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Text-based analysis of corporate nationalism and dividend policies in China

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ABSTRACT

This study builds on previous research that employs linguistic data from corporate annual reports to measure rhetorical corporate nationalism and examines how its rise within Chinese corporations influences large stock dividends among publicly listed companies. Based on data from Shanghai and Shenzhen A-share companies from 2000 to 2022, the findings indicate that corporate nationalism significantly suppresses large stock dividend activities. Further analysis reveals that four dimensions of nationalism (*i.e.*, national pride, national revival, corporate role, and anti-foreign) significantly constrain large stock dividend distributions. Mechanism analysis demonstrates that corporate nationalism mitigates the speculative nature of large stock dividends by reducing agency risk and improving information transparency. Additionally, heterogeneity analysis shows that the negative impact of corporate nationalism on large stock dividends is more pronounced in firms with high media attention, low audit quality, weak marketization, strong political connections, and high ownership concentration. These findings reflect the influence of corporate nationalism on dividend policies, offering new insights into corporate behavior in a nationalist context.

1. Introduction

Nationalism, as a political ideology, is crucial for understanding the ongoing tensions between globalization and localization in the socio-historical and political contexts of many countries (Zhao, 2022). In the Chinese context, nationalism has emerged as a response to numerous crises caused by domestic upheavals and foreign aggression throughout China's 20th-century history (Karl, 2002). By relying on the language of national identity to promote cultural confidence, political self-determination, and economic independence, nationalism has become a defining feature of modern societies (Smith, 2009). Scholars and observers generally consider government officials, cultural elites, and ordinary citizens as the primary producers and consumers of nationalist ideology, often overlooking nationalism's impact on economic and business aspects (Koch, 2020). Rhetoric is a central medium for expressing nationalism (Neo & Xiang, 2022), and corporate rhetorical nationalism refers to the use of nationalist language in public communications to signal a company's commitment to national interests (Yue, Zheng, Mao, et al., 2024). With the global rise of nationalism, many corporations have increasingly integrated nationalist themes into their business strategies and supported nationalist movements within domestic society (Yue, Zheng, & Mao, 2024). For example, on March 24, 2021, H&M's announcement of discontinuing the use of Xinjiang cotton spread widely on Chinese social media. During this period, 33 out of 112 Chinese-listed companies in the textile and apparel industry issued statements in support of Xinjiang cotton (Yue, Zheng, & Mao, 2024).

Although cash dividends are widely used globally, the practice of paying large stock dividends is particularly prevalent in China's capital markets and is sometimes employed as a tool for stock price manipulation. In the Chinese stock market, cash and stock dividends are the primary methods for distributing profits among listed companies. The distribution of stock dividends—either as stock bonuses or through the capitalization of reserves—is referred to as "stock distribution" by listed companies. Distributions characterized by high proportions are termed "large stock dividends." Examples include issuing 10 shares for every 10 shares, increasing capital stock by 10 shares for every 10 shares, or distributing five shares while increasing capital stock by five shares for every 10 shares. Large stock dividends in China's capital market function similar to stock splits in international markets. When deciding dividend policies, Chinese companies generally prefer stock dividends over cash dividends, demonstrating enthusiasm for a high proportion of stock distributions. From 2003 to 2015, 502 companies disclosed stock

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distribution plans in their annual reports, with 396 classified as large stock dividend companies, representing approximately 80 % of the total.

Large stock dividends originate from undistributed profits, whereas capital increases come from capital reserves. Essentially, this process involves an internal adjustment of shareholder equity that neither alters the company's value nor increases owners' equity (Muscarella & Vetsuypens, 1996). However, extensive research has shown that stock prices tend to rise following announcements of stock dividends or splits (Grinblatt et al., 1984; Ikenberry & Ramnath, 2002). In companies implementing equity incentives, executives are often highly motivated to manipulate stock prices to increase their compensation (Schroth, 2018). Executives in Chinese companies, in particular, have strong incentives to profit from stock price manipulation through large stock dividends. The purpose of implementing large stock dividends may not always be benign; some companies use such dividends to conceal insider trading or facilitate private placements.

Many listed companies have announced executive sell-off plans shortly after introducing large stock dividends, turning them into prevalent methods for executives to cash out. This practice significantly harms the interests of small and medium investors, as holding such stocks may lead to severe financial consequences. Rather than mitigating the risk of stock price crashes, large stock dividends significantly increase the likelihood of steep price declines. Price manipulation exacerbates stock price volatility, and extreme fluctuations undermine the orderly development of capital markets (Liu et al., 2022). Corporate nationalism often manifests as a stronger emphasis on national or ethnic responsibilities in business decisions, potentially influencing how companies approach profit distribution. Therefore, this paper investigates whether corporate nationalism affects the decision-making process regarding large stock dividends.

This study finds that adopting corporate rhetorical nationalism is associated with a reduction in large stock dividends. First, nationalism can alleviate agency conflicts. The promotion of nationalist values, such as "fairness" and "justice," may deeply influence management decisions, encouraging them to embrace social responsibilities instead of manipulating stock prices for personal gain. Second, corporate nationalism enhances information transparency and reduces information asymmetry. Nationalism fosters values like "unity" and "trustworthiness" within companies, improving the transparency and integrity of corporate disclosures. As the information environment improves, the market becomes more aware of the secrecy and speculative nature of large stock dividends. Heterogeneity analysis reveals that the mitigating effects of nationalism on large stock dividends are more pronounced in firms with higher media attention, lower audit quality, weaker marketization, stronger political connections, and higher ownership concentration.

This study addresses the research gap concerning the impact of corporate rhetorical nationalism on large stock dividends by empirically examining how corporate nationalism influences decisions related to large stock dividends. The specific contributions of this research include enriching the understanding of the economic consequences of nationalism by analyzing how corporate nationalism negatively affects large stock dividends. This work also expands the theoretical framework for studying nationalism's influence on corporate actions and examines the mechanisms involved (*e.g.*, reduced agency risk and improved information transparency). It uncovers how corporate nationalism curtails the speculative and manipulative nature of large stock dividends. Additionally, by analyzing the heterogeneity of factors (*e.g.*, political connections, audit quality, media attention, marketization levels, and ownership concentration), the study demonstrates the varying effects of corporate nationalism on large stock dividends across different corporate contexts. Finally, it offers a new perspective on corporate financial decision-making under nationalist sentiment, providing a foundation for related policy formulation.

The remaining sections of this paper are structured as follows: Section 2 reviews the literature and outlines the research hypotheses, Section 3 describes the data and models, and Section 4 presents the regression results such as baseline regression and robustness checks. Section 5 covers mechanism analysis, Section 6 discusses heterogeneity analysis, and Section 7 concludes the study.

2. Literature review and research hypotheses

2.1. Literature review

Informal institutions rooted in culture play a pivotal role in shaping corporate behavior in China (Wang & Lin, 2009). In recent years, scholars have increasingly focused on the economic consequences of traditional Chinese culture (Wang & Lin, 2009), identifying the influences of Confucian, clan, dialect, and red cultures on corporate practices (Chao et al., 2023; Shen et al., 2024; Su et al., 2023; Wang & Lu, 2021; Wei et al., 2019). Scholars have also examined the impact of nationalism on corporate decision-making. For instance, companies that support nationalist movements in China often experience short-term gains in the stock market and domestic sales (Yue, Zheng, & Mao, 2024). Similarly, negative events in Sino–Japanese relations in 2005 and 2010 led to significant declines in the stock prices of Chinese companies with high exposure to Japanese business (Fisman et al., 2014). Furthermore, companies that express stronger nationalist rhetoric tend to achieve higher asset returns in subsequent years (Yue, Zheng, Mao, et al., 2024).

The distribution of large stock dividends are often perceived as generous gestures by listed companies, but they essentially represent stock splits and adjustments to the company's internal equity structure. In the Chinese capital market, investor irrationality is notable, with dividend policies often exhibiting volatility and speculation around widespread stock. Scholars have analyzed these phenomena through the lens of behavioral finance, attributing them largely to companies' catering behavior regarding stock dividends. Baker and Wurgler (2004) first introduced catering theory, which explains investors' speculative preferences for stock dividend behavior as being exploited by managers. They argued that rational managers cater to the dividend policy preferences of irrational investors for self-serving purposes, often by lowering nominal stock prices. The greater the irrational preference for low-priced stocks and the more pronounced the illusion surrounding nominal stock prices, the more likely companies are to accommodate these demands by engaging in large stock dividend practices. Companies' announcements of large stock dividends generally attract net purchases by individual investors, whereas institutional investors reduce their net purchases. Although large stock dividends may benefit managers, they are often detrimental to investors. In the long term, companies issuing large stock dividends tend to experience deteriorating performance and reduced stock investment returns. Managers and major shareholders exploit this by issuing additional shares or selling their holdings before and after the announcement of large stock dividends.

Cultural differences also result in significant variations in corporate dividend policies, and national factors are important determinants of dividend payments (Bae et al., 2012). However, the specific impact of nationalism, particularly red culture, on corporate dividend policies remains largely unexplored. Annual reports are a key source of qualitative information on a company's strategic focus (Myšková & Hájek, 2018). These reports serve as a critical element of corporate public discourse, through which management conveys information to external stakeholders (Yuthas et al., 2002). The emotional information in these reports can guide stakeholders' decision-making processes (Hájek et al., 2014). With increasing interest among accounting scholars in the rhetorical aspects of voluntary disclosure (Beattie, 2014), Yue, Zheng, Mao, et al. (2024) developed a computational measure of corporate-level rhetorical nationalism. This study builds on their work, incorporating rhetorical nationalism extracted from annual reports into an analytical framework to examine its influence on large stock dividends. In doing so, it aims to address a significant gap in the literature concerning the relationship between corporate nationalism and dividend

policies.

2.2. Research hypotheses

Corporate nationalism may suppress executives' self-serving behaviors and reduce the issuance of large stock dividends by mitigating agency risks. Heightened nationalism is often associated with the promotion of fairness and justice, which can significantly influence management decision-making, encouraging a shift toward greater social responsibility (Bartikowski et al., 2021). This reduces the likelihood of stock price manipulation for personal gain, such as insiders profiting from share sell-offs through large stock dividends. In the Chinese market, large stock dividends are frequently used to fulfill managerial self-interest, often by generating opportunities for insiders to sell shares during heightened market enthusiasm. However, increased nationalist awareness may help regulate such self-serving behaviors, reducing managers' motivation to exploit large stock dividends for personal benefit, thereby decreasing the frequency of these actions.

Corporate nationalism may also reduce large stock dividends by improving information transparency and reducing information asymmetry. Compared with developed markets, the Chinese stock market suffers from lower levels of accounting information disclosure, making it difficult for investors to access reliable company data (Chen & Chen, 2024). Information asymmetry creates opportunities for moral hazard and opportunistic behavior among insiders, including major shareholders and management (Ndofor et al., 2015). Insiders often possess substantial informational advantages over investors (Frankel & Li, 2004), which they can exploit for private gains, such as engaging in insider trading. As the quality of the information environment improves, the speculative nature and secrecy of large stock dividends become more visible to the market. Because these dividends tend to attract media attention and exacerbate stock price volatility, it becomes increasingly difficult for companies to use them to conceal internal operations, leading to a reduction in speculative behaviors. Based on this analysis, we propose the following hypothesis.

H1. Corporate nationalism leads to a decrease in large stock dividends.

3. Data and model

3.1. Data

The sample included A-share listed companies on the Shanghai and Shenzhen stock exchanges from 2000 to 2022, excluding financial companies and special treatment companies. After removing samples with missing values, the final dataset comprised 43,077 observations, and winsorization was applied at 1 % to continuous variables at the company level. Financial companies were excluded due to their unique business models and regulatory environments These exclusions were made to ensure the generalizability and reliability of the results.

3.1.1. Dependent variables

This study measures the large stock dividends variable using two metrics: a dummy variable for large stock dividends (*GSZ*1) and the ratio of large stock dividends (*GSZ*2). *GSZ*1 indicates whether a listed company announced a large stock dividend plan in a given year. According to common industry practices, a company is classified as having conducted large stock dividends if the sum of stock dividends and bonus shares equals five shares or more for every 10 shares. If the sum of the stock dividend ratio and bonus share ratio is 0.5 or greater, the company is deemed to have implemented large stock dividends. *GSZ*2 is calculated as the sum of the stock dividend ratio and bonus share ratio per share; if this ratio falls below 0.5, it is set to 0.

3.1.2. Core independent variables

Traditional research on Chinese nationalism has typically relied on surveys (Johnston, 2016; Neo & Xiang, 2022) and case studies (Fisman et al., 2014; Koch, 2020; Tian et al., 2021). Management researchers often approximate corporate nationalism at the firm level using national level statistics (Click & Weiner, 2010; Ertug et al., 2024), with limited exploration of the heterogeneity of corporate nationalism within a country. This study adopts the approach of Yue, Zheng, Mao, et al. (2024) by analyzing the annual reports of Chinese listed companies from 2000 to 2022. Relevant terms are extracted from four dimensions of nationalism to construct a measurement of corporate nationalism, resulting in a dataset that captures word frequencies reflecting corporate-level nationalist sentiment (*Nationalism*). Search engine data were used to build a corpus for extracting seed words, and expert coding methods were employed to generate a set of seed words for each dimension of nationalism. A trained word2vec model was applied to verify whether the proposed seed words align semantically with the concept of nationalism and to address biases and imprecision. This involved calculating cosine similarities between each word's embedding vector and the representative vector for the focal dimension. Words with high cosine similarity were selected for inclusion in the extended list. The extended word list was manually reviewed, and words unrelated to nationalism were removed. The total score for each dimension was calculated by dividing the term frequency–inverse document frequency (TFIDF) weighted count of words in the extended list by the total word count in the sample. The TFIDF scheme assigns greater weights to words that are frequent in the document but infrequent in other documents, thereby enhancing the precision of the nationalism measurement. The selection of control variables is presented in Table 1.

3.2. Model

This study employed the following model to examine the impact of corporate nationalism on large stock dividends. The specific model specification is as follows:

$$GSZ_{i,t} = \alpha + \beta^{*}Nationalism + \sum X_{i,t} + firm_i + year_t + \varepsilon_{i,t} \quad (1)$$

where, i represents the individual listed company, t represents the year, *GSZ* denotes large stock dividends, *Nationalism* is the main explanatory variable, reflecting corporate-level nationalism, α_i indicates firm fixed effects, δ_t indicates year fixed effects, and ϵ_{it} represents the error term. This model accounts for both firm-specific characteristics and temporal effects to ensure robust estimates of the relationship between corporate nationalism and large stock dividends.

3.3. Descriptive statistics

Descriptive statistics prior to winsorization are presented in Table 2, where *GSZ*1 shows a mean value of 0.0688, suggesting that ~6.88 % of companies in the sample engaged in large stock dividend operations annually. *Size*, representing the logarithmic average of the asset size of the sample companies, has a mean value of 22.0522 and a standard

Table 1
Control variables.

Control Variable	
Size	Logarithm of the company's total assets at the end of the previous year
Lev	Ratio of total liabilities to total assets at the end of the previous year
Cf	Remaining cash flow of the profits obtained by the enterprise from operating activities after deducting the costs related to long-term investment and investment in securities; then divide the total assets
Nwc	Balance of the total current assets of the enterprise minus various current liabilities; then divide the total assets
Capex	Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets; then divide the total assets
Growth	Forecast annual sales growth rate
Board	Logarithm of the number of board members
Indratio	Ratio of independent directors

Table 2
Summary statistics.

VarName	obs	median	mean	sd	max	min
GSZ1	43,077	0.00	0.0688	0.3	1.00	0.00
GSZ2	43,077	0.00	0.0806	0.2	3.00	0.00
Size	43,077	21.86	22.0522	1.3	28.64	15.72
Lev	43,077	0.43	0.4519	1.1	178.35	0.01
Indratio	43,077	33.33	37.0246	5.9	100.00	0.00
Capex	43,077	0.04	0.0528	0.1	0.64	0.00
Board	43,077	9.00	8.6912	1.8	19.00	1.00
Nwc	43,077	0.02	−0.0015	0.8	0.87	−147.89
Growth	43,077	0.12	3.5984	648.8	134,607.06	−1.00
Cf	43,077	0.05	0.0489	0.1	2.22	−4.27

deviation of 1.3, indicating a relatively consistent scale among the companies in the sample. *Lev*, which reflects the ratio of total liabilities to total assets, has a mean value of 0.4519, with a standard deviation of 1.1, a maximum value of 178.35, and a minimum value of 0.01. These figures indicate that some companies operate with high leverage, exposing them to significant financial risks. *Nwc*, representing net working capital (total current assets minus total current liabilities, divided by total assets), has a mean value of −0.0015, with a standard deviation of 0.8. The maximum value is 0.87, whereas the minimum value is −147.89, suggesting that some companies in the sample face negative working capital, potentially indicating liquidity challenges.

4. Regression results

4.1. Baseline regression

The baseline regression analysis, summarized in Table 3, reveals a significant negative correlation between corporate nationalism and large stock dividend behavior. In Column (1), the coefficient of *Nationalism* is −4.979, which is statistically significant at the 1 % level. This indicates a strong negative relationship between *Nationalism* and *GSZ*1. In Column (2), the coefficient of *Nationalism* is −6.481, statistically significant at the 5 % level, further corroborating this negative association. Similarly, Column (3) shows a coefficient of −4.056, which is statistically significant at the 1 % level, indicating a negative correlation with *GSZ*2. Finally, Column (4) reports a coefficient of −5.329, significant at the 5 % level, which further reinforces the negative relationship. These results strongly suggest that corporate nationalism diminishes large stock dividend behaviors among companies. These findings provide robust evidence in support of **H1**.

Table 3
Baseline regression.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
Nationalism	−4.979***	−6.481**	−4.056***	−5.329**
	(−2.760)	(−2.250)	(−2.720)	(−2.240)
Size		−0.009***		−0.007**
		(−2.650)		(−2.160)
Lev		−0.226***		−0.195***
		(−14.440)		(−13.730)
Indratio		−0.000		−0.000
		(−0.620)		(−1.170)
Capex		0.148***		0.129***
		(3.650)		(3.740)
Board		0.002*		0.001
		(1.820)		(1.270)
Nwc		−0.016		−0.015
		(−1.080)		(−1.150)
Growth		0.069***		0.058***
		(13.410)		(12.910)
Cf		−0.023		−0.034
		(−0.890)		(−1.500)
_cons	0.091***	0.366***	0.074***	0.296***
	(11.050)	(4.390)	(10.810)	(4.070)
Year_Fixed	YES	YES	YES	YES
Firm-Fixed	YES	YES	YES	YES
N	42,847	38,039	42,847	38,039
R^2	0.2034	0.2210	0.1782	0.1942

Note: *, **, and *** indicate significance at the 10 %, 5 %, and 1 % levels, respectively, with *t*-values reported in parentheses.

4.2. Robustness tests

4.2.1. Change of explanatory variables

The index constructed by Yue, Zheng, Mao, et al. (2024) consists of four dimensional variables: *National pride*, *Anti − foreign*, *National revival*, and *Corporate role*. National pride involves the expression of pride by companies in their public communications regarding the nation's history, culture, and collective achievements. Anti-foreign focuses on companies' public communications that exhibit hostility or dissatisfaction toward foreign entities or actions. National revival pertains to how companies align their messaging with the agenda of national revival or resurgence, and corporate role examines how companies describe their roles and missions in achieving the goals of national nationalism in their public discourse. These dimensions serve as core explanatory variables in the regression analysis, with the results detailed in Tables 4 and 5. From the findings presented in these tables, it can be concluded that all four dimensions significantly reduce companies' behaviors related to large stock dividends. This further validates the robustness of the results and supports **H1**.

4.2.2. Excluding the impact of the pandemic

Data collected after 2020 were excluded for robustness testing as COVID-19 led to a significant slowdown in economic activity (Brodeur et al., 2021), disruptions in supply chains (Moosavi et al., 2022), shifts in market demand (Roggeveen & Sethuraman, 2020), and adjustments to corporate operating models (Li et al., 2021). Numerous scholars have examined the pandemic's impact on corporate dividend policies (Cejnek et al., 2021; Krieger et al., 2021), some observing that the pandemic

Table 4
Change of explanatory variables for *GSZ1*.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ1*	*GSZ1*
National pride	−6.633*			
	(−1.820)			
National revival		−7.202*		
		(−1.940)		
Corporate role			−8.372***	
			(−4.010)	
Anti-foreign				−17.079***
				(−4.300)
Size	−0.007**	−0.009**	−0.007**	−0.007**
	(−2.080)	(−2.570)	(−2.180)	(−2.080)
Lev	−0.223***	−0.225***	−0.224***	−0.223***
	(−14.370)	(−14.430)	(−14.430)	(−14.400)
Indratio	−0.000	−0.000	−0.000	−0.000
	(−0.500)	(−0.600)	(−0.540)	(−0.430)
Capex	0.155	0.148***	0.155***	0.154***
	(−0.500)	(3.650)	(3.800)	(3.790)
Board	0.003**	0.002*	0.003**	0.003**
	(2.020)	(1.810)	(2.050)	(2.100)
Nwc	−0.017	−0.016	−0.017	−0.017
	(−1.160)	(−1.120)	(−1.150)	(−1.180)
Growth	0.070***	0.070***	0.070***	0.070***
	(13.610)	(13.470)	(13.570)	(13.560)
Cf	−0.023	−0.023	−0.023	−0.024
	(−0.910)	(−0.900)	(−0.910)	(−0.930)
_cons	0.277***	0.357***	0.290***	0.277***
	(3.900)	(4.230)	(4.070)	(3.900)
Year_fixed	YES	YES	YES	YES
Firm-fixed	YES	YES	YES	YES
N	38,039	38,039	38,039	38,039
R^2	0.2202	0.2207	0.2204	0.2204

Table 5
Change of explanatory variables for *GSZ2*.

	(1)	(2)	(3)	(4)
	GSZ2	*GSZ2*	*GSZ2*	*GSZ2*
National pride	−7.049**			
	(−2.270)			
National revival		−5.771*		
		(−1.910)		
Corporate role			−6.935***	
			(−3.900)	
Anti–foreign				−13.810***
				(−4.180)
Size	−0.005	−0.006**	−0.005*	−0.005
	(−1.590)	(−2.080)	(−1.670)	(−1.580)
Lev	−0.192***	−0.194***	−0.194***	−0.193***
	(−13.650)	(−13.720)	(−13.700)	(−13.670)
Indratio	−0.000	−0.000	−0.000	−0.000
	(−1.060)	(−1.150)	(−1.090)	(−1.000)
Capex	0.134***	0.129***	0.134***	0.133***
	(3.890)	(3.740)	(3.880)	(3.880)
Board	0.002	0.001	0.002	0.002
	(1.450)	(1.270)	(1.490)	(1.540)
Nwc	−0.016	−0.015	−0.016	−0.016
	(−1.210)	(−1.190)	(−1.210)	(−1.240)
Growth	0.059***	0.058***	0.059***	0.058***
	(13.090)	(12.970)	(13.060)	(13.050)
Cf	−0.035	−0.035	−0.035	−0.035
	(−1.510)	(−1.510)	(−1.520)	(−1.540)
_cons	0.224***	0.287***	0.233***	0.223***
	(3.520)	(3.910)	(3.670)	(3.510)
Year_fixed	YES	YES	YES	YES
Firm-Fixed	YES	YES	YES	YES
N	38,039	38,039	38,039	38,039
R^2	0.1936	0.1940	0.1938	0.1938

resulted in a widespread reduction of dividends across companies in various countries (Ntantamis & Zhou, 2022). In this context, behaviors related to large stock dividends may have been significantly influenced by external factors, making it challenging to isolate the independent effects of corporate nationalism.

As shown in Table 6, the findings confirm that, after excluding the pandemic period, corporate nationalism continues to significantly reduce companies' large stock dividend behaviors. These results further validate the robustness of the study's conclusions.

4.2.3. Instrumental variable method

The possibility that dividend policies might exert a reverse influence on a company's expression of nationalism is considered minimal, because a company's nationalist discourse is more likely driven by the macro-political environment and corporate culture rather than specific financial decisions. To address concerns regarding omitted variable bias and reverse causality, this study employed an instrumental variable (IV) approach using two-stage least squares (2SLS) testing. The age of the party organization (*IV*) established by the company is used as the instrumental variable. To improve the readability of the regression results, the age of the party organization was scaled by dividing it by 1000 for its use as the IV. This is justified because the age of the party organization is correlated with corporate nationalism, and the duration of the party organization's establishment represents the company's historical background and does not have a direct causal relationship with its current dividend policy, thereby theoretically satisfying the exogeneity condition for an instrumental variable.

Table 7 presents the 2SLS results. In the first stage (Column 1), the coefficient of the age of the party organization in relation to corporate nationalism is 0.017, statistically significant at the 1 % level. This indicates a positive correlation: the longer the party organization has been established, the more likely the company is to reinforce nationalist discourse in its operations. These findings are validated by the significantly positive coefficient in the first-stage regression. In the second stage (Columns 2 and 3), the coefficients are significantly negative, consistent with expectations. Furthermore, the Cragg–Donald F-statistic is 47.37, which exceeds the commonly accepted threshold of 10, indicating that weak instrumental variables are not a concern. These results further validate the robustness of the findings and support **H1**.

5. Mechanism analysis

5.1. Mechanism analysis of reduced agency risk

This study employed the asset turnover ratio as a measure of corporate agency costs (*agent_cost*), defined as the ratio of operating revenue to average total assets. *Agent_cost* is a reverse indicator: the

Table 6
Excluding the impact of COVID-19.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
Nationalism	−8.240***	−11.109***	−6.787***	−9.220***
	(−7.550)	(−8.300)	(−7.090)	(−8.170)
Size		−0.003		−0.002
		(−0.930)		(−0.690)
Lev		−0.252***		−0.217***
		(−14.180)		(−13.410)
Indratio		−0.000		−0.000
		(−0.540)		(−1.130)
Capex		0.142***		0.117***
		(3.130)		(3.020)
Board		0.002		0.001
		(1.330)		(0.870)
Nwc		−0.022		−0.020
		(−1.350)		(−1.410)
Growth		0.064***		0.054***
		(11.110)		(10.690)
Cf		−0.050		−0.055**
		(−1.680)		(−2.040)
_cons	0.118***	0.294***	0.097***	0.247***
	(22.500)	(3.510)	(21.100)	(3.340)
Year_Fixed	YES	YES	YES	YES
Firm-Fixed	YES	YES	YES	YES
N	34,705	30,789	34,705	30,789
R^2	0.2138	0.2308	0.1901	0.2055

Table 7
Instrumental variable method.

	(1)	(2)	(3)
	Nationalism	*GSZ1*	*GSZ2*
IV	0.017***		
	(3.870)		
Nationalism		−55.516**	−40.948*
		(−2.360)	(−1.990)
Size	−0.000***	0.009	0.010
	(−11.930)	(0.830)	(1.080)
Lev	−0.001***	−0.077***	−0.063***
	(−4.230)	(−3.900)	(−3.790)
Indratio	−0.000**	−0.000	−0.000
	(−2.330)	(−0.480)	(−0.720)
Capex	−0.001***	0.017	0.016
	(−4.010)	(0.480)	(0.550)
Board	−0.000***	0.001	0.001
	(−3.100)	(0.550)	(0.450)
Nwc	0.000	0.012	0.009
	(1.180)	(1.000)	(0.830)
Growth	−0.000***	0.023***	0.022***
	(−6.170)	(4.460)	(4.620)
Cf	0.000	−0.022	−0.029
	(1.260)	(−1.160)	(−1.630)
Year_Fixed	YES	YES	YES
Firm-Fixed	YES	YES	YES
N	32,705	32,705	32,705
Cragg–Donald F	47.37	47.37	47.37

lower the agency problem between shareholders and managers, the lower the agency costs, and consequently, the higher the *agent_cost*. The mechanism analysis model is as follows:

$$Mediator_{i,t} = \alpha + \beta^{*}Nationalism + \sum X_{i,t} + firm_i + year_t + \varepsilon_{i,t} \quad (2)$$

$$GSZ_{i,t} = \alpha + \beta_1{}^{*}Nationalism + \beta_2{}^{*}Mediator + \sum X_{i,t} + firm_i + year_t + \varepsilon_{i,t} \quad (3)$$

where *Mediator* represents the intermediary variables, namely agency risk and information disclosure quality.

As shown in Column (1) of Table 8, companies with a strong nationalist influence exhibit lower agency conflicts. In Columns (2) and (3), the regression coefficients for *Nationalism* and *agent_cost* are both statistically significant at the 1 % level, indicating that nationalism reduces large stock dividend behaviors by mitigating agency risks within the company.

According to agency theory, insiders tend to divert company resources toward activities that primarily benefit themselves (Jensen, 1986). However, companies with strong nationalist tendencies prioritize internal unity and consistency, with cultural background shaping management's values and decision-making behaviors (Geletkanycz, 1997; Müller et al., 2009). In this context, management is more likely to emphasize the long-term value of the company and the alignment of internal interests, thereby reducing the motivation to pursue large stock dividends for short-term gains.

5.2. Mechanism analysis of information environment improvement

This study employed corporate information disclosure quality assessments from the Shenzhen Stock Exchange's regulatory information disclosure system to evaluate the quality of corporate information disclosure (*quality*). Based on the assessment results, companies receive the following grades: 1 for fail, 2 for pass, 3 for good, and 4 for excellent. Quality is a positive indicator, meaning that higher assessment levels correspond to superior corporate information disclosure quality. Notably, stocks with high levels of information asymmetry are more susceptible to manipulation (Comerton-Forde & Putniņš, 2014). As shown in Column (1) of Table 9, companies with strong nationalist influence demonstrate improved information disclosure quality. In Columns (2) and (3), the regression coefficients for *Nationalism* and *quality* are both statistically significant at the 1 % level, indicating that nationalist tendencies enhance the quality of corporate information disclosure. As a result, improved transparency reduces both the motivation and the frequency of large stock dividend implementations.

6. Heterogeneity analysis

6.1. Heterogeneity analysis of media attention

This study used the Baidu search index of listed companies to measure media attention. Based on the median level of media attention, companies were categorized into low media attention (*Low MA*) and high media attention (*High MA*) groups. As shown in the regression results in Table 10, the higher a company's media attention, the more pronounced the negative impact of corporate nationalism on large stock dividend behavior.

High media attention makes corporate decision-making more susceptible to public and government scrutiny because, in this type of environment, a company's decisions are more likely to be closely examined and amplified by the public and regulatory authorities. When a company exhibits strong nationalist sentiment, its actions may be interpreted as manifestations of political stance or values. In this context, rewarding shareholders through large stock dividends may be questioned as neglecting social responsibility or even perceived as a pursuit of short-term gains at the expense of broader societal interests. Companies with high media exposure in a nationalist environment may face greater social and public pressure, prompting them to adopt a more conservative approach to large stock dividend decisions to avoid reputational damage from being perceived as deviating from social responsibility or political expectations.

Furthermore, as disseminators and revealers of information, media organizations enhance corporate transparency, reducing the likelihood of opportunistic behavior by insiders (Chen et al., 2015; Dou et al., 2018). This suggests that under high media exposure, companies must exercise greater caution in their large stock dividend decisions to

Table 8
Mechanism analysis of reduced agency risk.

	(1)	(2)	(3)
	agent_cost	*GSZ1*	*GSZ2*
Nationalism	8.267***	−13.518***	−10.982***
	(3.260)	(−8.890)	(−8.390)
agent_cost		−0.044***	−0.039***
		(−6.750)	(−6.870)
Size	−0.084***	−0.019***	−0.015***
	(−10.460)	(−5.040)	(−4.440)
Lev	0.287***	−0.229***	−0.197***
	(9.980)	(−13.840)	(−13.080)
Indratio	−0.000	−0.000	−0.000
	(−0.250)	(−0.840)	(−1.360)
Capex	−0.258***	0.118***	0.104***
	(−5.690)	(2.770)	(2.890)
Board	0.005*	0.003*	0.002
	(1.770)	(1.800)	(1.290)
Nwc	0.259***	−0.007	−0.008
	(9.650)	(−0.450)	(−0.570)
Growth	0.114***	0.078***	0.065***
	(24.280)	(13.930)	(13.380)
Cf	0.667***	0.005	−0.009
	(22.780)	(0.180)	(−0.390)
_cons	2.246***	0.637***	0.525***
	(12.400)	(7.460)	(6.980)
Year_Fixed	YES	YES	YES
Firm-Fixed	YES	YES	YES
N	36,204	36,204	36,204
R^2	0.7861	0.2244	0.1973

Table 9
Mechanism analysis of information environment improvement.

	(1)	(2)	(3)
	quality	*GSZ1*	*GSZ2*
Nationalism	14.046*	−5.655*	−4.761*
	(1.800)	(−1.750)	(−1.750)
quality		−0.010***	−0.010***
		(−3.190)	(−3.340)
Size	0.156***	−0.015***	−0.011**
	(11.930)	(−3.070)	(−2.590)
Lev	−0.540***	−0.258***	−0.219***
	(−9.050)	(−12.200)	(−11.590)
Indratio	−0.001	0.000	−0.000
	(−0.850)	(0.420)	(−0.170)
Capex	0.854***	0.080	0.076*
	(7.920)	(1.480)	(1.680)
Board	0.004	0.004**	0.002
	(0.670)	(2.230)	(1.450)
Nwc	0.184***	−0.017	−0.019
	(3.530)	(−0.860)	(−1.040)
Growth	0.116***	0.076***	0.062***
	(9.510)	(12.020)	(11.450)
Cf	0.155**	−0.028	−0.037
	(2.200)	(−0.870)	(−1.300)
_cons	−0.323	0.495***	0.411***
	(−1.080)	(4.430)	(4.170)
Year_Fixed	YES	YES	YES
Firm-Fixed	YES	YES	YES
N	27,324	27,324	27,324
R^2	0.4639	0.2426	0.2129

Table 10
Heterogeneity analysis of media attention.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
	High MA	*Low MA*	*High MA*	*Low MA*
Nationalism	−10.156***	−2.938	−8.037***	−2.607
	(−8.160)	(−0.860)	(−7.630)	(−0.880)
Size	−0.010***	0.009	−0.007**	0.014
	(−2.700)	(1.020)	(−2.300)	(1.610)
Lev	−0.187***	−0.328***	−0.163***	−0.277***
	(−10.580)	(−8.890)	(−10.130)	(−8.020)
Indratio	−0.000	−0.000	−0.000	−0.001
	(−0.040)	(−0.160)	(−0.390)	(−0.830)
Capex	0.165***	0.074	0.145***	0.066
	(3.590)	(0.820)	(3.760)	(0.820)
Board	0.001	0.006	0.000	0.004
	(0.970)	(1.350)	(0.150)	(1.250)
Nwc	−0.007	−0.008	−0.005	−0.012
	(−0.450)	(−0.230)	(−0.320)	(−0.370)
Growth	0.061***	0.077***	0.052***	0.063***
	(10.000)	(7.730)	(9.710)	(7.410)
Cf	−0.069**	0.074	−0.085***	0.075
	(−2.320)	(1.300)	(−3.120)	(1.490)
_cons	0.392***	−0.029	0.319***	−0.147
	(4.550)	(−0.150)	(4.310)	(−0.760)
Year_Fixed	YES	YES	YES	YES
Firm-Fixed	YES	YES	YES	YES
N	23,872	12,597	23,872	12,597
R^2	0.2276	0.3280	0.2183	0.2994

mitigate potential negative reactions from the public and regulators, particularly in light of ethical or political risks.

6.2. Heterogeneity analysis of audit quality

This study assessed audit quality based on whether a firm's auditor is one of the Big Four international accounting firms. Firms audited by the Big Four are classified as having high audit quality (*High AQ*), whereas those audited by firms outside the Big Four are categorized as having low audit quality (*Low AQ*). As shown in the regression results in Table 11, the suppressive effect of nationalist sentiment on large stock dividend behavior is more pronounced in companies with lower audit quality. This phenomenon may be attributed to the fact that firms with lower audit quality often suffer from insufficient information transparency (Ding et al., 2022), making it more difficult for investors and the public to accurately assess their true financial and operational conditions.

In environments with limited information disclosure, these companies are subject to greater external scrutiny and public pressure, particularly when nationalist sentiment is strong. Under such circumstances, they may experience heightened pressure from society, the media, and the government, compelling them to limit excessive shareholder payouts, including large stock dividends, to avoid perceptions of profiteering or irresponsibility. Additionally, the absence of adequate audit assurance can increase public skepticism about a company's financial situation. This lack of credibility may lead firms with lower audit quality to exercise greater caution in dividend distributions to prevent intensifying external doubts and regulatory scrutiny. Consequently, heightened nationalist sentiment in these firms often results in more conservative financial behavior, as they navigate a more complex external environment.

6.3. Heterogeneity analysis of marketization level

China's vast territory exhibits significant disparities in marketization across different regions, with considerable variations in the legal environment and government regulation (Chen & Chen, 2024). The level of marketization was measured using Fan Gang's marketization index, and based on the median marketization level, firms are categorized into high- and low-marketization groups ($high-market$ and $low-market$, respectively). The regression results are presented in Table 12. For firms in high-marketization regions, as shown in Columns (1) and (3), the influence of corporate nationalism on large stock dividend behavior is not statistically significant. In contrast, for firms in low-marketization regions, as presented in Columns (2) and (4), corporate nationalism has a significant negative impact on large stock dividend behavior.

In regions with high marketization levels, market mechanisms are more mature, and corporate decision-making is primarily driven by economic benefits, which diminishes the influence of corporate

Table 11
Heterogeneity analysis of audit quality.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
	High AQ	*Low AQ*	*High AQ*	*Low AQ*
Nationalism	−1.343	−6.995**	−0.490	−5.815**
	(−0.610)	(−2.110)	(−0.300)	(−2.100)
Size	0.010	−0.009**	0.010	−0.007**
	(0.640)	(−2.590)	(0.830)	(−2.140)
Lev	−0.147**	−0.233***	−0.114***	−0.201***
	(−2.490)	(−14.120)	(−2.650)	(−13.410)
Indratio	−0.000	−0.000	−0.000	−0.000
	(−0.330)	(−0.500)	(−0.510)	(−1.060)
Capex	0.282*	0.144***	0.255*	0.124***
	(1.700)	(3.360)	(1.660)	(3.430)
Board	0.002	0.003**	0.001	0.002
	(0.460)	(2.110)	(0.350)	(1.530)
Nwc	−0.002	−0.018	−0.007	−0.016
	(−0.040)	(−1.170)	(−0.180)	(−1.220)
Growth	0.053**	0.069***	0.032**	0.058***
	(2.470)	(13.040)	(2.230)	(12.560)
Cf	−0.048	−0.022	−0.047	−0.034
	(−0.430)	(−0.840)	(−0.500)	(−1.450)
_cons	−0.148	0.375***	−0.172	0.307***
	(−0.430)	(4.180)	(−0.610)	(3.910)
Year_Fixed	YES	YES	YES	YES
Firm-Fixed	YES	YES	YES	YES
N	2056	35,582	2056	35,582
R^2	0.2125	0.2239	0.1922	0.1967

Table 12
Heterogeneity analysis of marketization level.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
	High market	*Low market*	*High market*	*Low market*
Nationalism	−3.973	−8.617***	−3.247	−7.309***
	(−1.180)	(−5.660)	(−1.160)	(−5.590)
Size	−0.015***	0.015***	−0.012**	0.012***
	(−2.780)	(3.060)	(−2.300)	(2.920)
Lev	−0.244***	−0.183***	−0.213***	−0.157***
	(−10.880)	(−7.510)	(−10.230)	(−7.050)
Indratio	0.001	−0.001	0.001	−0.001**
	(1.360)	(−0.900)	(1.500)	(−1.980)
Capex	0.100*	0.171***	0.098**	0.139***
	(1.730)	(2.910)	(1.970)	(2.750)
Board	0.006***	0.000	0.004**	−0.001
	(2.780)	(0.120)	(2.560)	(−0.300)
Nwc	0.002	−0.017	0.003	−0.025
	(0.080)	(−0.750)	(0.160)	(−1.270)
Growth	0.082***	0.035***	0.067***	0.031***
	(12.210)	(4.150)	(11.730)	(3.990)
Cf	0.024	−0.074*	0.003	−0.081**
	(0.730)	(−1.650)	(0.090)	(−1.960)
_cons	0.430***	−0.121	0.337***	−0.073
	(3.370)	(−1.130)	(2.900)	(−0.780)
Year_fixed	YES	YES	YES	YES
Firm-fixed	YES	YES	YES	YES
N	25,555	12,277	25,555	12,277
R^2	0.2530	0.2687	0.2196	0.2478

nationalism on large stock dividends. Conversely, in low-marketization regions, lagging information technology and weaker legal awareness (Liao & Lin, 2016) may increase executives' motivation to use large stock dividends to manipulate stock prices for personal financial gain, such as enhanced compensation.

Moreover, firms in low-marketization regions tend to be more susceptible to government policies and societal sentiments. As a result, corporate nationalism may exert a stronger suppressive effect on large stock dividends, leading to a significant negative relationship between nationalism and large stock dividend behavior in these regions.

6.4. Heterogeneity analysis of political connections

Following Piotroski et al. (2022), this study defined corporate political connections (PC) based on the background of actual controllers. If either the chairperson or the general manager of a company currently holds or has previously held a government position, variable *PC* is assigned a value of 1; otherwise, it is assigned a value of 0. The regression results in Table 13 indicate that for firms with PC, the suppressive effect of corporate nationalism on large stock dividend behavior is significantly stronger than for firms without PC. This heightened effect may be attributed to the fact that politically connected firms are typically more susceptible to government policies and prevailing nationalist sentiments. During periods of heightened nationalism, these firms may reduce large stock dividend distributions to avoid being perceived by the public or government as prioritizing shareholder rewards over social responsibilities.

Furthermore, PC often indicate that firms place greater emphasis on stable operations and social impact under policy guidance. As a result, when facing nationalist pressures, these firms may adopt more conservative dividend policies to demonstrate their commitment to national interests and social stability.

6.5. Heterogeneity analysis of ownership concentration

Ownership concentration was measured using the ownership ratio of the top 10 shareholders, with companies grouped based on the median value. According to the regression results in Table 14, the negative impact of nationalist sentiment on large stock dividend behavior is more pronounced in companies with higher ownership concentration. This finding suggests that nationalist sentiment exerts a stronger influence on corporate behavior in firms where ownership is concentrated, particularly in capital allocation decisions.

In companies with higher ownership concentration (*high equity*), controlling shareholders or a small number of large shareholders typically wield greater influence over corporate decisions (Slovin & Sushka, 1993). Because these large shareholders hold a substantial proportion of the company's shares, their decisions directly impact the company's financial and strategic direction. As nationalist sentiment intensifies within a company, these shareholders may place greater emphasis on the firm's public image and social responsibility, prompting them to adopt more conservative decision-making, particularly regarding sensitive financial policies, such as those that leverage large stock dividends.

Compared with firms with more dispersed ownership (*low equity*), high-equity firms are more likely to align their strategies with the preferences of large shareholders and public sentiment, leading to cautious shareholder payout distributions to avoid external dissatisfaction or regulatory scrutiny. Additionally, high-equity firms often experience greater policy pressure and regulatory uncertainty as controlling shareholders are more inclined to adopt conservative financial strategies, such as retaining more profits, to navigate potential economic fluctuations or policy shifts. This approach not only enhances financial flexibility in response to external risks but also mitigates the perception of excessive profit-seeking or irresponsible shareholder returns. Therefore, in high-equity firms, nationalist sentiment reinforces the negative impact on large stock dividend behavior by influencing the strategic decision-making of large shareholders.

Table 13
Heterogeneity analysis of political connections.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
	PC = 1	*PC = 0*	*PC = 1*	*PC = 0*
Nationalism	−14.634***	−2.807	−12.195***	−2.565
	(−3.400)	(−1.140)	(−3.100)	(−1.160)
Size	−0.032***	−0.014***	−0.017*	−0.013***
	(−3.050)	(−2.900)	(−1.760)	(−2.660)
Lev	−0.369***	−0.238***	−0.334***	−0.202***
	(−8.800)	(−10.430)	(−8.700)	(−9.720)
Indratio	−0.000	−0.000	−0.000	−0.001
	(−0.060)	(−0.760)	(−0.400)	(−1.350)
Capex	0.191*	0.135**	0.136	0.124**
	(1.900)	(2.340)	(1.590)	(2.500)
Board	0.009**	0.002	0.007**	0.001
	(2.400)	(1.030)	(1.990)	(0.260)
Nwc	−0.033	−0.034	−0.054*	−0.022
	(−0.890)	(−1.650)	(−1.680)	(−1.150)
Growth	0.078***	0.067***	0.062***	0.055***
	(6.650)	(10.020)	(6.020)	(9.270)
Cf	0.021	−0.007	−0.010	−0.016
	(0.340)	(−0.200)	(−0.180)	(−0.510)
_cons	0.929***	0.474***	0.582***	0.437***
	(3.880)	(4.140)	(2.680)	(4.050)
Year_fixed	YES	YES	YES	YES
Firm-fixed	YES	YES	YES	YES
N	9931	23,481	9931	23,481
R2	0.2733	0.2551	0.2510	0.2269

Table 14
Heterogeneity analysis of ownership concentration.

	(1)	(2)	(3)	(4)
	GSZ1	*GSZ1*	*GSZ2*	*GSZ2*
	High equity	*Low equity*	*High equity*	*Low equity*
Nationalism	−12.458***	−3.184**	−10.607***	−2.149**
	(−6.620)	(−2.420)	(−6.330)	(−2.010)
Size	−0.005	−0.011***	−0.006	−0.008***
	(−0.830)	(−3.220)	(−1.090)	(−2.770)
Lev	−0.188***	−0.113***	−0.145***	−0.099***
	(−6.860)	(−6.750)	(−5.870)	(−6.360)
Indratio	0.000	−0.000	−0.001	−0.000
	(0.190)	(−1.170)	(−1.020)	(−1.010)
Capex	−0.008	0.180***	−0.006	0.142***
	(−0.130)	(3.780)	(−0.110)	(3.590)
Board	0.001	0.001	0.000	0.000
	(0.510)	(0.870)	(0.180)	(0.390)
Nwc	0.006	0.001	0.012	−0.004
	(0.250)	(0.040)	(0.530)	(−0.320)
Growth	0.054***	0.031***	0.045***	0.027***
	(6.920)	(6.180)	(6.570)	(5.890)
Cf	0.006	0.025	−0.009	0.007
	(0.130)	(0.960)	(−0.250)	(0.280)
_cons	0.306**	0.336***	0.325***	0.257***
	(2.260)	(4.160)	(2.610)	(3.670)
Year_Fixed	YES	YES	YES	YES
Firm-Fixed	YES	YES	YES	YES
N	18,384	18,678	18,384	18,678
R^2	0.3180	0.1704	0.2957	0.1578
Empirical *p*-value	0.000***		0.000***	

7. Conclusion

This study empirically demonstrates that corporate rhetorical nationalism significantly inhibits large stock dividend behavior. Specifically, a stronger inclination toward corporate nationalism reduces management's motivation to exploit large stock dividends for personal

gain by lowering agency risk and enhancing information transparency. An increased sense of nationalist consciousness leads firms to prioritize social responsibility and fairness, thereby curbing speculative behavior.

Furthermore, heterogeneity analysis indicates that the suppressive effect of corporate nationalism on large stock dividends is particularly pronounced in firms that receive high media attention, exhibit low audit quality, operate in less-marketized regions, have strong PC, and possess high ownership concentration.

These findings suggest that in contexts of intense nationalist sentiment, corporate dividend and capital allocation decisions tend to be more conservative and robust, thereby mitigating speculative behaviors that could otherwise harm shareholder interests. Consequently, we recommend the following policy focus areas:

- Firms should balance nationalist sentiment and shareholder interests.
- While emphasizing nationalist sentiment, companies should establish mechanisms to balance short-term and long-term interests. This could include forming a shareholder rights protection committee or strengthening the role of independent directors to ensure that dividend decisions align with social responsibility while protecting shareholders' legitimate interests.
- Executive performance evaluations and incentive mechanisms should be adjusted to reduce short-term incentives tied to stock price fluctuations and instead emphasize sustainable development and social responsibility metrics, such as long-term profitability and environmental performance.
- The government should enhance transparency and strengthening regulation.
- Regulatory authorities should require listed companies to disclose key decision-making criteria in their annual reports regarding shareholder rights:
  - o Improve transparency in decision-making to reduce opportunities for market manipulation.
  - o Introduce a review mechanism to monitor dividend behavior during abnormal stock price fluctuations, with public disclosure of violations and penalties to serve as a deterrent.
  - o Use official media channels and investor education platforms to raise awareness about the risks associated with large stock dividends and promote rational dividend expectations.
  - o Clarify legal frameworks to define liabilities for market manipulation through dividend policies, with stronger law enforcement to curb improper financial behaviors.

In terms of limitations, this study primarily relied on textual data, which may be context-sensitive and influenced by external factors, potentially introducing bias into the results. Additionally, the research focused on Chinese corporations, overlooking the impact of nationalism in corporate behavior across diverse cultural contexts. Future research should seek to enhance text analysis methodologies by incorporating sentiment analysis and moral reasoning to improve the performance of nationalism-related models based on this study's data. Opportunities exist to expand the scope of analysis by examining the impact of corporate nationalism in different cultural environments, exploring how nationalist tendencies shape corporate policies and financial strategies in various global markets.

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Data availability

Data will be made available on request.

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