6.05)	1.6389*** (9.44)
Age		0.0148*** (9.24)	-0.0104*** (-6.64)
Dual		0.0118 (0.59)	-0.0952*** (-5.25)
Balance		0.0259* (1.70)	-0.0354*** (-2.63)
Constant	3.4675*** (176.52)	-3.7977*** (-19.64)	-6.4892*** (-34.28)
Observations	26,400	26,400	26,400
R^2	0.0137	0.1212	0.3445

Note: *** indicate a notable level of significance at 1%, and the values in parentheses are robust standard errors.

6. Robustness Test

6.1. Alternative Measurement of the Dependent Variable

The diversity in the measurement of variables can also lead to variations in empirical results. Therefore, to test the reliability of the positive relationship between the academic background of the executive team and corporate ESG performance, this paper, following the approach of Deng et al. (2019), uses the ESG performance ratings from SynTao Green to replace the dependent variable for robustness testing, denoted as *ESGsd*. The analysis reveals that the variable representing the academic background of the executive team, denoted as Academic, is positively associated with the ESG performance of firms, as indicated by the variable *ESGsd*. Although the detailed tabulation of the

results is not included due to space limitations, the untabulated results highlight that the regression coefficient for Academic is consistently significant at the 1% level across all specifications. This confirms Hypothesis H1, which proposes a positive relationship between the academic background of executives and their company's ESG performance.

6.2. Lagging the Independent Variable

The regression analysis discussed earlier indicated a correlation between the proportion of executives with an academic background on the executive team and the elevated levels of corporate ESG performance. Acknowledging the potential cognitive lag effect of the executive team on corporate decision-making, which could influence ESG performance with a certain delay (Levy, 2005), this paper revisits the analysis with a focus on the lagged impact of academic background on ESG performance. Specifically, the executive team's academic background is considered with a one-period lag (L.Academic) and a two-period lag (L2.Academic) as independent variables. While the detailed table presenting these results is not included here due to space constraints, the untabulated results demonstrate that both L. Academic and L2.Academic yield significant positive coefficients at the 1% level. This suggests a persistent and long-term influence of the executive team's academic qualifications on the enhancement of corporate ESG performance, thereby reinforcing the consistency of the research findings previously discussed.

6.3. Individual Fixed Effects

The model may contain unobservable factors that are also invariant over time, which can influence a company's social responsibility behavior, thereby affecting ESG performance (Lee D, 2020; Graham J R, et al., 2022). To address this issue, this paper incorporates individual fixed effects to control for unique characteristics at the individual company level that do not change over time. The untabulated results, which are not presented here due to space limitations, indicate that when individual fixed effects are incorporated into the model, the variable Academic—representing the academic background of the executive team—retains its statistical significance at the 1% level with a positive coefficient. This outcome is consistent across various specifications, reinforcing the robustness of the research findings and suggesting that the academic background of executives has a consistently positive impact on corporate ESG performance.

7. Further Research

7.1. Big Four Auditing Firms

De Fond and Jiambalvo (1993) found that the Big Four are more independent, and companies audited by the Big Four have higher financial reporting quality and a lower probability of engaging in misconduct and fraud. Considering the influence of the Big Four accounting firms on corporate disclosure practices, this paper, following Becker et al. (1998), divides the research samples based on whether the auditors are from one of the Big Four firms.

The results are shown in Table 5, columns (1) and (2). When the auditor is not from the Big Four, the estimated coefficient for ESG_{it} is significantly positive at the 1% level, while the other is not, indicating that the characteristic of executives' academic background has a significant positive driving effect on the ESG performance of companies audited by non-Big Four personnel, with no significant effect on the other group. This suggests that the Big Four's strong oversight role in corporate disclosure practices can to some extent maintain a company's proactive approach to fulfilling environmental and social responsibilities and improving corporate governance standards, making the impact of executives' academic background characteristics relatively less pronounced.

Table 5. Further Research on Big Four Auditing

Variables	(1)	(2)
	non-Big Four auditors ESGhz	Big Four auditors ESGhz
Academic	0.7240*** (4.78)	0.1467 (0.26)
Size	0.2594*** (12.52)	0.2955*** (5.94)
ROA	3.6088*** (16.46)	2.8217*** (3.30)
Lev	-0.9828*** (-9.25)	-0.2924 (-0.70)
Boardsize	0.0240* (1.73)	0.0119 (0.39)
Indr	1.5802*** (4.16)	1.7766 (1.52)
Age	-0.0123*** (-3.30)	0.0236** (1.97)
Dual	-0.0995*** (-2.93)	-0.1166 (-0.95)
Balance	-0.0455 (-1.53)	0.1102 (1.09)
Constant	-6.1559*** (-12.11)	-10.5138*** (-11.62)
Observations	24,634	1,766
R^2	0.3341	0.5059

Note: *** indicate a notable level of significance at 1%, and the values in parentheses are robust standard errors.

7.2. Property Rights Nature

Differences in the ownership structure of enterprises can lead to various impacts. Against this backdrop, this paper will explore whether there are differences in the impact of executives' academic background on corporate ESG performance across enterprises with different ownership structures. Referring to the research by Zahid et al. (2023), this paper divides the research samples according to the property rights nature and conducts regression analysis.

The results are shown in Table 6, columns (1) and (2). When the enterprise is a non-state-owned enterprise, the estimated coefficient for ESGhz is significantly positive at the 1% level. When the enterprise is a state-owned enterprise, the estimated coefficient for ESGhz is also significantly positive at the 1% level. However, the regression coefficient for the Academic variable is 0.8210 for non-state-owned enterprises, which is larger than the coefficient of 0.6387 for state-owned enterprises. This suggests that the characteristic of executives' academic background has a more significant impact on the ESG performance of non-state-owned enterprises compared to state-owned enterprises.

Table 6. Further Research on the Nature of Property Rights

Variables	(1)	(2)
	non-SOEs ESGhz	SOEs ESGhz
Academic	0.8210*** (9.83)	0.6387*** (5.61)
Size	0.2282*** (18.42)	0.2679*** (23.70)
ROA	3.8008*** (21.76)	2.7127*** (10.20)
Lev	-1.0794*** (-15.79)	-0.7749*** (-9.24)
Boardsize	0.0133 (1.45)	-0.0009 (-0.12)
Indr	1.2414*** (5.19)	1.7932*** (7.13)
Age	-0.0148*** (-7.49)	-0.0102*** (-3.89)
Dual	-0.0564*** (-2.72)	0.0047 (0.14)
Balance	0.0256 (0.157)	-0.0125 (-0.51)
Constant	-5.0189*** (-17.01)	-6.5784*** (-25.46)
Observations	17,199	9,201
R^2	0.2744	0.5157

Note: *** indicate a notable level of significance at 1%, and the values in parentheses are robust standard errors.

8. Research Conclusion

As the ESG concept continues to gain global traction, an increasing number of companies are recognizing the benefits of ESG principles and are striving to enhance their ESG performance. There is a scarcity of research on the determinants of ESG performance. This study uses a sample of 26,400 companies listed on the Shanghai and Shenzhen A-share markets in China from 2008 to 2022, focusing on the academic background within executive characteristics, to empirically investigate the impact of the executive team's academic background on corporate ESG performance. The findings reveal that the academic background of the executive team can improve a company's ESG performance. Given the significant influence of the "Big Four" accounting firms on corporate disclosure practices, this paper further explores the quality of audits and finds that among companies audited by non-Big Four firms, the academic background of the executive team has a more pronounced effect on enhancing corporate ESG performance. Additionally, considering the differences in talent acquisition between state-owned and non-state-owned enterprises, this study

discovers that in non-state-owned enterprises, the academic background of the executive team has a more significant effect on the improvement of ESG performance.

The contributions of this paper are threefold: First, this paper focuses on the comprehensive evaluation indicator of corporate ESG performance, enriching the research on the economic consequences of the executive team's academic background. Second, this paper empirically tests the positive impact of the executive team's academic background on corporate ESG performance, filling a gap in this area of research. Third, this paper provides insights for corporate managers, investors, and regulatory authorities. From a management perspective, the study suggests that CEOs and managers should place greater emphasis on the academic background of the executive team, selecting individuals with academic experience for corporate management positions, and constructing a well-structured management team to enhance ESG performance. This is especially true for companies with lower audit quality and non-state-owned enterprises, where the benefits of enhancing academic backgrounds will be more efficient and evident.

The potential limitations of this paper are as follows: Firstly, this study measures corporate ESG performance using the ratings from Hua Zheng, which, despite its commendable depth and breadth, may vary in representation due to differences in rating standards across institutions. Although this paper also conducts robustness tests using the ESG ratings from SynTao Green, the range of measurement methods is limited by time and data availability constraints. Future research should rely on more refined assessment tools to obtain more reliable research conclusions. Secondly, the sample data in this paper are solely from the Chinese market, which presents regional limitations. Future research should consider other countries with different social contexts or design cross-national comparative analyses.

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