

Accepted Manuscript

Title: Active Block Investors and Corporate Governance around the World

Author: Hugh Kim Rose C. Liao Yan Wang

PII: S1042-4431(15)00062-1
DOI: <http://dx.doi.org/doi:10.1016/j.intfin.2015.05.009>
Reference: INTFIN 802

To appear in: *Int. Fin. Markets, Inst. and Money*

Received date: 30-4-2015
Accepted date: 14-5-2015

Please cite this article as: Kim, H., Liao, R.C., Wang, Y., Active Block Investors and Corporate Governance around the World, *Journal of International Financial Markets, Institutions and Money* (2015), <http://dx.doi.org/10.1016/j.intfin.2015.05.009>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Active Block Investors and Corporate Governance around the World

Hugh Kim, Rose C. Liao, and Yan Wang^{*}

Abstract

In this paper, we examine a sample of 3,119 minority block acquisitions around the world. One in seven firms are targeted by active investors who either have their own representatives on the board or in the extreme case, replace existing CEOs. We find that active investors are more prevalent in countries with good investor protection. Further, firms targeted by active investors experience significantly higher announcement returns and a significantly higher increase in profitability, sales, and investment expenditures subsequent to the block acquisition, especially in countries with good investor protection.

Keywords: Block acquisitions; International corporate governance.

JEL Classification codes: G3, F3.

^{*} Kim and Liao are with Rutgers Business School at Newark and New Brunswick, and Wang is with Brock University. Contact: Dr. Rose C. Liao, Room 1153, 1 Washington Park, Newark, NJ 07102, Phone: (973) 353-5308, E-mail: liao@business.rutgers.edu

Download English Version:

<https://daneshyari.com/en/article/7364672>

Download Persian Version:

<https://daneshyari.com/article/7364672>

[Daneshyari.com](https://daneshyari.com)