

INTERNATIONAL FINANCE REVIEW VOLUME 7

VALUE CREATION IN MULTINATIONAL ENTERPRISE

EDITED BY

J. JAY CHOI

Temple University

REID W. CLICK

George Washington University



ELSEVIER

JAI

Amsterdam – Boston – Heidelberg – London – New York – Oxford
Paris – San Diego – San Francisco – Singapore – Sydney – Tokyo

JAI Press is an imprint of Elsevier

CONTENTS

ABOUT THE SERIES *ix*

LIST OF CONTRIBUTORS *xi*

PART I: AN OVERVIEW

INTRODUCTION TO *VALUE CREATION IN
MULTINATIONAL ENTERPRISE*
J. Jay Choi and Reid W. Click 3

PART II: MULTINATIONALS AND FOREIGN DIRECT INVESTMENT

STRATEGIC AND FINANCIAL DETERMINANTS
OF FOREIGN DIRECT INVESTMENTS
Jongmoo Jay Choi and Eric C. Tsai 19

MODELING THE EVOLUTIONARY
SEQUENCE OF INTERNATIONAL JOINT
VENTURES
Elmar Lukas 61

NEW TRENDS AND PERFORMANCES OF
KOREAN OUTWARD FDI AFTER THE FINANCIAL
CRISIS
Seong-Bong Lee 75

PART III: STRATEGIES AND FIRM PERFORMANCE

THE VALUE CREATION PERSPECTIVE OF INTERNATIONAL STRATEGIC MANAGEMENT <i>Reid W. Click</i>	99
---	----

OWNERSHIP STRUCTURE, DIVERSIFICATION STRATEGY, AND PERFORMANCE: IMPLICATIONS FOR ASIAN EMERGING MARKET MULTINATIONAL ENTERPRISES <i>Juichuan Chang</i>	125
--	-----

SUCCESSFUL ADAPTATION STRATEGIES OF MULTINATIONAL ENTERPRISES IN CENTRAL AND EASTERN EUROPE <i>Roxana Wright</i>	149
---	-----

THE RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURES AND PERFORMANCE: THE CASE OF THE FORTUNE 500 <i>Nicole Avdelidou-Fischer</i>	169
--	-----

PART IV: MERGERS AND ACQUISITIONS

DIFFICULTIES IN VALUE CREATION: TELECOM NEW ZEALAND'S ACQUISITION OF AAPT LTD <i>Alireza Tourani-Rad and Zoltan Toth</i>	209
--	-----

ANALYSIS OF GLOBAL COMPETITORS' REACTION TO MEGA MERGER ANNOUNCEMENTS BY AN MNC: THE CASE OF THE CITICORP-TRAVELERS MERGER <i>Isaac Otchere and Suhadi Mustopo</i>	229
--	-----

A COMBINED CASCADE MODEL TO EXPLAIN INDUSTRIAL CONSOLIDATION: THEORY AND AN APPLICATION TO STEEL <i>Huaichuan Rui</i>	255
--	-----

PART V: FINANCE AND GOVERNANCE

MEASURING AND MANAGING THE FOREIGN EXCHANGE EXPOSURE OF CHINESE COMPANIES <i>Patrick J. Schena</i>	285
---	-----

UK MEASURES OF FIRM-LIVED EQUITY DURATION <i>Richard A. Lewin, Marc J. Sardy and Stephen E. Satchell</i>	307
--	-----

MULTINATIONALS AND EXCHANGE RATE PASS-THROUGH <i>Alexandra Lai and Oana Secrieru</i>	339
--	-----

CORPORATE GOVERNANCE IN RUSSIA: A CASE STUDY OF TIMELINESS OF FINANCIAL REPORTING IN THE TELECOM INDUSTRY <i>Robert W. McGee</i>	365
---	-----

PART VI: THE FINANCIAL SERVICES SECTOR

MERGERS AND CONSOLIDATION OF FINANCIAL SERVICE FIRMS: GLOBAL TRENDS AND STRATEGIES FOR VALUE CREATION <i>Edward C. Boyer and Jongmoo Jay Choi</i>	393
---	-----

CROSS-BORDER INVESTMENT IN THE LATIN AMERICAN BANKING SECTOR	
<i>Jesús Arteaga-Ortiz, Harvey Arbeláez and Wendy M. Jeffus</i>	419

PART VII: THE INFLUENCE OF THE STATE

GOVERNANCE AND POLITICAL RISK	
<i>Arvind K. Jain</i>	441

STRATEGIC TRADE POLICY FOR SMALL STATES: A POLITICAL ECONOMY PERSPECTIVE	
<i>Jaleel Ahmad</i>	461

STRATEGIC IPO UNDERPRICING: THE ROLE OF CHINESE STATE OWNERSHIP	
<i>Yong Wang and Xiaotian (Tina) Zhang</i>	475

MULTINATIONAL VERSUS STATE POWER IN AN ERA OF GLOBALIZATION: THE CASE OF MICROSOFT IN CHINA, 1987–2004	
<i>Jean-Marc F. Blanchard</i>	497

INTERNATIONALIZATION AND VALUE CREATION IN THE GLOBAL TEXTILES AND APPAREL INDUSTRY: A COMPARATIVE ANALYSIS OF LITHUANIA AND MOLDOVA	
<i>Sanford L. Moskowitz</i>	535

STRATEGY DURING AN INDUSTRY CRISIS: THE POST-QUOTA EXPERIENCE OF TURKISH APPAREL MANUFACTURERS	
<i>Liesl Riddle</i>	565

ABOUT THE SERIES

International Finance Review is an annual book series in the international finance area (IFR, broadly defined). The IFR will publish theoretical, empirical, institutional or policy-oriented articles on multinational business finance and strategies, global capital markets and investments, global risk management, global corporate finance and institutions, currency markets and international financial economics, emerging market finance, or related regional or country-specific issues. In general, each volume will have a particular theme. Those interested in contributing an article or editing a volume should contact the Series Editor, J. Jay Choi at E-mail: jjchoi@temple.edu

EDITORIAL ADVISORY BOARD

M. Adler

*Columbia University
NY, USA*

V. Errunza

*McGill University, Montreal,
Quebec, Canada*

W. Bailey

*Cornell University, Ithaca,
NY, USA*

R. Grosse

*Thunderbird Business School,
Glendale, AZ, USA*

I. Cooper

London Business School, UK

Y. Hamao

*University of Southern California,
Los Angeles, CA, USA*

J. Doukas

*Old Dominion University/European
Financial Management, Norfolk,
VA, USA*

C. R. Harvey

*Duke University, Durham,
NC, USA*

G. Dufey

*University of Michigan,
Ann Arbor, MI, USA*

R. Hawkins

*Georgia Institute of Technology,
Atlanta, GA, USA*

J. E. Hodder

*University of Wisconsin,
Madison, WI, USA*

M. Levi

*University of British Columbia,
Vancouver, B C, Canada*

D. Logue

*Dartmouth College, Hanover,
NH, USA*

J. Lothian

*Fordham University,
NY, USA*

R. Marston

*University of Pennsylvania,
Philadelphia, PA, USA*

R. Roll

*University of California at
Los Angeles, CA, USA*

A. Saunders

*New York University,
NY, USA*

R. Sweeney

*Georgetown University,
Washington, DC, USA*