

A Study on the Influence of TMT Stability on Enterprise Information Disclosure Quality

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Abstract. Information disclosure is the cornerstone of high-quality development in capital markets, as it effectively mitigates information asymmetry between enterprises and stakeholders and improves resource allocation efficiency. However, violations by listed companies—such as financial fraud and delayed disclosure—remain frequent, severely undermining market stability. As the core of corporate decision-making, the stability of the top management team may exert an impact on corporate information disclosure quality. Based on this, this study selects A-share listed companies on the Shenzhen Stock Exchange in China from 2007 to 2023 as the research sample to explore the relationship between TMT stability and corporate information disclosure quality. The results show that TMT stability significantly improves corporate information disclosure quality, and this effect is achieved by reducing operational risk. Further analysis reveals that the positive impact of TMT stability on information disclosure quality is more pronounced in non-state-owned enterprises. This study expands the research on the economic consequences of TMT stability and the influencing factors of information disclosure quality, providing references for enterprises to maintain TMT stability and for regulatory authorities to formulate relevant policies.

Keywords: TMT Stability; Quality of Information Disclosure; Operational Risk.

1. Introduction

Information disclosure serves as the core cornerstone for the high-quality development of capital markets. It is not only the "lifeline" for maintaining the healthy operation of markets but also a key mechanism to curb managers' self-interested behaviors and mitigate moral hazards (Lu & Yang, 2020). Currently, China's capital market is in a critical phase of the full implementation of the registration-based IPO system, where the quality of information disclosure has become the core focus of regulatory reforms. The new *Securities Law* implemented in 2020 has promoted information disclosure from formal compliance to substantive effectiveness by expanding disclosure scope, refining standards, and severely punishing violations. In 2025, the China Securities Regulatory Commission (CSRC) revised the Measures for the Administration of Information Disclosure by Listed Companies, further strengthening requirements for risk factor disclosure and clarifying responsible entities and procedural standards—highlighting the core position of information disclosure in capital market governance.

For listed companies, high-quality information disclosure can not only reduce information asymmetry with investors and optimize resource allocation (Li et al., 2018) but also improve corporate performance through external supervision and promote high-quality development (Xing et al., 2023). It is a key support for enterprises to achieve stable development amid market competition and public supervision. As the core body of corporate operations and decision-making, the stability of the top management team (TMT) directly affects governance efficiency and strategy implementation (Deng et al., 2025): a stable TMT can accumulate firm-specific human capital, foster internal collaboration tacit understanding, and ensure decision quality and strategic continuity. Conversely, frequent executive turnover may lead to fractured team collaboration, strategic disconnection, and even internal control failures, thereby causing negative impacts on enterprises (Wang et al., 2022). In recent years, information disclosure violations by listed companies have occurred frequently—such as Kangmei Pharmaceutical's financial fraud, Yihua Group's failure to disclose periodic reports as required, and Gome Telecom's fabrication of purchase and sales business

to inflate revenue. These violations not only reveal the disregard for information disclosure rules by some enterprises but also reflect the severity of information disclosure chaos in China's securities market. Low-quality information disclosure not only harms the legitimate rights and interests of investors but also becomes a major bottleneck restricting the high-quality development of enterprises.

Against the backdrop where the quality of corporate information disclosure is becoming increasingly important yet problematic, it is particularly crucial to study the influencing factors of corporate information disclosure quality. Therefore, this study takes A-share listed companies on the Shenzhen Stock Exchange in China from 2007 to 2023 as samples to explore the impact of TMT stability on corporate information disclosure quality and its mechanism. The study aims to answer the following questions: (1) Whether TMT stability affects corporate information disclosure quality; (2) What is the internal mechanism through which TMT stability influences corporate information disclosure quality; (3) Combined with the institutional background of Chinese enterprises, whether there are differences in the research conclusions of the above questions between state-controlled and non-state-controlled companies. The research results show that the more stable the TMT, the better the corporate information disclosure quality. Mechanism tests indicate that TMT stability enhances corporate information disclosure quality by reducing corporate operational risk. Further analysis reveals that the positive impact of TMT stability on information disclosure quality is more pronounced in non-state-controlled enterprises.

The contributions of this study are as follows: First, it enriches the literature on the economic consequences of TMT stability. Existing studies on the economic consequences of TMT stability mostly focus on its impact on corporate innovation and operating performance, lacking in-depth exploration of corporate information disclosure quality. This study takes corporate information disclosure quality—a key behavior with both strategic decision-making and governance functions—as the research focus, empirically testing the governance effect of TMT stability on information disclosure quality, which provides a useful supplement to the research on the economic consequences of TMT stability. Second, it expands the research on the influencing factors of corporate information disclosure quality. Existing studies on the influencing factors of information disclosure quality mostly examine factors from the perspectives of corporate financial characteristics, internal governance characteristics, external governance characteristics, and supervision. Even when involving executive characteristics, they mostly focus on individual core executives or TMT heterogeneity, while ignoring the potential role of TMT stability—a structural characteristic of the team. This study further incorporates TMT stability into the framework of factors influencing information disclosure quality, exploring its impact on corporate information disclosure quality and further improving the theoretical system of the influencing mechanism of information disclosure quality.

2. Theoretical Analysis and Research Hypotheses

As the core of corporate operational decision-making, a stable TMT is more inclined to transmit incremental corporate information to the outside world based on long-term strategic and operational goals compared to a frequently changing TMT (Deng et al., 2015), and will inevitably have a significant impact on the quality of corporate information disclosure. Moreover, long-term collaboration among TMT members helps form deep trust and effective communication modes. Positive interactions enhance the effectiveness of internal supervision, which is conducive to producing higher-quality corporate information and improving the quality of information disclosure (Luo & Chen, 2016). Therefore, this study argues that TMT stability can improve the quality of corporate information disclosure.

Specifically, on the one hand, TMT stability helps maintain relative stability in corporate operational decisions, reducing operational risks caused by strategic vacillation or decision-making errors. On the other hand, a stable TMT helps enhance team synergy efficiency, improve the continuity of corporate strategy implementation, and thus effectively control corporate operational risks. Additionally, TMT members who serve in the enterprise for a long-time help accumulate the

firm-specific human capital required by the enterprise, optimize internal management processes, improve operational efficiency, and effectively reduce operational risks caused by improper management or internal conflicts (Zhang et al., 2018; Liao et al., 2024). When risks are controllable, managers find it harder to find "legitimate" justifications for their improper information disclosure behaviors, which fundamentally reduces the possibility of managers proactively lowering information disclosure quality and promotes the improvement of corporate information disclosure quality. In contrast, TMT turnover and instability will disrupt long-established team tacit understanding and collaboration modes, leading to the loss of firm-specific human capital, hindering the continuous implementation of business strategies, thereby reducing corporate decision quality and efficiency, increasing the likelihood of high-risk investment decisions and radical strategic changes, and exacerbating corporate operational risks (Ma & Seidl, 2018; Luo et al., 2023). The intensified operational risks provide new maneuvering space for managers, who may use avoiding operational risks as an excuse to manipulate corporate information for impression management, resulting in a decline in corporate information disclosure quality. Therefore, this study reasonably infers that TMT stability promotes the improvement of corporate information disclosure quality through the path of reducing corporate operational risks. Based on this, the following hypothesis is proposed:

Hypothesis 1: TMT stability has a positive effect on improving the quality of corporate information disclosure.

3. Research Design

3.1. Sample Source and Selection

This study selects data from A-share listed companies on the Shenzhen Stock Exchange in China for the period 2007-2023 as the research sample, with screening based on the following criteria: 1. Excluding financial and insurance companies; 2. Excluding ST and PT companies; 3. Excluding companies with missing data.

Ultimately, a total of 21,737 firm-year observations from 2,440 companies in the Shenzhen A-share market between 2007 and 2023 are obtained. To eliminate the impact of outliers, all continuous variables are winsorized at the 1st and 99th percentiles. All data in this study are sourced from the CSMAR (China Stock Market & Accounting Research) Database.

3.2. Variable Explanations

3.2.1 Disclosure

Drawing on the method of Zeng & Lu (2006), this study measures the information disclosure quality of listed companies using the information disclosure ratings issued by the Shenzhen Stock Exchange. Specifically, the ratings are assigned numerical values as follows: "Excellent" = 4, "Good" = 3, "Pass" = 2, and "Fail" = 1. The variable Disclosure is constructed as the proxy for corporate information disclosure quality, where a higher value indicates better information disclosure quality.

3.2.2 TMT stability

TMT stability is calculated using the research model developed by Crutchley (2002). This model considers both changes in team size and member composition, enabling effective measurement of TMT stability for listed companies. It has been widely adopted by Chinese scholars (Yang et al., 2009; Zhang et al., 2018; Wang et al., 2022). The specific calculation method is shown in Model (1):

$$STMT_{t,t+1} = \frac{M_t \cdot \#(S_t / S_{t+1})}{M_t} * \frac{M_{t+1}}{M_t + M_{t+1}} + \frac{M_{t+1} \cdot \#(S_{t+1} / S_t)}{M_{t+1}} * \frac{M_t}{M_t + M_{t+1}} \quad (1)$$

In Formula (1): *STMT* represents the stability of the TMT, with a value range of [0, 1]. A value closer to 1 indicates stronger TMT stability. M_t denotes the total number of TMT members in the company in year t . $\#(S_t / S_{t+1})$ represents the number of TMT members who were in office in year t but left the position in year $t+1$. M_{t+1} denotes the total number of TMT members in the company in

year $t+1$. $\#(S_{t+1}/S_t)$ represents the number of TMT members who were not in office in year t but newly joined the team in year $t+1$.

3.2.3 Control Variables

Drawing on the research methods of Zhang et al. (2018) and Luo et al. (2023), this study selects control variables covering three dimensions: firm characteristics, financial indicators, and corporate governance. These variables include: asset-liability ratio (*Lev*), firm size (*Size*), revenue growth rate (*Growth*), firm age (*ListAge*), Big 4 audit (*Big4*), CEO-chairman duality (*Dual*), ownership concentration (*Top1*), board size (*Board*), and nature of property rights (*SOE*). The specific definitions of these variables are presented in Table 1.

Table 1. Variable Definitions

Variable Type	Variable Symbol	Variable Definition
Explained Variable	<i>Disclosure</i>	Corporate information disclosure quality, measured by the Shenzhen Stock Exchange's rating.
Explanatory Variable	<i>STMT</i>	TMT stability, measured in accordance with Model (1)
Control Variables	<i>Size</i>	Firm size, measured as the natural logarithm of the company's total assets at the end of the year.
	<i>ListAge</i>	Firm age, measured as the natural logarithm of the number of years the company has been listed.
	<i>Lev</i>	Asset-liability ratio, measured as (total liabilities at the end of the year) divided by (total assets at the end of the year).
	<i>Growth</i>	Revenue growth rate, measured as (current year's operating revenue - previous year's operating revenue) divided by (previous year's operating revenue).
	<i>Board</i>	Board size, measured as the natural logarithm of the number of board members.
	<i>Dual</i>	CEO-chairman duality, assigned a value of 1 if the CEO and chairman are the same person, and 0 otherwise.
	<i>SOE</i>	Nature of property rights, assigned a value of 1 if the company is state-owned, and 0 otherwise.
	<i>Top1</i>	Ownership concentration, measured by the shareholding ratio of the largest shareholder.
	<i>Big4</i>	Big 4 audit, assigned a value of 1 if the auditor is one of the Big 4 accounting firms, and 0 otherwise.
	<i>YEAR</i>	Year dummy variables.
	<i>INDUSTRY</i>	Industry dummy variables.

3.3. Model Construction

The Model 2 for Hypothesis 1 in this study is as follows:

$$\text{Disclosure}_{it} = \alpha_0 + \alpha_1 \text{STMT}_{it} + \sum \text{Controls} + \epsilon_{it} \quad (2)$$

Among the variables in the model, t represents time, and i represents the company.

The explanatory variable *STMT* is calculated in accordance with Model (1). The explained variable is *Disclosure*, which is measured using the information disclosure quality rating of the Shenzhen Stock Exchange. *Control* includes a series of factors that may affect corporate information disclosure quality, covering firm characteristics, financial indicators, and corporate governance dimensions.

To enhance the robustness of the regression results, year fixed effects and industry fixed effects are controlled for in the model regression. The expected coefficient of *STMT* is significantly positive, which would verify the hypothesis of this study.

4. Empirical Results Analysis

4.1. Descriptive Statistics

Table 2 presents the descriptive statistics of the main variables for the full sample, including mean, minimum value, median, maximum value, and standard deviation.

From the statistical results of the explained variable and explanatory variable:

For *Disclosure*, the mean and median are 3.057 and 3, respectively, with a standard deviation of 0.608; the maximum and minimum values are 4 and 1. Notably, the median is slightly higher than the mean, indicating that the overall information disclosure quality of Chinese enterprises is relatively high, while there are significant differences in information disclosure quality among different enterprises.

For *STMT*, the mean and median are 0.898 and 0.933, with a small gap between them. This suggests that most sample enterprises have high TMT stability; however, the difference between 0 and 1 indicates that some enterprises still experience frequent executive turnover.

From the statistical results of the control variables: For *Lev*, the mean and median are 0.402 and 0.390, respectively, showing a relatively concentrated distribution of leverage levels among sample enterprises. For *Size*, the mean and median are 21.95 and 21.80, with a small gap, indicating that the size distribution of listed enterprises in China is relatively concentrated. For *Growth*, the maximum and minimum values are 3.808 and -0.653, reflecting significant differences in the sustainable growth capacity among sample enterprises. For *ListAge*, the mean and median are 2.039 and 2.197, respectively, indicating a relatively concentrated distribution of sample enterprise ages. For *Big4*, the mean and standard deviation are 0.036 and 0.187, suggesting large differences in whether sample enterprises engage Big 4 audit firms. For *Dual*, the mean is 0.309, indicating that a relatively large proportion of sample enterprises have the same person serving as both CEO and chairman, and state-owned enterprises account for a significant share. For *Top1*, the mean and median are 0.324 and 0.300, with a standard deviation of 0.142, indicating that a small number of shareholders control the majority of shares in Chinese listed enterprises. For *Board*, the mean and median are 2.110 and 2.197, with a standard deviation of 0.196, showing a relatively balanced distribution of board sizes among Chinese listed enterprises. For *SOE*, the mean is 0.315, indicating that SOEs account for a relatively small proportion of the sample. This may be due to the institutional and managerial challenges faced by SOEs, leading to their relatively weak market share.

Table 2. Descriptive Statistics

variable	N	Mean	Median	SD	Max	Min
<i>Disclosure</i>	21737	3.057	3	0.608	1	4
<i>STMT</i>	21737	0.898	0.933	0.123	0	1
<i>Lev</i>	21737	0.402	0.390	0.200	0.0270	0.925
<i>Size</i>	21737	21.95	21.80	1.151	19.41	26.44
<i>Growth</i>	21737	0.177	0.117	0.395	-0.653	3.808
<i>ListAge</i>	21737	2.039	2.197	0.788	0	3.434
<i>Big4</i>	21737	0.036	0	0.187	0	1
<i>Dual</i>	21737	0.309	0	0.462	0	1
<i>Top1</i>	21737	0.324	0.300	0.142	0.0810	0.758
<i>Board</i>	21737	2.110	2.197	0.196	1.609	2.708
<i>SOE</i>	21737	0.315	0	0.465	0	1

4.2. Baseline Regression Results

Table 3 presents the results of the impact of TMT stability on corporate information disclosure quality. Columns (1) and (2) report the results of the relationship between TMT stability and corporate information disclosure quality. Column (1) shows the results without including control variables: the coefficient of the explanatory variable *STMT* is 0.612, which is significant at the 1% significance level. Column (2) presents the results after adding control variables: the coefficient of *STMT* is 0.524, also significant at the 1% significance level. The above results indicate a positive correlation between TMT stability and corporate information disclosure quality. That is, under the same other conditions, TMT stability can effectively improve corporate information disclosure quality, which confirms the hypothesis of this study.

Regarding the control variables: *Lev*, *Size*, *Growth*, *ListAge*, *ROA*, *Top1*, *Board* and *SOE* are all significantly correlated with corporate information disclosure quality. Specifically: *Size*, *ROA*, *Top1*,

Board, and *SOE* show a positive correlation with information disclosure quality, while *Lev*, *Growth* and *ListAge* show a negative correlation.

Table 3. Regression Results of TMT Stability on Corporate Information Disclosure Quality

	(1)	(2)
	Disclosure	Disclosure
<i>STMT</i>	0.612***	0.524***
	(16.74)	(15.52)
<i>Lev</i>		-0.763***
		(-31.18)
<i>Size</i>		0.183***
		(39.75)
<i>Growth</i>		0.096***
		(8.39)
<i>ListAge</i>		-0.105***
		(-17.49)
<i>Big4</i>		0.044**
		(2.13)
<i>Dual</i>		-0.009
		(-1.02)
<i>Top1</i>		0.375***
		(13.16)
<i>Board</i>		0.123***
		(5.84)
<i>SOE</i>		0.085***
		(8.71)
<i>YEAR</i>	YES	YES
<i>INDUSTRY</i>	YES	YES
<i>Constant</i>	1.997***	-1.730***
	(34.21)	(-15.90)
<i>Observations</i>	21,737	21,737
<i>R-squared</i>	0.035	0.161

4.3. Mechanism Study

The regression results in the previous section confirm that TMT stability promotes the quality of corporate information disclosure. This study further argues that TMT stability can improve corporate information disclosure quality by reducing corporate operational risk.

Specifically, on one hand, a stable TMT helps maintain relative stability in corporate operation and governance, ensuring the consistent implementation of the company's strategies and decisions. This reduces uncertainty in operational decisions, thereby lowering corporate operational risk. On the other hand, a stable TMT is conducive to the accumulation of firm-specific human capital required by the enterprise, which develops into the company's strategic resource. This enhances the company's control over its operations, improves operational efficiency, and further reduces operational risk (Zhang et al., 2018).

In contrast, frequent TMT turnover not only significantly impairs the company's ability to implement established strategies and increases uncertainty in operation and governance, but also triggers changes in corporate business strategies and internal policies. This raises the possibility of the company making high-risk investment decisions and adopting radical strategic changes.

Based on the above analysis, this study refers to the method of mechanism testing proposed by Wen et al. (2004) and constructs a mechanism test model with operational risk (*Risk*) as the mediating variable. For the selection of a proxy variable for corporate operational risk, this study draws on the approach of Wang et al. (2017) and uses earnings volatility to measure the level of operational risk. Specifically, *Risk* is calculated through Equations (3) and (4), and is ultimately defined as the cumulative distribution probability of the standard deviation of EBITDA margin. A larger value of *Risk* indicates higher corporate operational risk.

$$\delta_{i,t} = \sqrt{\frac{1}{T-1} \sum_{t=1}^T \left(E_{i,t} - \frac{1}{T} \sum_{t=1}^T E_{i,t} \right)^2} \quad |T=4 \quad (3)$$

$$E_{i,t} = \frac{EBIT_{i,t}}{A_{i,t-1}} \quad (4)$$

Among the variables, $\delta_{i,t}$ represents the operational risk of company i in year n ; $EBIT_{i,t}$ denotes the earnings before interest, taxes, depreciation, and amortization of company i in year n ; $A_{i,t-1}$ stands for the total assets of company i in year $t-1$.

Table 4 reports the results of the mediation effect test for operational risk. In Column (1), the regression coefficient of *STMT* on *Risk* is significantly negative at the 1% significance level. This indicates a negative correlation between TMT stability and corporate operational risk, meaning that TMT stability can reduce corporate operational risk. In Column (2), the regression coefficient of *Risk* on *Disclosure* is also significantly negative at the 1% significance level, which is consistent with the sign of the estimated coefficient of TMT stability on corporate information disclosure quality in Table 3. Based on the above results, it can be concluded that top management team stability can improve corporate information disclosure quality by reducing corporate operational risk.

Table 4. Mechanism Test of Operational Risk

	(1)	(2)
	<i>Risk</i>	<i>Disclosure</i>
<i>Risk</i>		-0.231***
		(-13.48)
<i>STMT</i>	-0.171***	0.471***
	(-9.47)	(11.97)
<i>Lev</i>	0.008	-0.858***
	(0.60)	(-28.96)
<i>Size</i>	-0.013***	0.193***
	(-5.09)	(36.87)
<i>Growth</i>	0.017***	0.093***
	(2.83)	(6.92)
<i>ListAge</i>	0.043***	-0.113***
	(7.63)	(-9.96)
<i>Biq4</i>	0.042***	0.043*
	(3.67)	(1.83)
<i>Dual</i>	0.000	-0.009
	(0.05)	(-0.83)
<i>Top1</i>	-0.040**	0.437***
	(-2.25)	(12.52)
<i>Board</i>	-0.048***	0.126***
	(-3.85)	(4.96)
<i>SOE</i>	-0.049***	0.076***
	(-8.61)	(6.41)
<i>Constant</i>	1.032***	-1.801***
	(17.22)	(-14.19)
<i>YEAR</i>	YES	YES
<i>INDUSTRY</i>	YES	YES
<i>Observations</i>	14,702	14,702
<i>Adj_R2</i>	0.049	0.198

4.4. Robustness Tests and Endogeneity Tests

4.4.1 Propensity Score Matching

Differences in firm characteristics may simultaneously affect TMT stability and corporate information disclosure quality. To control the impact of this endogeneity issue on the reliability of results, this study conducts propensity score matching for two groups of enterprises: those with high TMT stability and those with low TMT stability.

Specifically, since *STMT* is a continuous variable, this study constructs a dummy variable *DSTMT* using the median of TMT stability as the cutoff. If a firm's TMT stability is higher than the industry-year median, *DSTMT* is assigned a value of 1; otherwise, it is 0. This classification divides firms into the treatment group and the control group.

Subsequently, *DSTMT* is used as the explained variable, while the explanatory variables consist of all control variables from the baseline regression. A logit model is applied for 1:1 nearest-neighbor matching, and a balance test is conducted on the matched samples to verify the validity of the matching.

Table 5 reports the results of the regression analysis after retaining the samples successfully matched via propensity score matching. As shown in Column (1), the coefficient of *DSTMT* is significantly positive at the 1% significance level, which supports the research hypothesis. The above results indicate that after applying propensity score matching, the samples still satisfy the research hypothesis, confirming the robustness and reliability of the study's conclusions.

Table 5. Regression Results Based on PSM Matching

	(1)
	<i>Disclosure</i>
<i>DSTMT</i>	0.100***
	(10.97)
<i>Lev</i>	-0.772***
	(-27.35)
<i>Size</i>	0.186***
	(35.40)
<i>Growth</i>	0.115***
	(8.34)
<i>ListAge</i>	-0.107***
	(-15.82)
<i>Big4</i>	0.033
	(1.35)
<i>Dual</i>	-0.011
	(-1.17)
<i>Top1</i>	0.351***
	(10.76)
<i>Board</i>	0.116***
	(4.94)
<i>SOE</i>	0.074***
	(6.48)
<i>Constant</i>	-1.343***
	(-11.04)
<i>YEAR</i>	YES
<i>INDUSTRY</i>	YES
<i>Observations</i>	16,629
<i>Adj_R2</i>	0.153

4.4.2 Replacing the Explained Variable

To avoid deviations caused by different measurement methods affecting the hypothetical conclusions, this study conducts a robustness test using corporate information disclosure quality measured by different approaches, so as to enhance the credibility of the research results.

In this study, *AbsDA* and *Opaque* are used as the alternative variable for corporate information disclosure quality. Larger values of *AbsDA* and *Opaque* indicate lower quality of corporate information disclosure.

AbsDA and *Opaque* are calculated using the modified Jones model (Dechow et al., 1995). The specific calculation process is shown in Models (5) to (7).

$$\frac{TA_{i,t}}{Asset_{i,t-1}} = \alpha_0 + \alpha_1 \frac{I}{Asset_{i,t-1}} + \alpha_2 \frac{\Delta REV_{i,t}}{Asset_{i,t-1}} + \alpha_3 \frac{PPE_{i,t}}{Asset_{i,t-1}} + \varepsilon_{i,t} \quad (5)$$

$$DA_{i,t} = \frac{TA_{i,t}}{Asset_{i,t-1}} - (\alpha_1 \frac{I}{Asset_{i,t-1}} + \alpha_2 \frac{\Delta REV_{i,t} - \Delta REC_{i,t}}{Asset_{i,t-1}} + \alpha_3 \frac{PPE_{i,t}}{Asset_{i,t-1}}) \quad (6)$$

$$Opaque = Abs(DA_{i,t-1}) + Abs(DA_{i,t-2}) + Abs(DA_{i,t-3}) \quad (7)$$

Among the variables, $TA_{i,t}$ represents the total accruals of listed company i in year t , which is equal to operating profit minus net cash flow from operating activities. $Asset_{i,t}$ refers to the total assets of the listed company. $\Delta REV_{i,t}$ stands for the change in main operating revenue of listed company i in year $t-1$; $PPE_{i,t}$ stands for the original value of fixed assets of listed company i at the end of year t ; $\Delta REC_{i,t}$ stands for the change in accounts receivable of listed company i between year t and year $t-1$. By substituting the estimated values of the coefficients into Formula (6), we calculate $DA_{i,t}$, the discretionary accruals of listed company i in year t . After taking the absolute value of $DA_{i,t}$, we obtain the indicator for the company's earnings management level. $Opaque$ is the sum of $AbsDA$ over the past three years. The smaller its value, the closer the earnings are to the true value, which indicates a higher level of the enterprise's information disclosure quality.

The regression results are shown in Table 6. $STMT$ are all significantly negative at the 1% significance level, which proves that TMT stability can improve the quality of corporate information disclosure. The above conclusions indicate that after replacing the explained variable, the test results are consistent with the original baseline regression results, confirming the robustness of the original regression results.

Table 6. Regression Results of Replacing the Explained Variable

	(1)	(2)
	<i>AbsDA</i>	<i>Opaque</i>
<i>STMT</i>	-0.028***	-0.048***
	(-7.52)	(-6.48)
<i>Lev</i>	0.043***	0.077***
	(15.87)	(12.37)
<i>Size</i>	-0.004***	-0.005***
	(-8.84)	(-4.44)
<i>Growth</i>	0.015***	0.003
	(9.99)	(0.99)
<i>ListAge</i>	-0.000	-0.007***
	(-0.15)	(-2.86)
<i>Big4</i>	-0.002	-0.004
	(-1.06)	(-0.86)
<i>Dual</i>	-0.001	0.000
	(-1.07)	(0.09)
<i>Top1</i>	-0.008***	-0.018***
	(-2.69)	(-2.67)
<i>Board</i>	-0.015***	-0.034***
	(-6.96)	(-6.99)
<i>SOE</i>	-0.002**	-0.005**
	(-2.45)	(-2.22)
<i>Constant</i>	0.208***	0.387***
	(18.58)	(15.74)
<i>YEAR</i>	YES	YES
<i>INDUSTRY</i>	YES	YES
<i>Observations</i>	20,788	14,758
<i>Adj_R2</i>	0.069	0.102

5. Further Analysis

The unique institutional environment in China has led to a dualistic separation between state-owned and non-state-owned listed companies, with significant differences between the two types of enterprises in various aspects. On one hand, the composition of TMT in non-state-owned enterprises is often more flexible, while the appointment of TMT members in state-owned enterprises typically follows cumbersome yet comprehensive personnel system arrangements and is directly influenced by administrative authorities (Zhu et al., 2010). On the other hand, state-owned enterprises possess both political and economic attributes: government leaders have incentives to support state-owned enterprises to enhance their political capital and promotion opportunities (Li & Zhou, 2005). Additionally, the sensitivity of TMT turnover to firm performance is relatively lower in state-owned enterprises (Kato & Long, 2006). In contrast, executives of non-state-owned enterprises usually face greater market pressure and thus have incentives to manipulate corporate financial information to restore market confidence (Bo & Wu, 2009). Therefore, this study hypothesizes that the positive effect of TMT stability on improving corporate information disclosure quality is more significant in non-state-owned enterprises.

The relevant regression results are presented in Column of Table 7. The coefficient of the interaction term ($SOE*STMT$) is -0.300, which is significant at the 1% significance level, consistent with the study's hypothesis. In summary, the above analysis confirms that the role of TMT stability in enhancing corporate information disclosure quality is more pronounced in non-state-owned enterprises.

Table 7. Heterogeneity Analysis Based on the Nature of Property Rights

	(1)
	<i>Disclosure</i>
<i>STMT</i>	0.636***
	(14.57)
<i>SOE</i>	0.351***
	(5.70)
<i>SOE*STMT</i>	-0.300***
	(-4.41)
<i>Lev</i>	-0.760***
	(-31.09)
<i>Size</i>	0.182***
	(39.63)
<i>Growth</i>	0.096***
	(8.39)
<i>ListAge</i>	-0.104***
	(-17.34)
<i>Big4</i>	0.046**
	(2.20)
<i>Dual</i>	-0.009
	(-1.03)
<i>Top1</i>	0.371***
	(13.03)
<i>Board</i>	0.122***
	(5.79)
<i>Constant</i>	-1.814***
	(-16.36)
<i>YEAR</i>	YES
<i>INDUSTRY</i>	YES
<i>Observations</i>	21,737
<i>Adj_R2</i>	0.162

6. Conclusion

Based on the sample of A-share listed companies on the Shenzhen Stock Exchange in China from 2007 to 2023, this study examines the impact of top management team (TMT) stability on the quality of corporate information disclosure. The results show that TMT stability of listed companies significantly promotes the improvement of corporate information disclosure quality. Further mechanism analysis reveals that TMT stability enhances information disclosure quality by reducing corporate operational risks. Additional analysis indicates that the positive effect of TMT stability on information disclosure quality is more pronounced in non-state-owned holding companies.

This study draws the following implications and recommendations:

Firstly, relevant regulatory authorities should improve regulatory policies. Regulatory authorities may guide enterprises to attach importance to TMT stability construction through formulating special regulations, providing practical guidance and incentives, and strengthening regulatory law enforcement. These measures can promote the improvement of corporate information disclosure quality, thereby enhancing the efficiency and vitality of China's capital market.

Secondly, regulatory authorities should strictly implement information disclosure systems and increase penalties. Authorities need to enhance the intensity of penalties for violations, and ensure transparency in the law enforcement process and results. This will help improve the credibility of regulatory authorities and fundamentally enhance the quality of information disclosure.

Thirdly, enterprises should be encouraged to strengthen TMT stability construction. Enterprises should optimize the mechanism for appointing and dismissing senior executives, and treat the appointment and dismissal of management cautiously. By establishing scientific selection, incentive, and constraint mechanisms for senior executives, enterprises can retain senior management talents, reduce unnecessary TMT turnover, and thus ensure the continuity of strategic decisions. Meanwhile, while maintaining TMT stability, enterprises should also set reasonable strategic goals, standardize supervision and feedback mechanisms, and conduct management training. These actions aim to prevent conservatism and negative attitudes caused by excessive comfort and stability within the TMT.

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