PRIMARY RESEARCH

Factors affecting financial performance of culture media firms listed in Shanghai and Shenzhen stock exchanges

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Abstract

The purpose of this study is to examine the effects of capital structure, equity structure, talent attraction, intangible assets, and firm size on the financial performance of cultural media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange from The impact of an intangible asset on financial performance 2012-2019. This article uses a multiple linear regression model to study the relationship between various influencing factors and company performance. It was found that the factors affecting the financial performance of cultural media companies listed on the Shanghai and Shenzhen stock exchanges, Current ratio and Company size are positively influenced, Asset-liability ratio, Intangible asset ratio, The average of Top management team' education degree, and the ratio of employees with bachelor's degrees or higher degrees are negatively correlated. At present, many empirical studies on factors affecting financial performance have not reached a consistent conclusion. Many studies have begun to develop into specific industries and fields, and the culture media industry is locked in perspective to explain the correlation between factors that affect financial performance. Provide a reference for the research of the later culture media industry perspective.

INTRODUCTION

Background of Study

The media industry refers to an industry group composed of media entities that disseminate various types of information and knowledge. It is the production and dissemination of various information products in the form of text, graphics, art, language, video, sound, digital, and symbols. Special industries that provide various value-added services. The classification of the media industry includes culture and entertainment industry, publishing industry, radio, and television industry, print media industry, network media industry, and outdoor media industry (Alatrash, 2018; Qiao & Li, 2021).

The industry classification guidelines (China Securities Regulatory Commission for listed companies revised in 2012 classified the culture, sports, and entertainment industries into one category (R), including news and publishing (R85), radio, television, film and film and television recording production (R86), and culture and artistic industries (R87), sports (R88), and entertainment (R89).

As of September 2020, there have been 59 culture media industry companies listed on the Shanghai and Shenzhen stock exchanges. Since China's "culture power" put forward by the Third Plenary Session of the 18th Central Committee, the culture media industry has not only played a pivotal role in the promotion of the national economy but has also been of great significance in enhancing soft power such as national spiritual culture. Both external fierce competition and internally initiated changes have caused culture media companies to face more difficulties. Therefore, we should explore the factors that affect the operating performance of Chinese culture media companies, look for operational difficulties and shortcomings of culture media companies, and make targeted suggestions and rectifications measures.

Problem Statement

The development time of China's culture media industry is relatively short, but the market scale is very large. However, at the same time, various difficulties and bottlenecks have hindered the development of companies in the cul-

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ture media industry, and financial performance is an important assessment of the industry. Culture media industry company managers and shareholders need to understand the key internal factors of the company's financial performance. Therefore, in this context, it is of great significance to explore and study the influencing factors of culture media companies.

The shareholding structure refers to the proportion of the shares of different nature in the total share capital of the joint-stock company and their mutual relationship. Equity refers to the rights and obligations (duties) of the holder of the stock corresponding to the proportion of the stock held by the stockholder and the responsibility to bear certain responsibilities (Senawat, Zarkasyi, & Gafur, 2018; Xianhui & Liansheng, 2009). The right that can be claimed against a company based on its shareholder status is equity.

Liang, Ping, and Daowei (2010) defined the firm performance as the results or outcomes of the firm during a certain operating period; and defined financial performance as the performance measured by using financial ratios. Firm financial performance evaluation refers to the suitable and scientific evaluation for firm operating effectiveness and operators' performance by using financial ratios. Its definition is related to the selection of financial ratios, ratios system establishment, and the use of what kind of evaluation method, etc.

Li (2016) said The average of Top management team' education degree is the sum of the academic qualifications of all top management team divided by no. of the top management team (1 for secondary school and below,2 for junior college, 3 for undergraduate, 4 for master, and 5 for doctor). To avoid other complex factors that lead to the rejection of the null hypothesis error, factors that may have an important impact on performance are introduced into the model. Marshall believes that there is a scale effect in an enterprise. Increasing the scale of an enterprise within a certain range can improve the company's performance.

Chao and Ge (2011) found in their research that there is a certain diminishing scale benefit phenomenon in china's Shanghai-listed companies, and the company's financial performance has not improved with the expansion of the company's scale. However, Pan and Yu (2013) selected data from 2011-2012 of culture industry enterprises in Shanghai and Shenzhen and found that there is a positive correlation between the size of culture industry enterprises and Operating Profit (OP).This paper selects the company size as the control variable.

Xiangyu (2016) concluded that the greater the proportion of top management team with a bachelor degree, master's

degree, or doctoral degree, the better the company's performance.

Zhuo and Yi (2019) obtained the farmers' economic cooperatives as an important part of agricultural development, which is of great significance to promote the adjustment of agricultural structure and the development of the rural economy.

So, combining two studies, ROE, ROA, and OP will use as indicators of financial performance and use equity structure, capital structure, Intangible asset, and talent attraction as influencing factors and company size as control variables for further analysis and research.

Significance of the Study
Provide a basis for the internal adjustment of the culture media industry management department
Based on the industry's basic research on the relationship between the culture media industry's capital structure, intangible asset, personnel structure, and other factors and financial performance, it is conducive to the company's reasonable improvement of the debt ratio, attracting talent, improving capital efficiency, optimizing corporate profit performance, and even promoting the entire industry's performance.

Improve the economic efficiency of the industry based on the analysis of financial indicators
Scientifically analyze the overall financial data indicators of Chinese culture media listed companies, explain the relationship between operating performance and capital structure, help corporate managers make better decisions, and analyze their differences from other companies to make targeted decisions the company's capital structure, thereby optimizing the company's governance, will ultimately produce greater economic benefits.

Provide the important basis for managers to make decisions
Company performance can largely reflect the company's value. The conclusion of this article helps managers to analyze the impact of the current financial performance of the companies participating in the investment, as well as to observe the company's further decisions and plans and the adjustment of influencing factors

Analyze the academic value that affects the correlation of factors from the perspective of the culture media industry
At present, many empirical studies on factors affecting financial performance have not reached a consistent conclu-

sion. Many studies have begun to develop into specific industries and fields, and the culture media industry is locked in perspective to explain the correlation between factors that affect financial performance. Provide a reference for the research of the later culture media industry perspective

Objectives

The study objectives are demonstrated as follows:

- Research on the impact of the capital structure on the company's financial performance in the culture media industry listed on the Shanghai and Shenzhen Stock Exchange.
- Research on the impact of the equity structure on the financial performance of culture media companies listed on the Shanghai and Shenzhen Stock Exchange.
- Study the impact of the intangible asset on the financial performance of companies in the culture media industry listed on the Shanghai and Shenzhen Stock Exchange
- Research on the impact of talent attraction on the company's financial performance in the culture and culture media industries of the Shanghai and Shenzhen Stock Exchange.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK
Literature Review

The Li (2016) study used equity structure, capital structure, Intangible assets, and talent attraction as the independent variable. Factor analysis composite scores evaluated the dependent variable firm's performance.

In the study of Ziquan (2018), ROE is used as an indicator of the financial performance of culture media companies and used the capital structure as the independent variable.

Pan and Yu (2013) selected OP to measure corporate financial performance. As the core indicator of the company's profitability, the return on net assets reflects the ability of the company's shareholders' equity to obtain all net profits. OP does not include non-operating income and expenditures and other non-recurring gains and losses to achieve a more comprehensive reflection of financial performance with the return on net assets index. In the study, OP enters the data in natural logarithm (ln (OP)) analysis.

To avoid other complex factors that lead to the rejection of the null hypothesis error, factors that may have an important impact on performance are introduced into the model. Marshall believes that there is a scale effect in an enterprise. Increasing the scale of an enterprise within a certain range can improve the company's performance.

Chao and Ge (2011) found in their research that there is a certain diminishing scale benefit phenomenon in china's Shanghai-listed companies. The company's financial performance has not improved with the expansion of the company's scale.

However, Pan and Yu (2013) selected data from 2011-2012 of culture industry enterprises in Shanghai and Shenzhen. They found a positive correlation between the size of culture industry enterprises and OP. This paper selects the company size as the control variable.

So, combining two studies, ROE, ROA, and OP will use as indicators of financial performance and use equity structure, capital structure, Intangible asset, and talent attraction as influencing factors and company size as control variables for further analysis and research.

Conceptual Framework
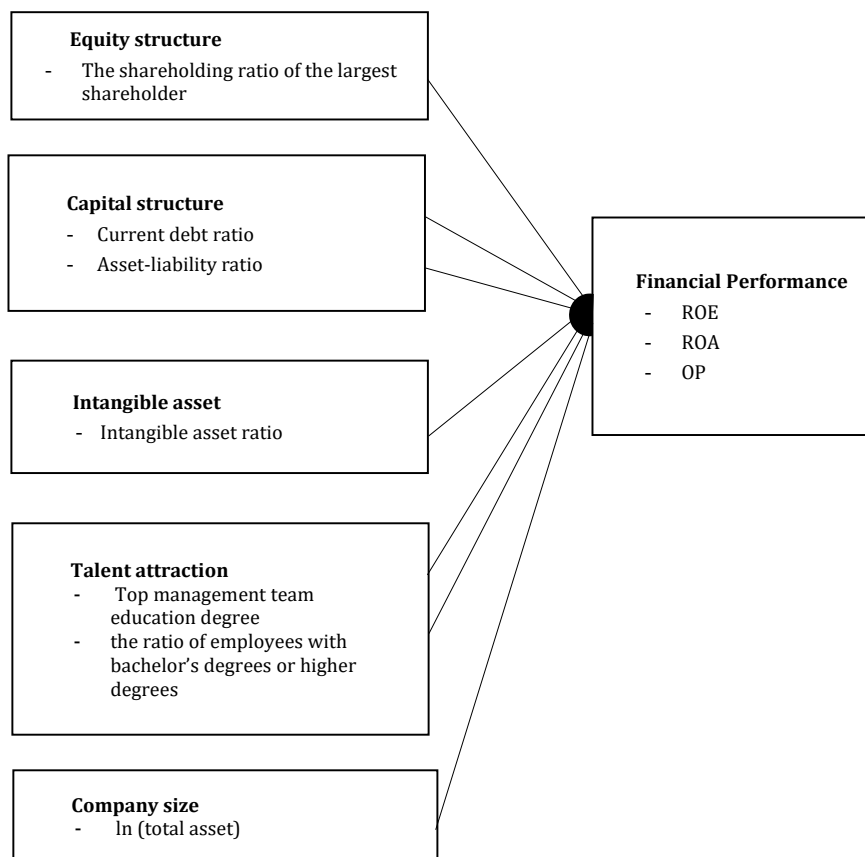
FIGURE 1. Conceptual framework

Hypothesis

The impact of equity structure on financial performance

The research results of Li (2016) show a negative correlation between the largest shareholder in the culture industry and the shareholding ratio of listed companies, which indicates that the concentration of equity hurts the financial performance of listed companies. Based on the above analysis, the following assumptions are made:

H1: The shareholding ratio of the largest shareholder hurts the financial performance (ROA, ROE, OP) of culture media firms listed on share Stock Exchanges of Shanghai and Shenzhen.

The impact of capital structure on financial performance

The amount of current ratio indicates a coded company's ability to control its financial risk of unforeseen losses.The capital framework refers to every capital's composition proportion in the headquarters resource. An important factor impacting financial performance was the firm's capital structure. Recent developments in financial researches demonstrated that a firm's capital structure was related to its financial performance.

Ziquan (2018) got that the asset-liability ratio is significantly negatively correlated with company performance in both models. Dingchen (2019) said the current ratio positively affects the financial performance of tourist destination firms listed on share Stock Exchanges in China.

In studying the impact of capital structure on financial performance, different scholars have differences due to differences in samples or research methods. This article refers to previous research methods and combines the characteristics of listed companies in the culture media listed in Shenzhen, Shanghai Stock Exchange companies to propose the following two hypotheses :

H2: The Current ratio positively impacts the financial performance (ROA, ROE, OP) of culture media firms listed on the share Stock Exchanges of Shanghai and Shenzhen.

H3: The asset-liability ratio hurts corporate performance (ROA, ROE, OP) of culture media firms listed on share Stock Exchanges of Shanghai and Shenzhen.

The impact of an intangible asset on financial performance

For culture media industry companies, the asset-light operation model makes it more inclined to the research and development of intellectual property rights, such as books and

films, which only need to be invested once in a while, which can bring huge income in the future. Once an intellectual property development opens up the market, its own and related IP derivatives will bring a steady stream of wealth to the company.

Take a novel as an example. Its appearance first accumulates the reader's market, and then it can be made into a movie, TV series, related peripheral products, adapted into a stage play, etc. The IP remains unchanged, but there can be countless derivative products. The company brings wealth, so the intellectual property owned by the company has a very important impact on the company's development and operation.

In summary, considering the availability of data, drawing on the analysis methods of predecessors, taking the proportion of intangible assets to total assets as the company's intellectual property rights, and proposing the following hypotheses:

H4: The intangible asset ratio is positively correlated with the financial performance of culture media firms listed on share Stock Exchanges of Shanghai and Shenzhen.

The impact of talent attraction on financial performance

Li (2016) concludes that the ratio of employees with bachelor's degrees or higher degrees is positively correlated with the financial performance of culture industry-listed companies.

Xiangyu (2016) concluded that the greater the proportion of top management team with a bachelor degree, master's degree, or doctoral degree, the better the company's performance.

H5: The ratio of employees with bachelor's degrees or higher degrees positively impacts the financial performance (ROA, ROE, OP) of culture media firms listed on share Stock Exchanges of Shanghai and Shenzhen.

H6: The average of Top management team's education degree has a positive impact on company performance (ROA, ROE, OP).

The impact of company size on financial performance

Golchia (2014) shows a beneficial impact on economic results on firm size. This study, therefore, expects that firm size will have a beneficial impact on financial performance

H7: Firm size positively affects financial performance

(ROA, ROE, OP) of culture media firms listed on share Stock Exchanges of Shanghai and Shenzhen.

MATERIAL AND METHODS
Population and Sample

The research object used in this article is the A-share listed companies in the media industry in Shanghai and Shenzhen at the end of 2012. Because it was from the launch of the "culture power" in 2012 to a series of supporting policies, the data was collected from companies listed before 2012.

Based on the 2012 revised industry classification guidelines for listed companies, to further clarify the research object of this article, the industry classification guidelines culture, In the sports and entertainment industry (R), news and publishing industry (R85), radio, television, film and film recording production industry (R86), culture and art industry (R87), sports (R88) and entertainment industry (R89) are recognized as culture media enterprises. Refer to the "Guidelines for Industry Classification of Listed Companies (Revised in 2012)" issued by the China Securities Regulatory Commission (2012).

This paper selects A-share listed companies in Shanghai and Shenzhen stock exchanges before December 31, 2012. After excluding data incomplete and ST-share companies, this paper finally uses 29 listed companies in culture media as the research samples. The financial data used comes from the annual reports of listed companies and Sina Finance.

To ensure the validity and comparability of data, the following principles should be followed in the selection of samples: (1) The firm listed before 2012 are taken as research objects, mainly to prevent the beautification of financial statements in the initial public offering (2) Exclude unusual companies such as Special treatment (ST), Particular Transfer (PT), etc. in the sample, and the data of these companies will be affected by special circumstances, which will reduce the validity of the conclusion of this article. (3) Retain listed companies that only issue A-shares.

After screening, 29 listed companies in the culture media category were finally retained, with a sample interval of 2012-2019, and the sample size is 232.

Data Analysis
Variable selection

TABLE 1. Variable Selection

Type	Variable Nature	Variable	Definition of Variable
Explained variable	Financial Performance	Return on Assets ROA	Net Income/Asset
	Financial Performance	Return on Equity ROE	Net Income/Equity
	Financial Performance	Operating Profit (OP)	Ln(OP)
Explanatory variables	Equity Structure	The shareholding ratio of the largest shareholder (CR)	Number of shares held by the largest shareholder/total number of shares
	Capital	Current ratio (CUR)	Current asset/current liability
	Structure	Asset-liability ratio (DBA)	Total liability/total asset
	Intangible Asset	Intangible asset ratio (INT)	Intangible asset/total asset
	Talent attraction	The average of Top management team' education degree (CG)	(1 for secondary school and below, 2 for junior college, 3 for undergraduate, 4 for master, and 5 for doctor) The sum of the academic qualifications of all top management teams divided by no. of the top management team
		The ratio of employees with bachelor's degrees or higher degrees (RB)	Employees with bachelor's degrees or higher degrees/total employees
Control variable	Company size	Company size (SIZE)	ln (total asset)

Unit Root Test

To determine the effect of variable Chinese Culture Media Company's financial results, before using the information, first by the quality inspection unit verification criteria roots, because non-stationary factors affect the series' behavior and characteristics, leading to a false return. If the variable is non-stationary, it should first distinguish between data. If the first difference is not found in a fixed position, it may be necessary to distinguish further.

Multicollinearity Test

The multicollinearity test will study the increased correlation coefficient for intelligence and ease because it can indicate the level of multicollinearity.

Shengchu (2019) mentioned that if the relationship between two dominant variables is less than 0.80, there is no multi-coordination problem. The correlation coefficient is higher than 0.8, indicating the existence of multicollinearity.

Model Construction

This article uses a multiple linear regression model to study the relationship between various influencing factors and company performance. The multiple linear regression model can clearly show the influence of each explanatory variable and control variable on the explained variable. Influencing factor model construction like this:

$$Y = \alpha_0 + \beta_1 CR + \beta_2 CUR + \beta_3 DBA + \beta_4 INT + \beta_5 CG + \beta_6 RB + \beta_7 SIZE + \varepsilon$$

Y is the company's financial performance, CR is the shareholding ratio of the largest shareholder, Cur is the current debt ratio, Dba is the asset-liability ratio, Int is the intangible asset ratio, CG is the average of Top management team' education degree, RB is the ratio of employees with bachelor's degrees or higher degrees, size is the company size, $\alpha 0$ is a constant, $\beta 1 \ldots \beta 7$ are the coefficients of each influencing factor, and ε is a random variable.

This study takes the rate of ROA as the dependent variable for the main findings. In order to create the model to find what factors affect ROA, the model of ROA is designed as the following:

$$ROA_{it} = a + b_1 CR_{it} + b_2 CUR_{it} + b_3 DBA_{it} + b_4 INT_{it} + b_5 CG_{it} + b_6 UND_{it} + b_7 SIZE_{it} + e_{it} = \frac{\text{Net Income}}{\text{Total asset}}$$

To create the model to find what factors affect ROE,the model of ROE is designed as the following:

$$ROE_{it} = a + b_1 CR_{it} + b_2 CUR_{it} + b_3 DBA_{it} + b_4 INT_{it} + b_5 CG_{it} + b_6 UND_{it} + b_7 SIZE_{it} + e_{it} = \frac{\text{Net Income}}{\text{Total equity}}$$

To create the model to find what factors affect OP, the model of OP is designed as the following:

$$OP_{it} = a + b_1 CR_{it} + b_2 CUR_{it} + b_3 DBA_{it} + b_4 INT_{it} + b_5 CG_{it} + b_6 UND_{it} + b_7 SIZE_{it} + e_{it} = \frac{\text{Net Income}}{\text{Total asset}}$$

In the equations above, it" indicates the firm, and the other variables are defined as the following:

CR_{it} = Shareholding ratio of the largest shareholder of firm I at time t = $\frac{\text{Number of shares held by the largest shareholder}}{\text{total number of shares}}$ CUR_{it} = Current ratio of firm I at time $t = \frac{\text{current asset}}{\text{current liability}}$

DBA_{it} = Asset $-$ liability ratio of firm i at time t = $\frac{\text{total liabilities}}{\text{total assets}}$

INT_{it} = Intangible asset ratio of firm i at time t = $\frac{\text{intangible assets}}{\text{total assets}}$

CG_{it} = Top management team education degree of firm I at time t

= $\frac{\text{The sum of the academic qualifications of all top management team}}{\text{top management team}}$

RB_{it} = $the\,ratio\,of\,employees\,with\,bachelor's\,degrees\,or\,higher\,degrees\,of\,firm\,I\,at\,time\,t$

= $\frac{\text{Number of employees with bachelor's degrees or higher degrees}}{\text{total employees}}$

$SIZE_{it}$ = ln (total asset) of firm I at time t a = constant   b1, b2, b3, b4, b5, b6 = Coefficient   eit = error term

RESULTS AND DISCUSSION
Regression Results of Dependent Variable ROA

TABLE 2. Regression Results of ROA

Variable	C	CR	CUR	DBA	INT	CG	RB	SIZE
Coefficient	0.2123	0.0014	0.0034	-0.1126	-0.3757	-0.0290	-0.0810	-0.0003
Std. Error	0.0922	0.0022	0.0027	0.0280	0.1078	0.0135	0.0261	0.0040
T-Statistic	2.3017	0.6331	1.2710	-4.0288	-3.4834	-2.1481	-3.1020	-0.0785
Prob	0.0224	0.5274	0.2053	0.0001***	0.0006***	0.0329**	0.0022***	0.9375
R-squared								0.6154
F-statistic								8.9611
Prob(*F*-statistic)*								0.0000
Durbin-Watson stat								1.3865

***: significant at 0.01 level

**: significant at 0.05 level

*: significant at 0.10 level

From Table 2, *R*-squared equals 0.6154, and the estimated equation can account for the 61.54 percent change in ROA factors. The probability that DBA will amount to 0.0001 implies CR will be significant at point 0.01. DBA is a ROA-influencing factor.

DBA unit modifications will change the ROA in the opposite direction with 0.1126 units. INT has an equivalent probability of 0.0006, which is significant to 0.01. A factor affecting the ROA is INT. Changes in INT one unit would change ROA in the opposite direction by 0.3757 units.

The CG likelihood of 0.0329 is significant, meaning that CG is significant at 0.05. CG is an influencing factor for ROA. CG unit change will change ROA in the opposite direction by 0.0290 units. RB, which implies the RB probability, is 0.0022 at 0.01 level, which is significant. RB is a ROA-influencing factor. RB changes one unit, making the ROA in the opposite direction altered by 0.0180 units.

Regression Results of Dependent Variable ROE

TABLE 3. Regression Results of ROE

Variable	C	CR	CUR	DBA	INT	CG	RB	SIZE
Coefficient	0.1063	0.0026	0.0022	-0.0677	-0.5300	-0.0598	-0.0906	0.0090
Std. Error	0.1567	0.0034	0.0039	0.0490	0.1670	0.0259	0.0474	0.0070
t-Statistic	0.6786	0.7743	0.5685	-1.3831	-3.1741	-2.3123	-1.9099	1.2853
Prob	0.4982	0.4397	0.5704	0.1682	0.0017***	0.0218**	0.0576**	0.2002
R-squared								0.5041
F-statistic								5.6922
Prob(*F*-statistic)								0.0000
Durbin-Watson stat								1.6116

***: significant at 0.01 level

**: significant at 0.05 level

*: significant at 0.01 level

The equation for the estimate can describe the variables ROE by 50.41 percent from Table 3. The probability of an INT equal to 0.0017 means that it is significant to have an INT level of 0.01. INT is an influencing factor for ROE. INT changes will change a unit to ROE in the opposite direction with 0.53 units. The CG likelihood of 0.0218 is significant, meaning that CG is significant at 0.05. CG is an influencing factor for ROA. CG unit change will change ROE in the opposite direction by 0.0598 units. The RB likelihood of 0.0576 is significant, meaning that RB is significant at 0.05. RB is an influencing factor for ROE. RB unit change will change ROE in the opposite direction by 0.0906 units.

Regression Results of Dependent Variable OP

TABLE 4. Regression Results of OP

Variable	C	CR	CUR	DBA	INT	CG	RB	SIZE
Coefficient	4.3127	0.0213	-0.1469	-7.1492	-13.9030	-0.3461	-3.3535	0.7535
Std. Error	6.4582	0.1611	0.1531	2.3086	5.8244	0.7390	2.0309	0.2336
t-Statistic	0.6678	0.1322	-0.9599	-3.0967	-2.3870	-0.4683	-1.6512	3.2249
Prob	0.5051	0.8950	0.3383	0.0022***	0.0179**	0.6401	0.1003	0.0015***
R-squared								0.5327
F-statistic								6.3835
Prob(*F*-statistic)								0.0000
Durbin-Watson stat								1.7956

***: significant at 0.01 level

**: significant at 0.05 level

*: significant at 0.10 level

From Table 4, *R*-squared equivalent to 0.5327 causes that the estimated equation could account for the change of the OP to 53.27 percent. The DBA likelihood of 0.0022 means DBA to be important to the stage of 0.01. The OP is affected by the DBA factor. Changes to DBA will make one unit change to OP in the opposite direction by unit 7.14. INT likelihood equivalent to 0.0179, meaning INT at 0.05 level. A factor affecting the OP is INT. INT modifications will change OP in the opposite direction by 13.9030-unit in. The SIZE likelihood of 0.0015 means SIZE to be important to the stage of 0.01. The OP is affected by the SIZE factor. SIZE changes will change one unit to OP in the same direction, by unit 0.7535.

DISCUSSION
Equity Structure
The research results show that the assumption of shareholding structure is rejected, indicating that the shareholding structure does not affect the financial performance of culture media companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. This result is inconsistent with the literature review. However, Liang et al. (2010) and Li (2016), there is a strong negative correlation between ownership structure and corporate financial performance.

Company size is measured by total assets. Many of the major shareholders of cultural media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange are stable state-owned shares, and the fluctuations in total assets are relatively small.

Therefore, this is why the ownership structure has little impact on the financial performance of cultural media companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

Capital Structure

In the ROA model, it is found that the asset-liability ratio is negatively correlated with the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Market (the coefficient is equal to -0.1126, the probability is less than 0.01); in the OP model, the asset-liability ratio is found It is negatively correlated with the financial performance of the enterprise (the coefficient is equal to -7.1492, the probability is less than 0.01). The negative results are consistent with the findings of Ziquan (2018) and Titman and Wessels (1988)

The asset utilization rate of listed cultural media companies in China is generally relatively high. The current ratio and financial performance have proven to be unrelated. Current assets are more than twice as large as current liabilities and half of the current assets cannot be realized in the short term, but this also ensures that all current liabilities are repaid. However, the financial performance of the company did not receive a better improvement. And Masulis and Ronald (1980) said that the capital structure and high current ratio of the company will lead to poor performance of the company is not consistent.

Intangible Asset

The results show that the hypothesis of a high ratio of intangible assets is rejected, so intangible assets have a negative impact on the financial performance of culture media companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. However, Jijian (2009) pointed out that after the regression, (Li, 2016) also obtained the same results as (Jijian, 2009) and others.Therefore, the results of this study are consistent with the literature overview.

For the culture media industry, intangible assets are mostly IPs. In recent years, the Chinese market has seen fewer and fewer high-quality IPs, and more and more poor IPs. Few IPs can produce results. Customers are unwilling to purchase orders for poor IP, and the establishment of IP assets requires a lot of manpower and material resources, which

will affect the company's performance. Therefore, the increase in intangible assets will not improve the financial status of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Talent Attraction

The results show that the assumption of talent attraction is affirmed. Regarding The average of Top management team's education degree, we can see that ROA and ROE are negatively related, but not significantly related to OP. Therefore, we can see that Top management team has little relationship with OP, and academic qualifications do not necessarily representability. However, if it has a negative impact on ROA and ROE, it is possible to receive managerial decisions and duties in various aspects such as assets, liabilities, and taxes.

The ratio of employees with bachelor's degrees or higher degrees ROA, ROE, OP is not significantly related, so the summary is also Not significantly related. The high education of employees does not mean high productivity.

Therefore, The average of Top management team's education degree has a negative impact on the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Pan and Yu (2013) pointed out, The level of Top management team's education degree cannot be equated with the innovative capabilities and industry experience required by cultural enterprises.

In the theoretical world, there is no consistent conclusion that high education equals high performance. Therefore, for companies, reasonable personnel cooperation and reasonable talent promotion and elimination systems will have a good impact on the company's overall operations and performance, and excessive pursuit of high-performance Talents with academic qualifications will increase the company's operating costs, thereby affecting performance, this growth will be counterproductive.

Company Size

The research results show that the assumption of shareholding structure is rejected, indicating that the shareholding structure does not affect the financial performance of culture media companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. This result is different from Ziquan (2018). The larger the company's total assets and the higher the asset value, the better the company's performance.

Summarize for Testing Hypothesis

TABLE 5. Testing Hypothesis

Variable		ROA	ROE	OP	Conclusions	Expectation	Consistent/not consistent
Equity Structure	The shareholding ratio of the largest shareholder	Not significantly related	Not significantly related	Not significantly related	Not significantly related	Negative	Not consistent
Capital Structure	Current ratio	Not significantly related	Not significantly related	Not significantly related	Not significantly related	Negative	Not consistent
	Asset-liability ratio	Negatively related	Not significantly related	Negatively related	Negatively related	Negative	Consistent
Intangible Asset	Intangible asset ratio	Negatively related	Negatively related	Negatively related	Negatively related	Positive	Not consistent
Talent attraction	The average of Top management team' education degree	Negatively related	Negatively related	Not significantly related	Negatively related	Positive	Not consistent
	The ratio of employees with bachelor's degrees or higher degrees	Not significantly related	Not significantly related	Not significantly related	Not significantly related	Positive	Not consistent
Company size	Company size	Not significantly related	Not significantly related	Positively related	Not significantly related	Positive	Not consistent

CONCLUSION AND RECOMMENDATIONS

Conclusion

This research examines the factors that affect the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange. This research is based on the annual data of 7 variables for 8 years from December 2012 to December 2019. The data includes the equity structure, capital structure, intangible assets, and talent attraction of 29 companies sampled from 2012 to 2019. The company's financial performance is measured by three financial indicators: ROE, ROA, and OP. The shareholding structure is measured by the Shareholding ratio of the largest shareholder. Capital structure based on Current ratio and asset-liability ratio. Intangible assets based on the Intangible asset ratio. The size of the company is measured by the natural logarithm of the company's total assets. The company's talent attraction is measured by The average of Top management team's education degree and the ratio of employees with bachelor's degrees or higher degrees.

In the analysis, some economic methods are applied to the data. First, test the unit root of the original data to confirm that all independent variables are stable.

To summarize the results, this study only considers variables that are statistically significantly higher than the 0.05 level and more than 95%. These variables are factors that affect the financial performance of culture media companies listed on the Shanghai Stock Exchange. It turns out that the variables that affect the financial performance of culture media companies listed on the Shanghai Stock Exchange are Asset-liability ratio, Intangible asset ratio, The average of Top management team' education degree and the ratio of employees with bachelor's degrees or higher degrees, and company size because they are statistically at the 0.05 level. Asset-liability ratio, Intangible asset ratio, The average of Top management team' education degree, and the ratio of employees with bachelor's degrees or higher degrees are negatively correlated with company financial performance, while company size is positively correlated with company financial performance.

The results also found that the ownership structure does not affect the changes in the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Theoretical Significance and Practical Implications

This article chooses many factors to analyze the correlation with financial performance. And use multiple regression to study the factors that affect the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Starting from empirical research, this article discusses the financial performance characteristics of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

According to the research results, it is shown that the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Market has a positive correlation with the company's size. Therefore, a higher company size will lead to the higher financial performance of culture media enterprises. The company size reflects the company's total assets. Total assets generally reflect the capabilities of corporate assets. The positive cor-

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relation shows that the scale of assets is very important for culture-listed companies. It directly affects the ability and speed of enterprises to increase revenue and scale expansion.

This research shows that the financial performance of culture media companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange has a negative correlation with capital institutions. Therefore, a lower debt ratio will lead to the high financial performance of culture industry companies. Since the increase in debt will increase the company's financial and bankruptcy risks, it can be expected that there will be a negative correlation between financial performance and leverage. This also reflects the soft constraint conditions in the debt handling of listed culture media companies.

In China, due to the influence of many factors, the existence of the bankruptcy system only prevents listed companies from establishing risk awareness. Debt has no governance role in the decline in financial performance. This passive debt increases the company's debt risk and leads to the development of long-term debt financing. The sample companies show a trend of higher debt ratios and poor financial status. This reflects that culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Market have not taken advantage of debt financing.

In culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange, financial leverage has not been effectively used. Besides, the company's talent attraction also has a negative correlation with the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Market and capital institutions. The introduction of high-level talents means high salaries, and high salaries will lead to excessive costs, which will have no good effect on the growth of financial performance.

According to the research results, there is a negative correlation between the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and the ratio of intangible assets. Therefore, a lower ratio of intangible assets will lead to the higher financial performance of culture media enterprises. The output of intangible assets requires a lot of costs and it is not easy for intangible assets to generate income. Only high-quality IP can be paid for by customers. This will cause the company's revenue to not increase, but to increase costs and reduce company performance. Therefore, it is necessary to give up a large amount of investment in intangible assets and plan the proportion of assets reasonably.

Recommendations

From the results of this research, asset-liability ratio, intangible assets, talent attraction are important factors in the financial performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Therefore, there are the following four suggestions. The first recommendation is based on the asset-liability ratio; the second recommendation is based on the role of intangible assets ratio; the third recommendation is based on talent attraction; the fourth recommendation is based on the size of the company.

First, culture media listed companies should make full use of the asset-liability ratio to reduce the weighted average cost of capital; reasonable control of the debt ratio can avoid higher financial risks and improve the performance of culture media companies listed on the Shanghai Stock Exchange and Shenzhen Stock Market. Financial Performance. Secondly, cultural media listed companies should develop targeted business plans according to the characteristics of the industry. The company should increase its intangible assets based on the quality of the intangible assets or the benefits they can bring to the company's performance but pay attention to the quantity and degree, otherwise, it will put a lot of pressure on the financial performance.

Thirdly, listed cultural media companies should improve their talent attraction systems to address the problems of inefficient use of senior talent and soft pay constraints. The establishment of an efficient talent management system and a sound talent promotion and elimination system, as well as a comprehensive and perfect salary structure, meticulous salary assessment for talents with different education levels, the incentive to play to the strengths of their education levels, and optimization of talent education structure, have a positive impact on listed cultural media companies.

Limitations and Further Research

Firstly, for listed companies, the sample size for culture and media is very limited. There are currently only 29 listed culture media companies in China, but there are many unlisted culture media companies, which limits the sample size.

Secondly, there are many factors of financial performance and it is not possible to analyze every single one of them. In this study, although no other aspects were analyzed, the equity structure, capital structure, intangible assets, talent introduction, and company size were studied.

Besides, the analysis in this study is very clear and the analysis method is feasible. This study could also contribute to further research. Further research could consider issues

raised by other types and areas or regional companies, or other aspects in the analysis of the financial performance of listed companies. This study can add to the understanding of the financial performance of listed companies.

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