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Effect of personal histories of top executives and company headquarters geographical relationship on corporate performance: Empirical study from China

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Abstract: This paper analyses wherever top executives were born and wherever they attended university to reveal regional groupings of the executives that form company culture and strategy in China and the mechanisms by which they affect corporate performance. It was found that the personal histories of top executives affect their decision-making orientation, and, in turn, company culture. The personal histories of executives and intra-regional, intra-provincial and intra-city links of corporate headquarters were obvious factors for executive selection. Distances were higher, and percentages of intra-regional links were lower for higher profit and growth companies. This shows that more competitive companies are more likely to hire executives who have lived in different regions or institutions in their lifetimes and university educations. The study concludes that Chinese firms' key choices are influenced, in part, by external geographic factors way more advanced than the self-operation of individual enterprises.

Keywords: executive personal histories; enterprise geography; corporate culture geography; China

1. Introduction

China's economy has undergone a metamorphosis from high-speed development to high-quality development. The fierce competition within the market and therefore the structural adjustment of the economy has made the development of enterprises face greater pressure for survival and development. As the key survival and development goal of enterprises, performance has become the research object of many scholars, including geographers. The existing research literature on the study of the linkage between corporate culture and corporate performance, especially the study of individual characteristics of executives that influence corporate culture, is one of the hot topics in corporate performance research (Chandler, 1962; Domhoff, 2010; Drucker, 1946). Studying the relationship between executives' personal histories and the location of the headquarters is of great significance, which is of great significance to understanding the corporate culture, enhancing the core competitiveness of enterprises, and improving the performance of enterprises.

In the process of enterprise production and operation, many factors will affect it. External factors such as national policy, market demand and industry competition, internal factors such as corporate governance structure, corporate strategy, organizational management, capital operation, management capability and corporate culture construction. Compared with external factors, internal factors are the key factors affecting the survival of enterprises and have a more important impact on the

development of enterprises. In recent years, the influence of corporate culture and executive characteristics on corporate culture and corporate performance has begun to attract academic attention. Corporate culture is a social practice that includes behavioral standards and customs and is the value that guides corporate behavior (Schoenberger, 1997). Corporate culture generally refers to the values and beliefs that provide norms for expected behaviour by employees (Schein, 1992), and organisations actively promote these values and principles (Guiso et al., 2015). Domhoff (2010) argues that the board has largely influenced this culture, in which individual members of the board come back to the corporate with preconception beliefs. Zhang (2019) also shows that, with the continuous enrichment of corporate culture, executives have a positive effect on the growth of enterprises. The personal characteristics of administrators may be deemed a latent impact on the culture of the corporate. Geographers include the spatial dimension, as senior executives' personal characteristics occur within a realm where location is a key variable in shaping the pattern of personal development paths. As Yusuff et al. (2008) argued, employees bring social culture to their work, and the people hired by every organization collectively influence and create the particular culture of the organization. By analyzing the birthplace of each company's most important members and where they went to college, this paper attempts to investigate the geographical location of the most influential people related to the formation of corporate culture and strategy. If there are differences in the geographical characteristics of individuals in this key group, recognizing these differences may help us understand business performance. Here, the study develops Markusen's (1994) concept of studying regions through the study of businesses, because how a business performs is ultimately a key influence on the competitiveness of the city and region to which it belongs.

What is the relationship between corporate culture and geography? To begin, it is important to define corporate culture correctly. Shao (2024) believed that corporate culture is a set of general rules for corporate employees and corporate behavior, which originates from the continuous practice of the enterprise. Its main body is the consciousness of the enterprise management subject, and the pursuit is to achieve the development goals of the enterprise. Hofstede et al. (2005) added a geographical analysis approach to the concept of corporate culture by examining how corporate culture is formed spatially. Accordingly, a company's location affects its culture. But on the non-public level, Dupré (2005) argued that an idea is gradually cultivated by individuals through their past experience. Frenken et al. (2011) also showed that the spatial differentiation of regional differences can influence different individual behaviors. Related to this paper, the behavior of protagonists within the firm is fostered by the different environments of these individuals with personal histories. To further study, Nonaka and Takeuchi (1995) suggested that knowledge producing is an upward-spiraling process, which can effectively transfer individual knowledge to the organization and expand the knowledge base of individuals and organizations. This collective knowledge creation can improve their competitiveness. When employees and executives are also the core strength of business operations, some of the behavioral characteristics they have learned in the past experience will affect the competitiveness of the organization they manage. This paper examines whether there are differences in the geographical characteristics of individuals in this key group by

analyzing the birthplace and university location of the executives of the company who are most influential in shaping corporate culture and corporate strategy. If there are differences, recognizing these differences may help us to further understand corporate performance.

This study builds on the evolutionary economic geography literature (Boschma et al., 2019; Wang et al., 2013), which argues that firms exhibit considerable inertia in their management. Research in this area analyzes the locational choices of corporations (e.g., start-ups), whose house owners favor geographically neighboring locations due to regional knowledge (or defect of external knowledge)-even at the expense of profit maximization. Boschma et al. (2019) suggest that corporations have incomplete information regarding potential locations and variations in their ability to use this information are also different. Gray (2012) pointed out, though the practice communities of regional corporate governance are units comparatively distinct, there are units that still have a higher connection between corporate leaders and external resources. Those individuals symbolize latent knowledge channels and provide greater opportunities for companies to avoid corporate inertia. Combining relevant theories from evolutionary economics, O'Hagan and Rice (2011) and Rice and Lyons (2011) analyze how personal histories occur within the spatial domain of individual social networks. Boschma and Frenken (2011) show that a lot of entrepreneurs build their knowledge base within the same industry before creating a company. They are additionally doubtless about forming a new brand company in acquainted areas in familiar areas. The knowledge, experience and personal social networks that top executives have acquired over a lifetime of work and development influence their decision-making processes and, in turn, the viability of the companies they now work for. From a geographical perspective, early Saxenian's on corporate culture and regional linkages were typical case studies. He compared the network-based system of Silicon Valley with the enterprise-based system of Route 128. The results show that the enterprise-based system Route 128 isolate manufacturers from external sources of knowledge. Silicon Valley's corporate culture inspired a lot of relationships between companies and external organizations and then produces innovative products, which improved the competitive advantage of enterprises (Liu, 2022). Enterprise culture is increasingly valued by corporate managers and can effectively guide corporate management, drive the enterprise to create more economic as well as social benefits, and also influence the work attitude and behavior of corporate employees. Therefore, top managers and their background characteristics are a significant part of the corporate culture. The key assertion examined by this research is that the acquisition of executives with personal histories geographically proximate to the firm negatively influences firm performance. That said, it is important to note that executives are only one factor influencing the culture of the firm, and thus firm performance. Alliances, mergers, and links to suppliers and customers are just a few examples of other important (if not more important) influences that shape corporate culture and profitability. Nonetheless, the literature suggests that executives and their backgrounds are an important part of the corporate culture mix, and thus worthy of attention.

This study attempts to contribute to the evolution of economic geography literature by focusing on a well-defined group of executives. These executives not

only influence the corporate culture but may also have important links (and thus knowledge) to the broader competitive environment of business. These links can lead to the dissemination of innovative processes and strategies that themselves contribute to firms becoming more competitive. The goal of this paper is to examine the assertion that external typologies result in knowledge generation and connections that translate into higher levels of corporate performance. We hypothesize that companies that obtain executives with geographically distant personal histories to firm headquarters, and thus disparate institutions, achieve higher growth and profit compared to companies that obtain executives with spatially proximate personal histories to firm headquarters.

2. Research content and data sources

2.1. Research content

Top executives are at the core of decision-making in the company. They are the core strength of the entire company and play a vital role in the formation and maintenance of corporate culture. Enterprises also have a high dependence on executives. The personal background characteristics of executives, including personal history, have a significant impact on corporate layout decisions and corporate development. So, is there a reliance on executives from the same city, province, or region when companies hire executives? If so, can the location of the executives' birthplace and school be the same as that of the headquarters to enhance or weaken the competitiveness of the enterprise? Based on this, this paper's research targets top executives of Chinese listed companies, identifies the birth and schooling locations of top executives, and conducts a comparative analysis with their related corporate headquarters locations.

2.2. Data source and processing

This paper selects data related to Chinese A-share listed corporations in Shanghai and Shenzhen in 2020 as the research sample, and makes the following screening of the sample: i) exclude listed companies in the financial industry; ii) exclude ST and *ST enterprises; iii) remove listed companies that incomplete and valid data and samples with missing data on major variables. The data used in this paper mainly comes from the China Stock Market & Accounting Research database and the Wind database. To avoid data omissions, the data on executives' personal history was revised and supplemented by combining personal biographical information of executives from websites such as Sina Finance, the annual reports of each company, and Flush Finance. We screened the data and obtained a final number of 1723 samples, which we then processed using spass 23.0 software.

3. Model and results

3.1. Overall spatial correlation analysis

Table 1 shows the association between corporate headquarters and the places of birth and schooling of executives at the city, provincial, and regional scales. In terms

of the relationship between the executives' university city and corporate headquarters city, 32% of the top executives within the research work at the company headquarters in the same city as their schooling. Moreover, 36% of these individuals attended universities in a similar province, whereas 58% of executives attended universities within a similar area as their headquarters. It reveals that there is a strong correlation between the place where top executives attended universities and the headquarters, and this correlation becomes more significant as the geographical scale becomes larger. This indicates that the spatial mobility of talents is still mainly concentrated in the same area, and the spatial scale has expanded but is still dominated by the flow of close distance. **Table 1** also shows that the birthplace of executives and the location of corporate headquarters are located in the same city in 38% of the country, the same province in 63%, and the same region in 75%. This phenomenon contains the influence of the localization of enrollment in most provinces and cities in China and the phenomenon of entrepreneurs returning home to start businesses (Wang et al., 2020). Overall, the overall level of executive personal history is the same as headquarters accounts for surpassing 1/3 of the national proportion, which indicates the significant correlation between executives' place of schooling and birth and the location of headquarters. At the same time, it also shows that geographical location is an important factor in executives' choice of entrepreneurial practice.

Table 1. Aggregated intra-city, intra-province, and intra-regional connections for the personal histories of top executives and their corporate headquarters.

	Intra-City City Connections as % of Total City Connections	Intra-Province Connections as % of Total Province Connections	Intra-Region Connections as % of Total Region Connections
Birth	38	63	75
University	32	36	58

3.2. Spatial association analysis based on city perspective

Table 2 subdivides the special relationship to investigate the links between the top city and the city. In particular, it lists the top 20 cities in the number of the combination of the city where the company's headquarters are located and the city wherever the executives are educated and born and calculates the proportion of this correspondence in the country. Most significantly, an evident relationship is disclosed as 11 of the corresponding relationships are the corporate headquarters and the executives who attend university in the same city, and 15 corporate headquarters and senior are born in the top 20 links of the same city. Among them, Beijing-Beijing and Shanghai-Shanghai links have always been the top two, accounting for a much higher proportion of the country than other cities. This presents that the educational resources in different regions and cities in China are uneven. Shanghai and Beijing have stronger headquarters adsorption capacity, and the number of educational institutions is also at the forefront of China. They have introduced more advanced foreign technology and high-tech capital equipment, attracting more talent inflows, and maintaining leading overall competitiveness. Taking corporate headquarters and executives attending university places as an example, the total number of

combinations of Beijing-Beijing links is 148, which happens around 2.5 times that of the second largest connection. This is mainly a desirable regional difference in high-quality higher education in China and the relative lack of quality higher education resources in Shanghai in contrast to the dense quality higher education in Beijing (Liu, 2020). Additionally, the total number of Hangzhou-Hangzhou links is 30, which also ranked relatively high. This may be related to the expansion and development of educational institutions. According to the latest statistics of the education enterprise list, the number of off-campus education enterprises in Hangzhou exceeded 10,000 in 2020, ranking in the top six in the number of educational institutions.

Table 2. The link between corporate headquarters city and the city where top executives were born and attended university.

Headquarters City	University City	Total Links	University-Headquarter Combinations as % of Country	Headquarters City	Birth City	Total Links	Birth-Headquarter Combinations as % of Country
Beijing	Beijing	148	34	Beijing	Beijing	27	10
Shanghai	Shanghai	58	13	Shanghai	Shanghai	16	6
Shenzhen	Beijing	38	9	Fuzhou	Fuzhou	15	5
Hangzhou	Hangzhou	30	7	Hangzhou	Hangzhou	14	5
Guangzhou	Guangzhou	29	7	Shaoxing	Shaoxing	12	4
Shenzhen	Guangzhou	22	5	Changsha	Changsha	9	3
Shenzhen	Shanghai	22	5	Shenzhen	Meizhou	9	3
Chengdu	Chengdu	21	5	Shantou	Shantou	8	3
Changsha	Changsha	20	5	Ningbo	Ningbo	7	3
Shanghai	Beijing	16	4	Suzhou	Suzhou	7	3
Hefei	Hefei	16	4	Qingdao	Qingdao	6	2
Nanjing	Nanjing	15	3	Shenzhen	Guangzhou	5	2
Fuzhou	Xiamen	10	2	Wuhan	Wuhan	5	2
Beijing	Shanghai	10	2	Nantong	Nantong	5	2
Wuhan	Wuhan	9	2	Jiaying	Jiaying	5	2
Xi'an	Xi'an	9	2	Wuxi	Wuxi	4	2
Changchun	Changchun	9	2	Chongqing	Chongqing	4	2
Jinan	Jinan	9	2	Xuchang	Xuchang	4	2
Shenzhen	Xi'an	8	2	Hangzhou	Jinhua	4	1
Guangzhou	Beijing	8	2	Jinhua	Wenzhou	3	1

3.3. Spatial association analysis based on regional perspective

So far, the results confirm the spatial connection between wherever executives work and their personal histories. The next logical structure level of exploration is to verify this connection from a regional scale. **Table 3** divides the corporations geographically, supported their headquarters locations into seven regions: the Pan-Yangtze River Delta region, the Pan-Bohai Sea region, the Pan-Pearl River Delta region, the middle and lower reaches of the Yangtze River, the middle and lower reaches of the Yellow River, the Northeast region and the Northwest region.

Importantly, we also amalgamate the birthplace of executives and the place of the university into a region. As a whole, Intraregional linkages from corporate headquarters and the place of birth and schooling of executives are prevailing in all told areas. This is particularly evident in the Pan-Yangtze River Delta, the Pan-Bohai Sea, and the Pan-Pearl River Delta where approximately 19% of executives sitting in all the executive teams of listed companies were born and attended university in the Pan-Yangtze River Delta. Meanwhile, the proportion of birthplaces and school places in the Pan-Bohai Sea and the Pan-Pearl River Delta is 18% and 17.9% respectively. In contrast, corporate headquarters in the Northeast and Northwest hire people with personal histories from their region the smallest amount, willing to depend on executives generally scattered throughout the country. In contrast, the proportion of corporate headquarters and senior executives' birthplaces and places of schooling in the northeast and northwest regions is relatively small, and their companies are more willing to recruit executives who rely on distribution throughout the country. The above results show that the association between the birthplace and school place of executives and headquarters, based on regional scale analysis, the expansion of the spatial distance is mostly the expansion of the close distance, and still has a significant spatial correlation. To sum up, when executives have a certain learning and living experience in a city, province, or region, they will choose to sit on the board in this same space. This conclusion is also echoed by some research findings. He and Zhai (2015) and Zhang and Zhou (2018) showed that due to long-term living and learning experiences, college graduates have long been accustomed to the urban civilization, diet, and language habits of their birthplaces. At the same time, the social network of college graduates in their birthplace is relatively complete, and the flow of employment in alternative places will cause pressure on individuals and erode their mental health. (He et al., 2015; Wang et al., 2023)

Table 3. Regional links between headquarter region and birth and university region for top executives.

Corporate Region	Birth and University Region %						
	Pan-Yangtze River Delta	Pan-Bohai Sea	Pan-Pearl River Delta	middle and lower reaches of the Yangtze River	middle and lower reaches of the Yellow River	North east	North west
Pan-Yangtze River Delta	19.0	3.7	1.3	1.0	0.7	0.5	0.0
Pan-Bohai Sea	2.6	18.0	1.3	1.1	1.0	0.8	0.3
Pan-Pearl River Delta	4.2	6.1	17.9	2.5	1.7	0.7	0.1
middle and lower reaches of the Yangtze River	0.7	1.2	0.6	4.7	0.3	0.0	0.0
middle and lower reaches of the Yellow River	0.4	0.7	0.0	0.2	2.7	0.0	0.0
Northeast region	0.0	0.5	0.0	0.1	0.0	1.2	0.0
Northwest region	0.3	0.8	0.0	0.0	0.0	0.0	1.0

3.4. Impact of executives' personal history and headquarters links on enterprise performance

3.4.1. Methodology and variable selection

Linear regression model. Through the analysis of A-share listed companies in

China, taking the corporate performance and the personal history of top executives as the research object, according to the linear regression model, the following formula is established:

$$Y = \beta_0 + \beta X + \varepsilon \quad (1)$$

where, Y , X , β_0 , β and ε indicate the dependent variable, the independent variable, the constant term, the regression coefficient and the random error term, respectively.

T test. Using the t -distribution allowed us to determine the significance of the regression coefficients. The null hypothesis is $H_0: \beta \neq 0$, there is no relationship or linear relationship between executives' personal history and corporate performance. The alternative hypotheses is $H_1: \beta \neq 0$, there is a linear relationship between executives' personal history and corporate performance. When the test level is set at $\alpha=0.05$, $P < 0.05$, the regression coefficient is significant.

Distance between the place of birth and university of executives and corporate headquarters. The explanatory variable of this paper is that the distance (calculated by geodesic distance) between the headquarters' location and the executive's birthplace. This paper defines executives as those who are in the top three of the total executive compensation of listed companies (Shi et al., 2023; Tang et al., 2023). The executive compensation used is the total compensation received by executives during the reporting period, excluding long-term incentive compensation, such as equity incentives (Xu et al., 2021).

Enterprise performance. The explanatory variable of this paper is corporate performance. This paper selects indicators such as 'Profit', 'Operating Profit Margin', 'Earnings per Share', 'Earnings per Share 1 Year Ago' and 'Return on Assets' to represent corporate performance and measure corporate profitability and growth ability (O'Hagan S and Rice, 2013).

3.4.2. Impact of distance between headquarters location and where the executives' birthplace attended university on corporate performance, respectively

Before constructing the regression model of executive personal history and headquarters' location and corporate performance, a t -test is required for the variables. T -tests were then conducted on several variables to test whether the profitability and growth rates of the companies related to these two teams were statistically significant. From the test results (see **Table 4**), companies with higher ratios of executive personal histories and the same corporate headquarters region have lower 'Profit', 'Earnings per Share', 'Earnings per Share 1 Year Ago', and 'Return on Assets'. Only the p -value of 'Earnings per Share 1 Year Ago' is greater than 0.05, which is not statistically significant. This discovery shows that there is a linear correlation between company performance and executives with various personal background characteristics. The higher performing firms are related to executives related to a range of backgrounds, supported executives can obtain richer growth and learning experience in regions external to the company, and will display greater enthusiasm in their work and achieve better job performance. Furthermore, companies with less performance are a lot of likely to embed executives in

intra-regional establishments that are already representative of the company.

Table 4. T-test shows the relationship between company growth and profitability with the personal history within the region or region of executives.

Variable	Sample	Mean	Fobs	Sig.
Profit	birth or univ. reg. = headquarters reg.	512,495,301.463	20.404	0.000
	birth or univ. reg. ≠ headquarters reg.	713,999,105.225		
Operating profit margin	birth or univ. reg. = headquarters reg.	320.296	1.533	0.000
	birth or univ. reg. ≠ headquarters reg.	-20.226		
Earnings per share	birth or univ. reg. = headquarters reg.	0.493	3.908	0.048
	birth or univ. reg. ≠ headquarters reg.	0.623		
Earnings per share 1 year ago	birth or univ. reg. = headquarters reg.	0.353	0.246	0.620
	birth or univ. reg. ≠ headquarters reg.	0.423		
Return on assets	birth or univ. reg. = headquarters reg.	0.035	3.153	0.016
	birth or univ. reg. ≠ headquarters reg.	0.044		

To verify whether there is a statistical link between corporate profitability and executive personal history. A regression model of the distance values (calculated by geodesic distance) between the headquarters' location and the executive's birthplace and corporate performance is developed. The regression results of the birthplace of executives (see **Table 5**) indicate that the regression coefficients of the five indicators measuring corporate performance are all positive, except that the p-value of the 'Earnings per Share 1 Year Ago' index is greater than 0.1, 'Profit', 'Operating Profit Margin', 'Earnings per Share' and 'Return on Assets' are obvious at significant the levels of 10%, 1%, 5%, and 10%, respectively. The β -value of 'Earnings per Share 1 Year Ago' is less than 'Profit', 'Operating Profit Margin', and 'Earnings per Share'. **Table 6**-Model 2 verifies the relationship between the location of the headquarters and the place where executives went to university. Similarly, the regression coefficients of the five indicators measuring corporate performance are all positive, except that the p-value of the 'Earnings per Share 1 Year Ago' index is greater than 0.1, 'Profit', 'Operating Profit Margin', 'Earnings per Share' and 'Return on Assets' are obvious at significant the levels of 10%, 1%, 10%, and 5%, respectively. The above empirical results suggest that as the distance to university for executives increases, so does corporate performance. These findings were even additional convincing, solely 'Earnings per Share 1 Year Ago' were not statistically significant. This makes sense as executives obtain a great deal of their business knowledge during this time of their personal histories, which is also the best value for return efficiency. It promotes the improvement of the profitability of the enterprise. The β -value for Return on Owners' Equity 1 Year Ago was low, although it is positively correlated with distance.

Table 5. Regression results between corporate growth and profitability with distance to birth of executives.

Dependent variable	Modle1-Birth			
	β	SE	Intercept	R^2
Profit	0.086*	376.515	735.276	0.007
Operating profit margin	0.240***	0.304	-0.297	0.058
Earnings per share	0.108**	0.122	0.413	0.012
Earnings per Share 1 Year Ago	0.056	0.059	0.349	0.003
Return on assets	0.073*	0.006	0.033	0.005

Note: *, ** and*** represents rejection of the null hypothesis at 10%, 5%, and 1% significance levels of, respectively.

Table 6. Regression results between corporate growth and profitability with distance to where executives attend university.

Dependent variable	Modle2-University			
	β	SE	Intercept	R^2
Profit	0.070*	173.131	335.834	0.005
Operating profit margin	0.112***	1.138	-1.078	0.013
Earnings per share	0.062*	0.062	0.401	0.004
Earnings per Share 1 Year Ago	0.043	0.049	0.329	0.002
Return on assets	0.91**	0.016	0.018	0.008

Note: *, ** and*** represents rejection of the null hypothesis at 10%, 5%, and 1% significance levels of, respectively.

3.4.3. Impact of between the birthplace attended university of executives and where the corporate headquarters on corporate performance

Table 7 constructs a multiple regression analysis model of the distance between the headquarters' location and executives' birthplace, with five indicators measuring corporate performance. The multivariate results are similar to the first two models. Where R^2 is used to represent the proportional change in the dependent variable explained by the linear regression model with values ranging from 0.016 to 0.135, indicating that there is a relatively large difference in the profitability of the company due to the distance between the birthplace of the executive and the university. The reason is that executives are the conceptualizers and implementers of enterprise development and can exert a dominant influence on the whole process of setting and implementing goals. They play a vital role in the construction of corporate culture (Bao, 2002), which in turn also affects corporate performance (Zhang, 2019). In addition, once the two factors related to personal history are combined in **Table 7-Model 3**, R^2 values in the regression results are stronger than those **Table 5-Model 1** and **Table 6-Model 2**. As suggested earlier, the culture of other employees brings to the firm alliances, mergers, and links to suppliers, and buyers, which are just a few examples of other important influences that shape corporate culture and profitability.

Table 7. Regression results the relationship between company growth and profitability with distance to birth and attend university of executives.

Dependent variable	Modle3-Birth and University				
	β -Birth	β -University	SE	R ²	Intercept
Profit	0.108*	0.097*	323.590	0.021	561.266
Operating profit margin	0.214***	0.138**	0.139	0.071	-0.125
Earnings per share	0.138**	0.252***	0.08	0.084	0.143
Earnings per Share 1 Year Ago	0.109	0.022	0.074	0.016	0.336
Return on assets	0.127*	0.302***	0.009	0.135	0.005

Note: *, ** and*** represents rejection of the null hypothesis at 10%, 5%, and 1% significance levels of, respectively.

B = Standardised regression coefficient; SE = Standard error.

4. Discussion

The focus of this paper is not just a separate examination of corporate culture alone. On the contrary, the purpose of this study is to analyze varied aspects of the personal history of executives and headquarters and explore how the spatial relationship of the personal histories of critical executives could also be touching corporate performance through the effect of those critical people on corporate culture. Hamel (1996) has shown that top managers are more inclined to retain past management experience and are reluctant to adapt to variations within the outside circumstances. Putting this criticism in the context of space, we have a tendency to suggest that if the corporate headquarters and its critical executives are located in the same region, tries to sustain capacity are probably to be dominant. This approach will limit the company's ability to create new strategies for adopting the business experience of companies in other regions. Therefore, this study examines whether or not the practice of enterprises achieving protagonists from outside their headquarters can improve their competitiveness.

The results of this study demonstrate that there is a substantial tendency for executives born and educated in a region also to end up working in that same region. When executives have previous experience in a city, province, or region, they are more likely to be associated with firms in that same area. Research that exists on the relationship between boards of directors and their educational affiliation argues that this experience influences managerial style (Wang et al., 2019), which impacts the firms for whom these people work and the places where these firms are located. Ren et al. (2004) pointed out that extensive and tight inter-firm chains may also promote firm-level or managerial-level complicity and break economic order and efficiency. We can see that such internal linkages predominate, and it is not conducive to regional economic development. But when companies focus on hiring executives from the local setting, is it very a retardant for the company itself? To answer this question, this paper will shift the focus from geospatial relationship analysis to corporate performance. The results of **Table 4** shows that compared with executives in the same region, companies owning executives who have a personal history outside the same region as the company headquarters, the profitability and growth

are higher. O'Hagan and Rice (2018) provide some evidence connected to this phenomenon. They illustrate how companies in the northeast of the United States rely severely on executives (both internal and external) who have personal histories in the identical region, which ultimately negatively affects the company (Wang and Zhang, 2022). Further, it is also in line with Sun's (2019) research, which argues that the construction of corporate culture requires appropriate cultural resources and that different regions have different cultural backgrounds. Enterprises need human participation to carry out any production activities, and people will be influenced by different regional cultures, so introducing external cultures into enterprises in different cultural backgrounds will benefit them.

Thus, the present research findings focused on firms and directors, a different analytical context in comparison with the work of Jiang et al. (2023) and Wang (2024), provides new support for the assertion of the importance of a culture/performance connection in general and insights into the role played by knowledge connections between firms and external regions in particular. Further, these findings also support the evolutionary economic geography theory that emphasizes inertia. Koenig and Gogel (1981) focus on how entrepreneurs use the relevant experience they have accumulated as employees to ultimately choose to begin a firm within the same city or region. There are two main reasons for this: First, they have rich knowledge and experience and are more familiar with the surrounding environment. Second, because the internal directors may be too inbred, too specialized, and unwilling to change their inherent way of thinking, they are prone to strict rigidity in management. Evolutionary economic geographers premise their research on the fact that owners are biased in geographically proximate locations because of their lack of knowledge outside their immediate environment—even though it influences firm viability. Our results suggest the importance of individuals bringing knowledge and experience from outside the region.

5. Summary and conclusion

Based on the relevant data of the place of birth and university of executives and corporate performance in A-share listed firms in China in 2020, this study explores the geographical links between corporate headquarters and personal history. The influence of the executive personal history on the performance of the company is analyzed through the distance between the headquarters and the university where the executives were born. The research refers to the relevant research results of Yang et al. (2015). Our results argued that the cultural characteristics and contents of different regions in China vary and that this broad regional culture affects the personal characteristics of executives, which in turn affects corporate culture and even corporate performance. Therefore, this study analyzes the impact of executive personal history on corporate performance and can provide a new perspective on corporate strategy and corporate performance.

First, the study analyzed the spatial relationship between corporate headquarters, where top executives were born and attended the university from a holistic perspective. The results found that there is a significant geographical correlation between executives' personal history and corporate headquarters, and the correlation

is more obvious at the provincial and regional. It also revealed that intra-regional, intra-provincial, and intra-city linkages were important elements in administrative choice. The results were consistent with the current 'path dependence' research on evolutionary economic geography (Wang and Wu, 2023; Zhu et al., 2019). From the perspective of the city, there is a hierarchical model in the results, with a Beijing–Beijing and Shanghai–Shanghai affiliation dominating. The second echelon, composed of the new Tier 1 cities of Hangzhou and Changsha, and the top Tier 2 cities of Fuzhou and Shaoxing, was also apparent. Intra-regional linkages from corporate headquarters to birth and university data were particularly evident in the Pan-Yangtze River Delta region, the Pan-Bohai Sea region, and the Pan-Pearl River Delta region.

Second, there was a statistical relationship between the distance between company growth and profitability with the acquisition of geographically proximate executives. We can find that companies with higher profits and faster growth had farther distances and lower percentages of intra-regional connections. As previously analyzed, this means that additional competitive companies buy executives who have experienced different institutions in their life and university education. These findings can contribute to the doctrine of evolutionary economic geography because they are related to the inertia of firms.

This paper suggests that key decisions created by companies in China are influenced, partly because the geographical environment is far more complex than the factors associated with the operation of any individual company. At the spatial level, the experience and contacts that executives gain in a city or region play a role in building corporate culture and corporate decision-making strategies. Managers embed institutional regions in the decision-making process, which may stifle corporate adaptation if they rely too heavily on intra-regional top executives. And the results of this analysis have implications in terms of the evolutionary economic geography of enterprises moving away from the constraints and current emphasis on path dependence. It also shows that research related to evolutionary economic geography around inertia-related research can benefit from exploring research questions from different perspectives. Currently, most leaders of large companies in China work in cities or regions where they have residential and learning experiences. However, the results of this paper show that someone negatively related such practices to firm prosperity. As a result, in an increasingly competitive commercial environment, companies may need to consider deeper regional factors when recruiting executives.

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