

# Research on the Driving Mechanism of Corporate Participation in Governance for Health — An Empirical Analysis Based on Chinese Listed Companies

Xinyue ZENG<sup>1\*</sup>

\* 222120402008@smail.swufe.edu.cn

<sup>1</sup>School of Public Administration, Southwestern University of Finance and Economics, PRC

## Objectives

- Examine the driving mechanisms behind enterprise participation in **governance for health**, focusing on both motivations and approaches.
- Identify internal and external factors influencing corporate engagement, such as profitability, market competition, and consumer preferences.
- Provide evidence-based recommendations to support the development of a more diverse and inclusive governance-for-health system.
- External Drivers**
  - Policy and Regulation*: Institutional constraints, tax incentives, compliance costs, industrial guidance.
  - Market Competition*: Competitive pressure, brand value, industry benchmarks.
  - Consumer Expectations*: Product innovation, reputation management, market demand.
- Internal Drivers**
  - Corporate Management*: Strategic layout, long-term investment, decision-making mechanisms.
  - Economic Benefits*: Cost control, revenue growth, innovation profitability, value creation.
  - Social Responsibility*: Ethical standards, public welfare contributions.
- Dynamic Interaction**
  - Continuous mutual influence and adaptive change between external and internal drivers.

## Methods

- Literature Review**: Analyzed existing research to summarize the status quo of governance for health and highlight knowledge gaps regarding enterprise involvement.
- Data Collection**: Selected ESG (Environmental, Social, Governance) annual reports from Shanghai, Shenzhen, and Beijing listed companies (2009–2023) using the CSMAR database.
- Text Mining**: Performed text recognition, Chinese word segmentation, and keyword frequency statistics to capture health governance activities.
- Empirical Analysis**: Applied a Generalized Linear Model (GLM) and Qualitative Comparative Analysis (QCA) to test the impact and interaction of dynamic factors on enterprise participation.

## Models

This study conducts an in-depth analysis of the driving mechanism of enterprise participation in health governance. Considering that enterprises in health governance activities are jointly influenced by many complex internal and external factors, traditional single-factor analysis methods can hardly reveal the overall mechanism. Therefore, a **Generalized Linear Model (GLM)** is adopted to comprehensively evaluate the nonlinear relationships among multiple variables. The mathematical specification of the model is as follows:

$$g(E(y_{it})) = \beta_0 + \sum_{m=1}^M \beta_m X_{mit} + \gamma_j T_{jt} + \delta_k P_k + \varepsilon_{it} \quad (1)$$

where:

- $y_{it}$ : Dependent variable for enterprise  $i$  at time  $t$ , representing the *health-governance disclosure status* or the *proportion of health-governance disclosure*.
- $E(y_{it})$ : Expected value of  $y_{it}$ .
- $g(\cdot)$ : Link function. In this study a **log link** is used, and the response distribution is assumed to follow a **Gamma** distribution.
- $\beta_0$ : Intercept term, denoting the baseline level of the dependent variable when all explanatory and control variables are zero.
- $X_{mit}$ : Explanatory variables of enterprise  $i$  at time  $t$ , including policy incentives, market competition, corporate management indicators, etc.
- $\beta_m$ : Coefficient of each explanatory variable, indicating the average change in the dependent variable for a one-unit change in  $X_{mit}$ , holding other variables constant.
- $T_{jt}$ : Time fixed-effect dummy;  $\gamma_j$  is its coefficient.  $T_{jt} = 1$  if observation  $t$  belongs to the  $j$ -th time period, otherwise 0, where  $j = 1, 2, \dots, J$ , and  $J$  is the number of time categories.
- $P_k$ : Province fixed-effect dummy;  $\delta_k$  is its coefficient.  $P_k = 1$  if enterprise  $i$  belongs to province  $k$ , otherwise 0, where  $k = 1, 2, \dots, K$ , and  $K$  is the number of provinces.
- $\varepsilon_{it}$ : Random error term.

## Results and Conclusions

**Tax Incentives**: Positive effect on corporate participation; highly profitable firms show greater willingness for long-term, continuous involvement.

**Market Competition & Consumer Preferences**: Both influence participation, yet monopoly firms display declining investment in health governance.

**Diverse Mechanisms**: Multiple participation paths exist with low unique coverage and weak interdependence—no single fixed behavioral pattern emerges.

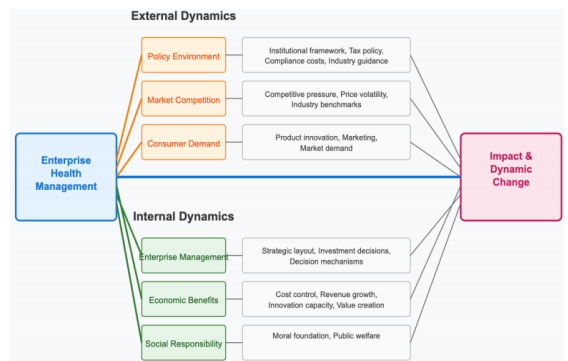
Enterprise participation in governance for health is **situational and differentiated**, shaped by profitability, competition, and internal governance.

Companies actively adjust strategies rather than passively responding to policy pressures.

### Policy Recommendations:

- Strengthen tax adjustment mechanisms.
- Optimize market competition guidance.
- Enhance consumer supervision.
- Support improvements in internal corporate governance.
- Provide reasonable system-level guidance to sustain public health governance.

Insights enable policymakers to craft precise regulations and help enterprises enhance social responsibility and sustainable development.



Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Tax Rate	-0.624*** (0.165)	-	-1.104*** (0.142)	-0.742*** (0.062)	-	-0.756*** (0.064)
Herfindahl Index	-0.241*** (0.064)	-	-0.226*** (0.061)	-0.092*** (0.037)	-	-0.093** (0.037)
Industry Companies	0.0003* (0.0002)	-	0.0002 (0.0001)	0.0002** (0.0001)	-	0.0002** (0.0001)
Consumer Confidence	-0.081*** (0.007)	-	-0.075*** (0.007)	0.011*** (0.004)	-	0.011*** (0.004)
Shareholding Ratio	-	-0.027 (0.020)	0.042** (0.019)	-	-0.043*** (0.011)	-0.002 (0.012)
Governance Score	-	0.004*** (0.002)	0.008*** (0.002)	-	-0.003*** (0.001)	-0.001 (0.001)
CSR Score	-	0.013*** (0.001)	0.012*** (0.001)	-	-0.0004 (0.001)	-0.0003 (0.001)
ROA	-	2.479*** (0.481)	3.056*** (0.450)	-	0.309 (0.254)	0.457* (0.264)
ROIC	-	-1.236*** (0.301)	-1.548*** (0.272)	-	-0.195 (0.144)	-0.272* (0.148)
Constant	11.887*** (0.714)	2.092*** (0.190)	9.446*** (0.709)	-5.809*** (0.411)	-4.249*** (0.110)	-5.738*** (0.423)
Controls	Yes	Yes	Yes	Yes	Yes	Yes

Condition Variables	Configuration Solutions					
	S1	S2	S3	S4	S5	S6
Tax Rate	●	-	●	●	●	●
ROA	-	●	●	●	●	●
Current Asset Ratio	●	●	●	●	-	●
Governance Score	●	●	-	-	●	●
Shareholding Ratio	-	-	-	●	●	●
Industry Companies	●	●	●	●	●	●
Herfindahl Index	●	●	●	●	●	●
Consistency	0.8926	0.8468	0.8724	0.8769	0.8493	0.8864
Coverage	0.2744	0.2977	0.3363	0.3231	0.3615	0.2494
Unique Coverage	0.0071	0.0137	0.0520	0.0136	0.0730	0.0222
Overall Consistency	0.6022					
Overall Coverage	0.8166					

● Condition Present   ● Condition Absent   - Don't Care