

ABSTRACT

The unique context of emerging markets provides an opportunity to integrate contextual intelligence and advance international business theories in the case of early and rapid internationalization. In this dissertation, we offer an explanation of the difference in aggressive internationalization behavior of emerging market firms (EMNEs). First, we extend the springboard perspective by highlighting the heterogeneity in nature of pro-market reform in the emerging economies and its impact on emerging market firms' (EMNEs) aggressive internationalization, conceptualized as the speed of cross-border acquisitions (CBAs). We test the proposed hypotheses using a multi-country sample of 145745 firm-year observations (15347 unique firms from 54 countries) for the speed of the first CBA (with 1276 first CBA events) and 13132 firm-year observations (1309 unique firms from 33 countries) for speed of subsequent CBAs from 1996 to 2019. Our empirical evidence supports a U-shaped relationship between the scope of pro-market reform and the EMNEs speed of CBAs. This effect is strengthened by the high speed and fragility of pro-market reform in emerging economies. We also find support for the higher speed of CBAs by EMNEs with increasing fragility in the home country's pro-market reforms.

Second, we extend the springboard perspective by providing contextual insights into heterogeneity in emerging market firms' aggressive internationalization, conceptualized as the speed of first cross-border acquisition (CBA). We investigate how the business group (BG) affiliated firms respond to pro-market reform based on among BGs and within BG heterogeneities. We test the proposed hypotheses using Cox proportional hazard models on a sample of 8419 Indian firms (73,388 firm-year observations) for a period of 24 years (1996 to 2019). We find that the scope of pro-market reform is likely to increase the speed of the first CBA. Furthermore, we find that this relationship is contingent on among BGs (product diversification, prior CBA experience) and within BG (firm position in BG, firm in the core industry of BG) heterogeneity of affiliated firms.