

Centre for Asian Business and Economics

# CABE RESEARCH SEMINAR SERIES

**PRESENTER** Professor Heli Wang (Singapore Management University)

**TOPIC** Geographic Distance and State's Grip: Information Asymmetry, State Inattention, and Chinese Firms' Implementation of State Policy

**DATE** Wednesday 10 May 2023

**TIME** 10.30am-12.00pm

**VENUE** Room 10.013, Level 10, The Spot, 198 Berkeley St, Carlton

**ZOOM:** <https://unimelb.zoom.us/j/82515663500?pwd=TWJZcHZVUGo4UEJ3YTIwS3VFb1k2QT09&from=addon>

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## ABSTRACT

Drawing from information economics and the attention-based view, we propose two mechanisms through which physical distance reduces firms' implementation of state policies: information asymmetry, and state leaders' inattention to distant organizations. Using data on Chinese public firms' implementation of environmental activities between 2008 and 2016, we find that firms conduct significantly fewer environmental activities required by the state with an increase in geographic distance from the state government in Beijing. While there is weak support for the information asymmetry mechanism in that the distance effect is more pronounced for firms that diversify into multiple industries, factors that raise the state's attention to firm environmental performance—firm visibility, internet activism, and the presence of natural reserves—are found to reduce the distance effect more significantly.

## BIO

Heli Wang is the Janice Bellace Professor of Strategic Management and Dean of College of Graduate Research Studies at Singapore Management University. Her research, which focuses on the resource-based view of the firm, strategic human capital, stakeholder management, and corporate social responsibility, has been published in various management journals including *Academy of Management Journal*, *Strategic Management Journal*, *Academy of Management Review*, *Organization Science*, and *Journal of Business Ethics*. She has served as associate editors of *Academy of Management Journal* and *Academy of Management Review*.



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