



Japanese cross-border M&A: the choice of partial versus full acquisitions

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The Summary of Dissertation

Japanese cross-border M&A: the choice of partial versus full acquisitions

日本のクロスボーダーM&A：部分的買収と完
全買収の選択

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The Summary of Dissertation

This thesis was aimed at examining how firms decide between partial and full acquisitions in their cross-border investments involving Japanese acquirers or targets. Specifically, I examined how the acquisition mode choice is affected by four factors: (1) strategic consistency/flexibility, (2) business strategy based on Miles and Snow typology (viz. defenders, analyzers, and prospectors), (3) country-of-origin (viz. emerging country firms versus developed country firms), and (4) disaggregated institutional distance variables. Each of these factors was examined in a separate study.

In the first study, the results show that acquirer size is positively associated with the likelihood of full acquisitions for Japanese cross-border acquirers. Moreover, strategy flexibility is positively associated with the likelihood of partial acquisitions, albeit only for small Japanese acquirers.

The second study showed that Japanese prospectors and Japanese analyzers are both more likely to prefer full acquisitions over partial acquisitions as compared to Japanese defenders. Additionally, Japanese prospectors and Japanese analyzers do not differ significantly in their acquisitions behavior.

The third study showed that when entering Japan, DMMs are more likely to undertake full acquisitions than EMMs for their Japanese cross-border targets. Moreover, this phenomenon is stronger for small-sized Japanese acquirers.

The fourth and last study examined how the acquisition mode choice of Japanese cross-border acquirers is affected by formal institutional distance variables as measured by Worldwide

Governance Indicators: (1) voice and accountability, (2) political stability and absence of violence, (3) government effectiveness, (4) regulatory quality, (5) rule of law, and (6) control of corruption. The results show that the first three dimensions are not significantly related with the acquisition mode choice. The fourth and sixth dimensions are negatively associated with the likelihood of full acquisitions. In contrast, the fifth dimension is positively associated with the likelihood of full acquisitions.

Theoretically, the thesis draws on and contributes to resource-based view of the firm (in Study 1), transaction cost economics, strategic capability perspective and strategic cognition perspective (in Study 2), theoretical literature on EMMs versus DMMs (in Study 3), and institutional theory (in Study 4) in examining the choice of partial versus full acquisitions for Japanese cross-border acquisitions.