

The Influence of Political Risk and Cross-national Distance on Overseas Enterprise Performance

Wei Chang¹, Hyung Rok Yim²

¹ Student, School of Business, Hanyang University, Korea, 2452477468@qq.com

² Professor, School of Business, Hanyang University, Korea, hyrim@hanyang.ac.kr

Corresponding Author: Hyung Rok Yim

Abstract: In recent years, the influence of the relationship between host country and home country on the internationalization of multinational enterprises has been a controversial topic. On this basis, past researchers have done in-depth research and discussion, but these are limited to the relationship between a single variable. For example, when studying the impact of political risk on the performance of overseas enterprises, most scholars only consider the impact of government corruption and political turmoil in host countries on the performance of overseas enterprises, without taking these factors into consideration together. This paper explores the relationship between host country political risks, cross-national distance, good ESG performance, and overseas enterprises' performance. The objective is to explore the influence of host country political risk and cross-national distance on overseas performance and reduce negative impact through ESG. It finds that host country political risk and cross-national distance are negatively correlated with overseas enterprises performance, although this negative correlation is moderated by strong ESG performance. The results show that political risk and cross-national distance are negatively correlated with the performance of overseas enterprises. With the strengthening of good ESG performance, the negative impact of host country political risk and cross-national distance on enterprise performance will be reduced.

Keywords: Political Risk, Cross-national Distance, ESG, Overseas Performance, Firm Performance

1. Introduction

Toward implementing an internationalization strategy and realizing rapid expansion and rapid development, more and more enterprises choose to develop multinational enterprises to enter the global market quickly[1]. However, the increasingly complex political and economic environment has brought great challenges to overseas enterprises, and cultural and institutional distances will hinder further integration[2]. The political risk and the cross-national distance of the host country will lead to the failure of the enterprise itself. Even if some overseas enterprises will achieve their goals, but due to changes in the host country's policies and institutions, the overseas enterprise operation will be in trouble(Hymer 1976). In line with this, the study was conducted to combine the influence of political risk and transnational distance on the performance of overseas enterprise, the aimed to integrate some common business risks in enterprises.

Based on Agarwal's definition of political risk (2007), this paper divides political risk into the instability of political system and regime conflict[3]. First is the instability of the political system. According to the research of John and Lawton (2017), political risk is defined as the inestimable and discontinuous changes in the investment environment caused by government policy changes, which

Received: January 02, 2023; 1st Review Result: February 17, 2023; 2nd Review Result: March 13, 2023
Accepted: April 30, 2023

bring uncertainty and unpredictability to the investment operation of overseas enterprises[4]. Second is the possibility of regime conflict. Root (1972) believed that political risk is the risk that an overseas enterprise suffers profit or asset loss in operation and management due to the continuous occurrence of domestic political events in the host country. Tedin (1987) defined political ideology as “a set of attitudes, behavior, and values relating to social goals and the means to achieve them”. In line with this, this study studies the relationship between political risk and overseas performance, aimed to further study the relationship between these two variables[5].

2. Contents

2.1 Instability of Political System

Harvard University professor Robert Joseph Barro (the early 1990s), London Business School associate professor Giulio, Stanford University professor Bloom all pointed out that political instability has a negative impact on economic growth and investment (Baker, Scott R., Nicholas Bloom, and Steve Davis, 2012). Therefore, for economic agents, political instability reduces the predictability of future policies and make it difficult to make active investment or consumption plans[6]. On the consumption side, concerns about the sustainability of the social security system net may increase precautionary savings and be a reason to curb consumption plans. For companies, investment in talent, such as facility investment, research, and development (R&D), and hiring new permanent employees, is a long-term investment, but the predictability of systems and policies affects management decisions.

2.2 Regime Conflict

Regime conflict is reflected in the collision of the protection scope of the two rights, resulting in the inability to fully realize the two rights (Gregor Heibl, Gruudrechtskollisionen, 2017). In general, conflict leads to distrust and suspicion, work stress, sluggish, dissatisfaction, reduced communication, damaged relationships, reduced work performance, and so on (Cheng, 2018)[7]. In 1998, Brunetti and Weder studied the negative impact between regime conflict and private investment. Henisz (2000) showed that Mnes face an increasing threat of expropriation if political risks, such as regime conflict increase in the host country[8][9].

2.3 Cultural Distance

Datta and Pula in 1995, when discussing the relationship between cultural differences and corporate performance, concluded that cultural differences have a significant negative impact on overseas performance[10]. Many relevant studies have found that the greater the cultural difference between the host country of an overseas enterprise and the host country of the target enterprise, the more difficult it is for the master overseas enterprise to carry out enterprise and resource integration, thus affecting the enterprise performance (Kim & Hwang, 1992; Hennart and Reddy, 1997). Weber et al. (1996) explored the influence of cultural distance on enterprise performance and adopted an accounting research method to calculate enterprise business performance. The result was that cultural distance was negatively correlated with various accounting indicators[11].

2.4 Institutional Distance

In 2015, Li Qiang investigated 218 overseas enterprise cases of global enterprises from 2003 to 2012 as samples and found that institutional distance had a negative impact on the performance of overseas

enterprises (Li Qiang, 2015)[12]. Subsequently, Hasan et al. (2016) pointed out that both formal institutional distance and informal institutional distance are negatively correlated overseas enterprises performance, and the influence of informal institutional distance is negatively correlated with overseas enterprises performance, among which the influence of information institutional distance is more significant (Hasan, 2016). In 2017, Zhang Chi and Yu Pengyi took 222 overseas enterprises of Chinese enterprises from 2009 to 2015 as samples and found that the increasing distance between the formal system of home country and the host country would lead to the marker of speed of strategic adjustment of overseas enterprises, thus negatively affecting the performance of overseas enterprises (Zhang Chi and Yu Pengyi, 2017)[13].

2.5 ESG Performance and Overseas Enterprise Performance

By strengthening investment in ESG and enhancing their performance in environment, social responsibility, and corporate governance, companies can not only reduce financing costs but also improve market value (Fatemi et al., 2017; Qiu Muyuan, Yin Hong, 2019)[14][15]. In the recent related literature, Rajesh. R (2020) incorporates the ESG perspective into the company's supply chain area and asserts that sustainability risk is considered an important aspect[16]. Subsequently, Xu Yining's research shows that good ESG performance has a positive promoting effect on the performance of Chinese enterprises, and has a significant promoting effect on enterprises with different ownership, different regions and different pollution attributes[17]. In other words, good ESG performance will improve enterprise performance (Xu Yining, 2022)[18][19].

2.6 Hypotheses Testing

The following are the hypotheses:

H1: The instability of political system is negatively correlated with the performance of overseas enterprise.

Ha: The negative effect of political system instability is weakened by ESG performance.

H2: The regime conflict is negatively correlated with the performance of overseas enterprise.

Hb: The negative effect of regime conflict is weakened by ESG performance.

H3: The cultural-distance is negatively correlated with the performance of overseas enterprise.

Hc: The negative effect of cultural distance is weakened by ESG performance.

H4: The institution-distance is negatively correlated with overseas enterprise enterprise.

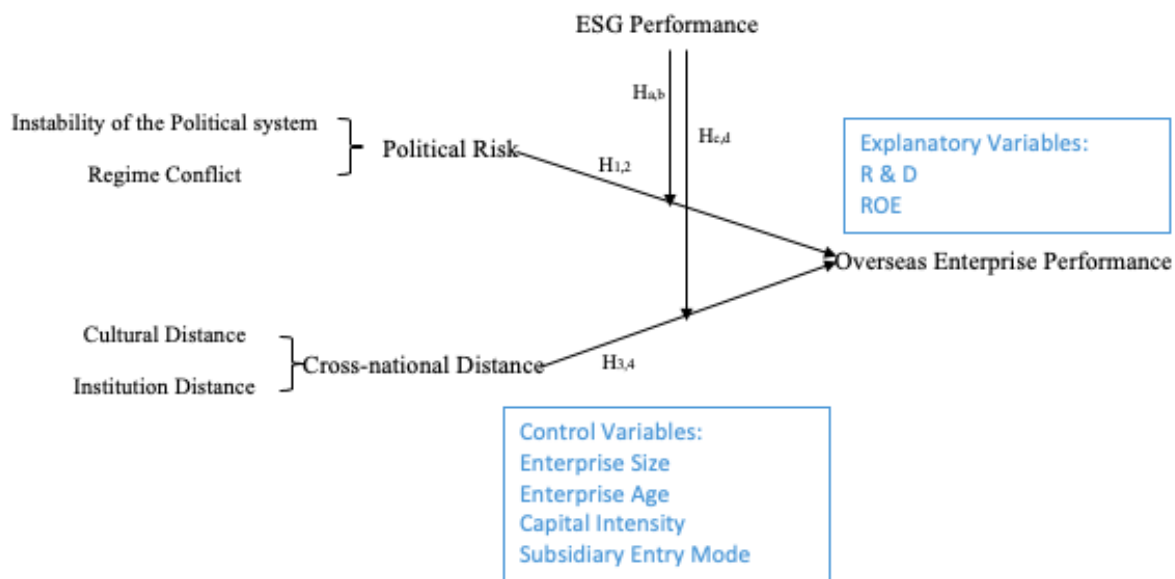
Hd: The negative impact of institutional distance is weakened by ESG performance.

3. Research Methodology

3.1 Data and Sample Selection

This paper studies several overseas enterprises in China as the main subjects. The data interval of the enterprise sample is selected from 2016 to 2021 for a total of six years. After data collection, the number of overseas enterprises obtained from the data was 2397. Using a unique company code, this study cross-links and collates information extracted from different sources for each company. Data for variables are obtained from CAMRS, WGI, Wind, and Hofstede's official website.

3.2 Research Design



[Fig. 1] Research Model

3.3 Data Gathering Procedures

[Table 1] Definition of Related Variables

Variable Types	Variable Description	Measurement	Data Source
Dependent Variable	Overseas Enterprise Performance	R&D: R&D performance is measured by R&D products.	CSMAR Database
		ROE: ratio of net profit to average shareholders' equity.	CSMAR Database
Independent Variable	Instability of Political Risk Regime Conflict	Each index was averaged and normalized to a score range of 1-100.	WGI Database
	Institution Distance	The range from -2.5 to 2.5, with higher value numbers indicating a more stable government.	
	Culture Distance	The absolute value of the different the M&A host country and the World Governance Index (WGI). National cultural dimension to measure cultural distance.	Hofstede Database
Moderating Variable	ESG Performance	Environmental, social, and corporate governance.	Wind Database
Control Variable	Enterprise Size	Overseas enterprise at that time took the natural logarithm of the number of employees.	CSMAR Database
	Enterprise Age	The number of years from the establishment of the enterprise to the year of investment.	
	Capital Intensity	Logarithm of fixed assets per capita.	
	Subsidiary Entry Mode	Cross-border M&A mode, and other investment.	

3.3.1 The Dependent Variable

In recent years, to implement an internationalization strategy and realize rapid expansion and development, enterprises choose transnational development as the way to enter the global market quickly. Combined with the recent trend of overseas enterprises, it is great significance to study the performance of overseas enterprises. Therefore, the explained variable in this paper is R&D and ROE.

3.3.2 The Independent Variable

Political risk refers to the risk that financial assets cannot be recovered in the host country due to adverse factors such as political turmoil in a particular country. Cross-national distance refers to the

difference between the home country and the host country that an enterprise faces in international operation, which will directly affect the disadvantage level of foreigners, the choice of the target country, the way of market entry and the performance of international operation (Fang Hui & Zhao Tian, 2017). Therefore, the explanatory variables in this paper are set as political system instability, regime conflict, cultural distance and the institutional distance of countries where the two parties are located.

3.3.3 Moderating Variable

With the continuous progress of ecological civilization construction, the concept of sustainable development and green development is gradually acceptance, and the performance of enterprises in ESG (environmental, social, and corporate governance) is also attracting much attention. It refers to measurement the corporate sustainability and impact on social values, as well as the perfection of corporate governance, by obtaining corporate performance other than financial information. The data is from the ESG Data Rating Library.

3.3.4 Control Variables

Based on the research of relevant scholars, overseas enterprise performance may also be related to enterprise size, enterprise age, capital intensity, and subsidiary entry mode, so these factors are included in the category of control variables in this paper.

3.4 Data Analysis

3.4.1 Descriptive Statistical Analysis

First, this paper uses Stata 17.0 software to conduct descriptive statistical analysis on the independent variables, dependent variables, and moderating variables of 2396 samples and interprets and analyzes these variables according to the data results of the mean value, standard deviation, minimum value, and maximum value of the sample indicators. [Table 2] list the results:

[Table 2] Descriptive Statistics

Variables	Obs	Mean	Std. Dev.	Min	Max
<i>IPS</i>	2396	54.423	21.612	1.429	99.057
<i>RC</i>	2396	.208	.623	-2.483	1.595
<i>CD</i>	2396	3.06	1.045	.697	4.744
<i>ID</i>	2396	2.259	1.153	.098	5.662
<i>ESG</i>	2396	3.733	1.476	2	8
<i>ROE</i>	2396	-75.777	445.948	-16017.406	6001.394
<i>R&D</i>	2396	3.533	2.854	.014	27.621
<i>SIZE</i>	2396	17.687	2.582	4.327	24.392
<i>AGE</i>	2396	19.329	5.303	6	38
<i>CI</i>	2396	.195	.118	.001	.66
<i>SEM</i>	2396	.282	.45	0	1

Ps: *IPS*: instability of political system; *RC*: regime conflict; *CD*: cultural distance; *ID*: institutional distance; *ESG*: environmental, social and governance.

3.4.2 Pearson Correlation Analysis

From the [Table 3] correlation analysis matrix, instability of political system and institutional distance, as well as regime conflict and institutional distance are highly correlated. However, the correlation between other variables is relatively small, indicating that there is no multicollinearity between the variables selected in this paper and regression analysis can be conducted. In addition, according to the data in the matrix, instability of political system, regime conflict, cultural distance and institutional distance are all negatively correlated with return on equity (ROE) and R&D. This is consistent with the conclusion of the previous theoretical analysis.

[Table 3] Pearson Correlation

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<i>ROE</i>	1.000										
<i>RD</i>	0.052**	1.000									
<i>IPS</i>	-0.117***	-0.197***	1.000								
<i>RC</i>	-0.122***	-0.204***	0.990***	1.000							
<i>CD</i>	-0.134***	-0.176***	0.302***	0.325***	1.000						
<i>ID</i>	-0.141***	-0.222***	0.859***	0.848***	0.527***	1.000					
<i>ESG</i>	0.089***	0.030	0.128***	0.115***	.034*	-0.018	1.000				
<i>SIZE</i>	0.078***	-0.081***	0.058***	0.057***	0.073***	0.056***	0.042***	1.000			
<i>AGE</i>	0.022	-0.045**	-0.128***	-0.124***	-0.019	-0.133***	0.026	0.132***	1.000		
<i>CI</i>	-0.048**	-0.198***	0.019	0.007	0.007	0.007	-0.033	0.070***	0.115***	1.000	
<i>SEM</i>	0.040*	-0.001	0.091***	0.091***	-0.031	0.029	0.073***	0.332***	0.035*	-0.092***	1.000

*, **, *** Significant at 10%, 5%, and 1%, respectively.

3.4.3 Regression Analysis

[Table 4] shows that instability of political systems has a significant negative impact on return on equity (ROE), indicating that political instability will negatively affect the performance of overseas enterprises. Regime conflict has a significant negative effect on return on equity (ROE), indicating that the greater the regime conflict, the greater the operating risk of overseas enterprises, thus negatively affecting the performance of overseas enterprises. Cultural distance has a significant negative impact on return on equity (ROE), indicating that cultural distance will inhibit the operation of overseas enterprises, which is consistent with the previous analysis. Greater cultural distance will lead to greater operating risks of overseas enterprises and greater difficulty in integrating resources and technologies after overseas enterprises enter the host country market. Institutional distance also has a significant negative impact on return on equity (ROE), indicating that the greater the institutional distance, the greater the negative impact on overseas enterprises performance.

[Table 4] OLS Regression

	Dependent Variables=ROE			
	M1	M2	M3	M4
<i>Independent Variables</i>	Coeff.	Coeff.	Coeff.	Coeff.
<i>IPS</i>	-2.523***			
<i>RC</i>		-91.366***		
<i>CD</i>			-59.753***	
<i>ID</i>				-56.577***
<i>SIZE</i>	14.208***	14.235***	15.596***	14.979***
<i>AGE</i>	0.0465	0.036	1.151	-0.274
<i>CI</i>	-192.571*	-197.874*	-212.328**	-200.275*
<i>SEM</i>	18.623	18.904	-0.25	10.335
<i>Adjusted R²</i>	0.02	0.02	0.02	0.02

*, **, *** Significant at 10%, 5%, and 1%, respectively.

[Table 5] indicates that the instability of the political system has a significant negative impact on research and development (R&D), indicating that the greater the risk of instability of political system, the higher the probability of R&D investment, which has a negative impact on the performance of overseas enterprises. Regime conflict has a significant negative effect on research and development (R&D), indicating that the greater the regime conflict, the lower the probability of overseas enterprises to invest in R&D, which has a negative impact on the performance of overseas enterprises[20]. Cultural distance and institutional distance also have a significant negative effects on research and development

(R&D). To survive and develop better, an enterprise must constantly realize technological updates and maintain its lead and competitive advantage. Therefore, the greater the cultural distance and institutional distance, the greater the intensity of R&D investment[21].

[Table 5] OLS Regression

	Dependent Variables=RD			
	M1	M2	M3	M4
<i>Independent Variables</i>	Coeff.	Coeff.	Coeff.	Coeff.
<i>IPS</i>	-0.026***			
<i>RC</i>		-0.946***		
<i>CD</i>			-0.468***	
<i>ID</i>				-0.554***
<i>SIZE</i>	-0.065**	-0.064**	-0.056*	-0.058*
<i>AGE</i>	-0.023*	-0.023*	-0.011	-0.025*
<i>CI</i>	-4.448***	-4.502***	-4.649***	-4.533***
<i>SEM</i>	0.134	0.138	-0.038	0.048
<i>Adjusted R²</i>	0.07	0.08	0.07	0.09

*, **, *** Significant at 10%, 5%, and 1%, respectively.

3.4.4 Moderating Effect

[Table 6] results show that the *IPS*ESG*, *RC*ESG*, *CD*ESG*, *ID*ESG* coefficients are all significant at the 5% level, indicating that when enterprises with good ESG performance operate overseas, they can reduce the negative impact of political system instability, regime conflicts, cultural distance and institutional distance on return on equity (ROE), and play a moderating role to a certain extent.

[Table 6] OLS Regression

	Dependent Variables=ROE			
	M1	M2	M3	M4
<i>Independent Variables</i>	Coeff.	Coeff.	Coeff.	Coeff.
<i>IPS</i>	-2.613***			
<i>IPS*ESG</i>	0.754*			
<i>RC</i>		-91.433***		
<i>RC*ESG</i>		24.899*		
<i>CD</i>			-49.719***	
<i>CD*ESG</i>			35.717***	
<i>ID</i>				-49.444***
<i>ID*ESG</i>				14.309*
<i>ESG</i>	28.934***	28.442***	23.008***	23.605***
<i>SIZE</i>	14.797***	14.717***	15.493***	15.092***
<i>AGE</i>	-0.192	-0.141	-0.284	-0.457
<i>CI</i>	-191.525*	-198.539*	-183.966*	-201.896**
<i>SEM</i>	13.003	12.72	7.366	7.125
<i>Adjusted R²</i>	0.03	0.03	0.04	0.03

*, **, *** Significant at 10%, 5%, and 1%, respectively.

[Table 7] shows that the *IPS*ESG*, *RC*ESG*, *CD*ESG*, *ID*ESG* coefficients are all significant at the 5% level, indicating that when enterprises with good ESG performance operate overseas, they can reduce the negative impact of political system instability, regime conflict, cultural distance and institutional distance[22] on research and development (R&D) when operating overseas, and play a regulating role to some extent[23][24].

[Table 7] OLS Regression

Independent Variables	Dependent Variables=RD			
	M1	M2	M3	M4
	Coeff.	Coeff.	Coeff.	Coeff.
<i>IPS</i>	-0.0243***			
<i>IPS*ESG</i>	0.014***			
<i>RC</i>		-0.833***		
<i>RC*ESG</i>		0.431***		
<i>CD</i>			-0.406***	
<i>CD*ESG</i>			0.203***	
<i>ID</i>				-0.433***
<i>ID*ESG</i>				0.262***
<i>ESG</i>	0.075*	0.073	0.043	0.029
<i>SIZE</i>	-0.049*	-0.052*	-0.056*	-0.050*
<i>AGE</i>	-0.022*	-0.021*	-0.018	-0.026*
<i>CI</i>	-4.65***	-4.697***	-4.523***	-4.721***
<i>SEM</i>	0.107	0.103	0.023	0.071
<i>Adjusted R²</i>	0.10	0.10	0.08	0.10

*, **, *** Significant at 10%, 5%, and 1%, respectively.

4. Conclusions

The political risk of this paper is mainly studied from the two variables of political system instability and regime conflict. First, the higher the risk of instability of the political system, the higher the possibility of economic losses brought by changes in policies and regulations, which lead to the reduction of corporate performance or failure to reach targets, thus bringing losses to the enterprises. Second, the higher the risk of regime conflict, the greater the side effects of regime change, and policy change will be when the enterprise is operating in the country. As a result, the operation cost and management cost of the enterprise will rise, and the performance of the enterprise be reduced, or the expected target not be reached. The higher possibility of losses caused by the political environment and government intervention will lead to the rise of transaction costs and a decline in enterprise performance.

The cross-national distance of this paper is mainly studied from the two variables of culture distance and institution distance. First, the father cultural distance is, the more difficult it is for overseas enterprises to integrate resources and technologies after they entering the host country market. Cultural distance also increase the risk of enterprise operation and hinder the knowledge absorption of both sides of the enterprise, thus affecting the enterprise's performance. That is, the greater the cultural distance from the host country, the worse the performance of overseas enterprises. Second, the greater the institutional distance, the greater the external transaction costs and internal operation and management costs of overseas operations, and the greater the difficulties of overseas operations, thus bringing a negative impact on overseas performance.

5. Contribution of This Study

Firstly, previous studies tend to focus on the relationship between single variables. Therefore, this paper is no longer a one-way study, but combines political risk and cross-national distance and divides them into four independent variables, further enriching the relationship between political risk and cross-national distance on the performance of overseas based on original studies. In addition, this paper is based on a sample of Chinese overseas enterprises, which provides a reference direction for the performance of overseas enterprises.

Secondly, this paper explores the moderating effect of ESG as a moderating variable on the relationship between host country political risk, cross-national distance and overseas enterprise

performance[25]. It explores the influence of political risk of host country and cross-national distance under different scenarios, providing a new theoretical basis for the relationship between political risk of host country and overseas enterprise performance, and the relationship between cross-national distance and overseas enterprise performance[26].

6. Limitation and Future Research

This paper studies the relationship between the political risk of host country and the performance of overseas enterprise, there are still some limitations and issues that need further discussion:

Firstly, in this paper, when studying the influence of host country political risk and cross-national distance on overseas enterprise performance, this paper divided the political risk of host country into political system instability and regime conflict, and cross-national distance is divided into cultural distance and institutional distance. In fact, there are many types of political risk and cross-national distance, and these risks may also have a nonlinear change on the performance of overseas enterprise. Future research can observe the relationship between host country political risk, cross-national distance and overseas enterprises performance over time.

Secondly, this paper only examined moderating conditions of the influence by good ESG performance on host country political risk, cross-national distance, and overseas enterprise performance, which is singular to a certain extent, and there may be other moderating conditions. This paper only considers the perspective of good ESG performance, which limit the research content to a certain extent.

References

- [1] Awate Snehal, Marcus M. Larsen, Ram Mudambi, Accessing vs sourcing knowledge: A comparative study of R&D internationalization between emerging and advanced economy firms, *Journal of International Business Studies*, (2015), Vol.46, pp.63-86.
- [2] Feldman Stanley, Christopher Johnston, Understanding the determinants of political ideology: Implications of structural complexity, *Political Psychology*, (2014), Vol.35, No.3, pp.337-358.
- [3] S. Gaur Ajai, Jane W. Lu, Ownership strategies and survival of foreign subsidiaries: Impacts of institutional distance and experience, *Journal of management*, (2007), Vol.33, No.1, pp.84-110.
- [4] John Anna, Thomas C. Lawton, International political risk management: Perspectives, approaches and emerging agendas, *International Journal of Management Reviews*, (2018), Vol.20, No.4, pp.847-879.
- [5] L. L. Gu, Marketing capability, Host country political risk and multinational corporation subsidiary performance: Evidence from ASEAN Free Trade Area, *Journal of Renmin University of China*, (2018), pp.104-115.
- [6] Balachandran Balasingham, Robert Faff, Corporate governance, firm value and risk: Past, present, and future, *Pacific-Basin Finance Journal*, (2015), Vol.35, pp.1-12.
- [7] Peng Chengxin, Su Hao, On the Normative Nature of Rights Conflict and Its Solution, *Legal System and Social Development*, (2019), p.77.
- [8] Koller Tim, Robin Nuttall, Witold Henisz, Five ways that ESG creates value, *The McKinsey Quarterly*, (2019)
- [9] Y. Jiang, Privatization, governance, and survival: MNE investments in private participation projects in emerging economies, *Journal of World Business*, (2015), Vol.50, No.2, pp.294-301.
- [10] Hutton Irena, Danling Jiang, Alok Kumar, Political values, culture, and corporate litigation, *Management Science*, (2015), Vol.61, No.12, pp.2905-2925.
- [11] Beugelsdijk Sjoerd, Cultural distance and firm internationalization: A meta-analytical review and theoretical

- implications, *Journal of Management*, (2018), Vol.44, No.1, pp.89-130.
- [12] Xiao Xiao, Research on the Influence of Knowledge Distance and Institutional Distance on Innovation Catch-up of Emerging Market Multinational Enterprises: The Double Moderating Effect of Enterprise Characteristics, *Management Review*, (2021), Vol.33, No.10, p.115.
- [13] Shirodkar Vikrant, Palitha Konara, Institutional distance and foreign subsidiary performance in emerging markets: Moderating effects of ownership strategy and host-country experience, *Management International Review*, (2017), Vol.57, pp.179-207.
- [14] Fatemi Ali, Martin Glaum, Stefanie Kaiser, ESG performance and firm value: The moderating role of disclosure, *Global finance journal*, (2018), Vol.38, pp.45-64.
- [15] Qiu Muyuan, Yin Hong, ESG performance and financing cost of enterprises in the context of ecological civilization construction, *Journal of Quantitative and Technical Economics*, (2019), pp.108-123.
- [16] R. Rajesh, Exploring the sustainability performances of firms using environmental, social, and governance scores, *Journal of Cleaner Production*, (2020), Vol.247, 119600.
- [17] Tamimi Nabil, Rose Sebastianelli, Transparency among S&P 500 companies: An analysis of ESG disclosure scores, *Management Decision*, (2017), pp.1660-1680.
- [18] Qian Longhai, Promoting the construction of ESG market helps achieve high-quality economic development, *Contemporary Financiers*, (2021), p.3843.
- [19] W. Z. Sun, The relationship between Environment-social-governance (ESG) performance and its impact on corporate performance, *Contemporary Managers*, (2020), p.100004.
- [20] G. Farnham Paul, *Economics for managers*, Pearson, (2014)
- [21] T. Petrou John, *Saudi Arabia in the Oil Era: Regimes and Elites, Conflict and Collaboration*, by Mordechai Abir (Book Review), *Middle East Journal*, (1989), Vol.43, No.1, p.105.
- [22] Yang Jiao, How institutional distance and international experience affect the success or failure of foreign direct investment by Chinese enterprises?, *American Journal of Industrial and Business Management*, (2019), Vol.9, No.3, pp.512-535.
- [23] R. Gubbi Sathyajit, Do international acquisitions by emerging-economy firms create shareholder value? The case of Indian firms, *Journal of International Business Studies*, (2010), Vol.41, pp.397-418.
- [24] Huang Ling-Yun, ZHENG Shu-fang, Wang Jue, Research on evolutionary game and decision-making of win-win cooperation between multinational enterprises and host government, *Chinese Journal of Management Science*, (2015), pp.19-25.
- [25] Yang Jie, Hu Fei, The Impact of Multi-dimensional Distance on the international operation mode of Chinese enterprises: PPML regression analysis based on panel data of countries along the Belt and Road, *Journal of Southwest Petroleum University (Social Science Edition)*, (2022), pp.26-32.
- [26] Deng Taotao, Yukun Hu, Yang Yang, How geographic, cultural, and institutional distances shape location choices of China's OFDI in tourism?—an empirical study on B&R countries, *Asia Pacific Journal of Tourism Research*, (2019), Vol.24, No.8, pp.735-749.