

# Research on Media Attention and Governance Mechanism of Listed Companies under the Background of Big Data

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**Abstract:** With the advent of the era of big data, the organizational structure of listed companies has undergone some changes. In this situation, it is particularly important to strengthen corporate governance. Corporate governance mechanism is a set of mechanisms to coordinate the relationship of responsibility, rights and interests between shareholders and stakeholders, and whether the corporate governance mechanism is sound or not is crucial to stakeholders. Media attention plays a role in corporate governance by exerting public opinion supervision, and using media attention effect to improve corporate governance mechanism has become a hot issue in the theoretical circle. In view of this, this paper starts with the importance and existing problems of corporate governance, and on this basis, carries out an in-depth analysis on the influence of media attention on the governance mechanism of listed companies under the background of big data. Finally, based on the realistic situation and from the perspective of media attention, it puts forward measures to improve the corporate governance mechanism under the background of big data.

**Keyword:** big data; media attention; a listed company; governance mechanism

## 1. Introduction

Corporate governance usually includes internal governance and external governance mechanisms. The internal governance mechanism can restrict the relationship between owners, executives and directors, and rationally allocate the power within the company to exert the supervision function. External governance mechanism mainly includes capital market environment, national policies and regulations, media attention, etc. It is a mechanism to realize mutual control and supervision of multi-party interests. In recent years, due to the rapid development of big data information technology, media attention has played an increasingly important role in supervising companies' business conditions. Due to the timely dissemination of information, media attention can reduce information asymmetry and play a governance role in supervising companies' violations. The supervision and governance functions of media attention have gradually been attached importance by the public. Therefore, the influence of media attention on corporate governance mechanism in the context of big data is beyond doubt, and it is of certain practical significance to actively explore the relationship between corporate governance mechanism and media attention. At present, the governance mechanism of listed companies has problems such as the lack of effectiveness of the board of directors and the Board of supervisors in performing their duties, low governance efficiency, imperfect internal incentive and assessment mechanism, and imbalance of management management. Starting from the importance and existing problems of corporate governance, this paper makes an in-depth analysis on the influence of media attention on the governance mechanism of listed companies under the background of big data. Finally, Based on the actual situation and from the perspective of media attention, this paper puts forward measures to improve the corporate governance mechanism under the background of big data.

## 2. Problems Existing in the Governance Mechanism of Listed Companies

(1) The Board of Directors and the Board of Supervisors are Ineffective in Performing their Duties, and the Efficiency of Corporate Governance is Low

The shareholders' meeting, the board of directors and the Board of supervisors are the components of the corporate governance structure. The responsibility of the board of directors is to convene the general meeting of shareholders, report the work to the shareholders' meeting and implement the resolutions, etc., while the inspection and supervision of the board of directors is the main responsibility of the Board of supervisors. At this stage, the board of directors and the Board of supervisors of most listed companies are insufficient to effectively exercise their powers and seriously lack the effectiveness of performing their duties, the problem of the chairman's "all-powerful" is serious, and the phenomenon of the Board of supervisors "non-supervision" occurs from time to time. In this situation, it is difficult for the board of directors and the Board of supervisors to play their due roles, and the board of supervisors becomes the decoration of the governance structure of listed companies. It is difficult to form the internal governance pattern of the shareholders' meeting, the board of directors and the board of supervisors, which leads to the low governance efficiency of listed companies.

(2) The Internal Incentive and Assessment Mechanism of the Company is not Perfect, and the Rights and Responsibilities of the Management are not Clear

The imperfect internal incentive and assessment mechanism is a prominent problem in the governance mechanism of listed companies. There is no doubt that big data technology has a certain impact on the organizational structure of listed companies. The proportion of high-tech employees and high-quality human capital is increasing, and the internal authority allocation of companies is constantly changing. Under this pattern, the incentive mechanism of listed companies should adapt to the changes in the scope of responsibilities of the company's management under the environment of big data. However, at present, some companies have problems such as the lack of

scientific assessment indicators, the difficulty of performance assessment of corporate management positions, unreasonable salary structure, and difficult to determine assessment standards. As a result, the enthusiasm of the management is greatly reduced, resulting in unclear rights and responsibilities of the company's management, and the imbalance of corporate governance.

### (3) The Ownership is Highly Concentrated and the Situation of Insider Control is Prominent

The ownership structure of listed companies is not reasonable, the ownership is highly concentrated, the problem of "one share is dominant" is prominent, and the situation of insider control appears. The so-called insider control means that all aspects of the company are controlled by the chairman, senior executives and other personnel with decision-making and executive power. The reasons are as follows: First, there is a conflict of interest between the top management and the operator and the information asymmetry between them; Second, the top management usually holds the important functions and powers of the company such as investment and decision-making, while some managers pay too much attention to their own interests. On the one hand, the negative consequences of the problem of insider control will lead to the confusion of the internal governance of the company, and the supervision function of the governance layer is difficult to play efficiently. On the other hand, it will infringe the legitimate rights and interests of the majority of investors and reduce the reputation of the listed company.

## 3. The Impact of Media Attention on Corporate Governance Mechanism in the Context of Big Data

From the perspective of stakeholder theory, the influence of media attention on the governance mechanism of listed companies under big data information technology is beyond doubt. With the continuous development of market economy, the influence of media attention on the corporate governance environment as an external alternative mechanism of the company cannot be underestimated. Media attention can effectively supervise the opportunistic behavior of management and major shareholders, protect the legitimate interests of external small and medium-sized investors, and thus improve the external governance environment of the company. Media attention in the context of big data can promote listed companies to further improve the corporate governance mechanism.

At the same time, media attention, as one of the subjects of social supervision, can effectively alleviate information asymmetry and agency problems. Media attention will enable the management to urge listed companies to regulate their own behaviors, objectively report the company's operating conditions, build the company's reputation effect by means of public opinion, shape the company's brand image, and enhance the information transparency of listed companies. The problem of information asymmetry is alleviated. As an external supervisory force, the media will also cause the public and stakeholders to focus on the company's behavior through information dissemination, thus playing a restrictive role in the behavior of the company's top management and making it an external supplement to the company's internal governance. It is undeniable that media attention is the external supervision mechanism for listed companies to improve their governance level. In the context of big data, the supervision power of media attention can curb corporate financial fraud and irregularities, and the reputation mechanism shaped by media attention can urge managers to pay full attention to media reports, correct bad behaviors in time, purify the corporate governance environment, and promote the healthy and orderly development of the market economy.

## 4. Measures to Improve the Governance Mechanism of Listed Companies under the Background of Big Data

As mentioned above, in the context of big data, the public pays increasing attention to media reports, and corporate governance and executive behavior will quickly receive media attention and reports. In the context of big data, the core of corporate governance is to achieve the balance of interests among different entities, so effectively rationalizing the multi-stakeholder balance relationship in corporate governance is the key to improving the governance mechanism of listed companies.

### (1) Strengthen the Functions of the Board of Directors and the Board of Supervisors, and Maximize the Role of Checks and Balances, Constraints and Supervision

Under the background of big data, it is necessary to strengthen the functions of the board of directors and the Board of supervisors to improve the corporate governance mechanism. On the one hand, the independent director system must be strengthened. The independence of independent directors is guaranteed by increasing the proportion of independent directors in the board of directors, and the role of checks and balances, constraints and supervision of independent directors is maximized to avoid the control and restriction of independent directors by major shareholders. At the same time, necessary external supervision is carried out on independent directors to enhance the sense of participation of independent directors in corporate governance and ensure that independent directors can better perform their duties. On the other hand, strengthen the supervisory power and responsibility consciousness of the board of supervisors. As an important part of the corporate governance supervision system, the board of supervisors is responsible for checking and supervising the resolutions of the board of directors, etc. Therefore, it is very important to improve the functions and powers of the board of supervisors. The company should improve the composition of the board of supervisors, enhance the ability and quality of the members of the board of supervisors, enrich the professional knowledge of the supervisors, and assist the supervisors to carry out the supervision work smoothly. Give them substantive powers such as operational supervision, but also strengthen the responsibility of the board of supervisors, increase the personal responsibility of supervisors, and avoid the board of supervisors to become a mere formality.

### (2) Formulate Effective Incentive Contracts to Increase Executive Compensation and Improve Corporate Governance Efficiency

In the context of big data, the incentive system of listed companies should keep pace with The Times. Only by improving the incentive

system can the management be fully invested in corporate governance, and the incentive mechanism in the governance structure of listed companies can improve the efficiency of corporate governance. On the one hand, listed companies need to implement long-term equity incentives for the management to closely link the interests of managers with the future development of the company, so that the personal benefits of managers are consistent with the interests of the company. Enhance managers' sense of responsibility, avoid short-term behavior, and improve the operating efficiency of listed companies. On the other hand, listed companies can add honor incentive and reward and punishment systems, and formulate effective incentive contracts to increase the compensation or residual claim of the management. These incentive mechanisms can strengthen the management's sense of belonging to listed companies, stimulate the management's motivation to improve corporate governance, and encourage the management to take the goal of maximizing the company's value as the starting point of business decisions. Most of the research results show that management incentive has a positive promoting effect on the improvement of corporate efficiency, and there is a positive correlation between the two.

(3) Diversified Ownership Structure Should be Implemented to Establish a Pattern of Checks and Balances Between Multi-party Shareholding

The "one-share dominance" of listed companies causes the imbalance between the interests of major shareholders and minority shareholders. The absolute control of major shareholders makes the power check and balance mechanism of the company useless. It is common for major shareholders to ignore the interests of minority shareholders for their own interests and unbridled damage the rights and interests of minority investors under the "compliance cloak". In order to alleviate and coordinate the contradiction between the two, the ownership structure must be adjusted, that is, the ownership structure should be diversified. In recent years, scholars have explored the relationship between shareholders' shareholding and corporate governance mechanism. With the increasing perfection of theories and methods, it can be seen that the construction of a reasonable shareholding structure includes the following two aspects: On the one hand, the company transforms the shareholding balance mode of "monopoly of power" into the non-equilibrium mode of shareholding ratio, and the decentralized shareholding structure realizes the mutual restraint of the shares; On the other hand, actively absorb institutional investment and increase the proportion of minority shareholders. When the number of minority shareholders reaches a certain scale, it can form a strong investment strength, enhance the "right of discourse", and form a check and balance with major shareholders when the power of major shareholders is timely weakened. All in all, through the above two aspects to establish a pattern of multi-party shareholding checks and balances, to achieve the diversification of the ownership structure to form a reasonable ownership structure has a promoting role in improving the corporate governance mechanism.

## 5. Conclusion

Under the background of big data, a sound corporate governance mechanism is an important guarantee for the healthy and orderly development of listed companies. At present, the governance mechanism of listed companies has problems such as the lack of effectiveness of the board of directors and the board of supervisors in performing their duties, low governance efficiency, imperfect internal incentive and assessment mechanism, and imbalance in management management. In the context of big data, media attention plays a role in corporate governance by exerting supervision by public opinion. Media attention is an external supervision force to improve corporate governance mechanism. By objectively reporting business and financial matters, media urge listed companies to enhance information transparency, thereby curbing corporate financial fraud and irregularities. The reputation mechanism shaped by media attention can timely correct the bad behavior of company executives and regulate the behavior of listed companies. Facts have proved that media attention, as an external auxiliary force of the internal governance mechanism of listed companies, plays an important role in the process of improving the internal governance mechanism of companies.

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