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ARTICLE

Do It Right the First Time? Exploring the First Cross-border Acquisition and Expansion Frequency of Emerging Market Multinationals

Sihong Wu[1], Di Fan[2], and Christine Soo[3]

[1]Department of Management and International Business, University of Auckland Business School, 12 Grafton Road, Auckland CBD, Auckland 1010, New Zealand, [2]School of Management, RMIT University, Melbourne, Australia, 124 La Trobe St, Melbourne, VIC 3000, Australia, and [3]Department of Management and Organisations (UWA Business School), The University of Western Australia, Perth, Australia
Corresponding author: Di Fan (david.fan@rmit.edu.au)

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Abstract
Do it right the first time! But, how? Current dialogue on the expansion of emerging market multinational enterprises (EMNEs) is pervasive. Nonetheless, it ought to have examined strategic attributes and the speed of implementing different strategies for their first venture. Drawing on the springboard perspective, this study tests the impact of EMNEs' first cross-border acquisition (CBA) strategy and speed on their consequential expansion frequency and performance. We also examine the boundary conditions of comparative nationalism between countries, in view of the resurgence of nationalism in an era of deglobalization. Findings reveal that EMNEs' rapid adoption of a focused strategy for their first CBA increases their expansion frequency, while the adoption of a conglomerate strategy decreases it. These relationships are affected in reverse by high comparative nationalism, and the performance consequences of expansion vary with firms using different strategies for their first attempt. This study enriches the EMNE literature and highlights the role of national ideologies in international business research.

摘要
如何能在国际市场上顺利迈出第一步？ 尽管当前关于新兴市场跨国企业（EMNE）对外扩张的研究逐渐得到普及，但对EMNE 的国际化第一步所使用的策略以及实施不同策略时所采用的速度仍然缺乏关注。本研究从跳板视角出发，测试了新兴市场企业首次跨境收购(CBA) 策略和速度对其后续扩张频率和绩效的影响。鉴于逆全球化时代民族主义思潮的复兴，我们还考察了国家间比较民族主义在其中扮演的角色。实证结果表明，新兴市场企业在首次跨境收购 中快速采用集中战略会增加其扩张频率，而采用混合策略则会降低扩张频率。同时，比较民族主义对上述关系起了反向影响。而且，扩张的绩效后果因公司在首次尝试时使用不同的策略而异。这项研究丰富了EMNE 文献，并强调了国家意识形态在国际商务研究中的作用。

Keywords: comparative nationalism; conglomerate strategy; emerging market multinationals; expansion frequency; focused strategy; springboard perspective

关键词: 新兴市场跨国公司; 集中策略; 混合策略; 比较民族主义; 扩张频率; 跳板视角

Introduction

In the past two decades, the much faster pace of internationalization of emerging market multinational enterprises (EMNEs) has triggered a lively conversation among International Business (IB) researchers on topics related to unconventional strategic positions, speed of expansion, and unstable performance of these firms (Arikan, Arikan, & Shenkar, 2022; Contractor, Kumar, & Kundu, 2007; Gaur & Delios, 2015; Luo & Witt, 2021). Scholars increasingly compare EMNEs with their advanced market

counterparts and express doubts about the explanatory power of existing IB theories, such as the internationalization process theory (Johanson & Vahlne, 2009) and the OLI paradigm (ownership, location, and internalization) (Dunning, 1988), for the unique expansion patterns of these latecomers. A growing body of research has been devoted to theorizing about EMNEs, among which the springboard perspective is an influential theoretical lens, elucidating the aggressiveness of EMNEs based on their unique strategic-seeking and catch-up motives (Kumar, Singh, Purkayastha, Popli, & Gaur, 2020; Luo & Tung, 2007, 2018).

The springboard perspective has been increasingly adopted as a theoretical foundation to examine the determinants of EMNEs' aggressive behavior and modes of control in entering different locations (Bu, Tang, Luo, & Li, 2023; Kumar et al., 2020; Wang, Luo, Lu, Sun, & Maksimov, 2014). Recent research has begun to emphasize the important role of EMNEs' first attempt, especially their first cross-border acquisition (CBA), which 'requires a significant effort to develop systems and processes that can manage and integrate foreign operations' (Kumar et al., 2020: 175). Researchers increasingly address the initial internationalization of firms, since this may induce different entrepreneurial behaviors and lead to varying paths to growth and success (Autio, Sapienza, & Almeida, 2000). The first CBA especially involves many challenges for EMNEs, derived from their legitimacy deficits, limited international capabilities, high initial set-up costs, inferior corporate governance, and liability of foreignness (Casillas & Moreno-Menéndez, 2014). In particular, the speed of the first CBA, which refers to the time that elapses from the establishment of the firm until its first acquisition activity in a foreign market, has been argued to be an important indicator in predicting the firm's subsequent international decisions (Casillas & Moreno-Menéndez, 2014; Kumar et al., 2020). Despite the emerging consensus that the first CBA matters in predicting subsequent expansion, it remains unclear whether the strategic choice of the first-time attempt and the speed with which different strategies are used lead to the changes in EMNEs' expansion patterns.

In the literature, acquiring firms from overseas through a focused strategy or a conglomerate strategy reflects the varying strategic position of firms and the degree of post-integration difficulties (Cao, Ray, Subramani, & Gupta, 2022; Delios, Xu, & Beamish, 2008; Hubbard & Palia, 1999). The choice of strategies is based on industry relatedness between the acquirer and the target firm, in which a focused strategy in CBA refers to pursuing a more focused product line with limited product varieties by acquiring firms from related industries, and a conglomerate CBA, conversely, emphasizes unrelated diversification (i.e., acquiring foreign firms from different industries) (Cao et al., 2022; Dikova, Jaklič, Burger, & Kunčič, 2016; King, Dalton, Daily, & Covin, 2004). Executing a focused strategy quickly reflects the firms' efforts to focus their activities to a lower risk level by acquiring related assets, but firms using a conglomerate strategy show their purposes for achieving significant unrelated diversification due to the substantial business transformation required when buying unrelated businesses from overseas (Cao et al., 2022; Hubbard & Palia, 1999; King et al., 2004).

We, therefore, seek to address the gap in the literature by incorporating the speed of EMNEs adopting different strategies for the first CBA to investigate their subsequent frequency of expansion (i.e., the number of CBAs the firms launched per year) (Nadolska & Barkema, 2007). Our research question is: *To what extent does EMNEs' first CBA experience (e.g., strategic choice and speed) affect their expansion frequency?* In addition, the springboard perspective acknowledges that 'not every EMNE act in a springboard fashion' (Luo & Tung, 2018: 146). This is also evident from the World Investment Report (WIR), which shows that CBAs initiated by EMNEs decreased from US$48.208 billion in 2018 to $22.132 billion in 2019 (UNCTAD, 2020: 37). Prior studies often interpret expansion barriers based on the various types of home-host country distance (e.g., geographical, cultural, and institutional distance) (Bu et al., 2023; Wang et al., 2014). The most recent studies look at the ideological tension between countries, suggesting that national sentiments, especially the sense of nationalism, affect the completion and progress of CBAs (Lubinski & Wadhwani, 2020; Wu & Fan, 2023). However, the lack of empirical evidence challenges this emerging literature. To address the gap, we further examine how comparative nationalism (i.e., the differences in the sense of national superiority between home and host countries) affects relationships between the speed of the different strategies in the first CBA and EMNEs' expansion frequency. We also offer a post-hoc analysis to investigate the EMNEs'

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performance outcomes. A research framework is presented in Figure 1, and it shows the relationships this study aims to test.

We adopt a Tobit model based on a matched dataset comprising 1,632 CBAs conducted by EMNEs between 1995 and 2019, to test our predictions. The results show that the strategy of a first CBA affects EMNEs' expansion, and the speed of the first focused CBA leads to an increase in the expansion frequency, but the speed of the first conglomerate CBA decreases it. Home-host country comparative nationalism negatively moderates the relationships between the speed of the first CBA and EMNEs' expansion frequency. Interestingly, in the post-hoc analysis, we find that the performance outcomes of EMNEs' expansion frequency are closely related to their speed and choice of strategy in the first attempt.

Our findings contribute to the literature in three ways. First, we enrich the springboard perspective by integrating the consideration of the frequency of expansion as a springboard behavior and highlighting the importance of predicting their expansion momentum by looking at the strategic attributes. Second, we elucidate the mechanisms by which the speed of implementing different strategies for the first attempt can lead to the EMNEs' speeding up or slowing down their expansion (Casillas & Moreno-Menéndez, 2014; Kumar et al., 2020). By so doing, a more holistic understanding of EMNEs' springboard behavior is offered, showing that both initial strategic choice and implementation timing are important in affecting EMNEs' expansion. Third, we move beyond traditional views on testing contextual influence by focusing on the dynamic and comparative nationalism between countries affecting EMNEs' expansion frequency. This provides insights into EMNEs' springboard behavior in this era of deglobalization (Luo & Witt, 2021), considering the informal institutional variations in forms of nationalism. This also responds to the recent calls for bringing ideological considerations to bear to resolve IB issues in today's geopolitical climate (Lubinski & Wadhwani, 2020; Luo, 2022).

Theoretical Background and Hypotheses

The starting point of a CBA is arguably one of the most important parts of a firm's internationalization journey and determines how smoothly its subsequent expansion will be. Buckley and Casson (1998: 543) suggest that emphasizing the first attempt of foreign market entry is important, because it not only helps reveal the 'one-off set-up costs' but also the 'recurrent costs of subsequent operation in that mode'. Pedersen and Shaver (2011: 263) consider the firms' first-time foreign investment as a 'big step', because it requires firms to spend substantial time learning business operations overseas. Likewise, the springboard behavior of EMNEs can be predicted by looking at their first CBA, because the first attempt is the most complex and challenging step for these firms (Kumar et al., 2020). In contrast to developed market MNEs, the first CBA entails EMNEs incurring a more significant liability of

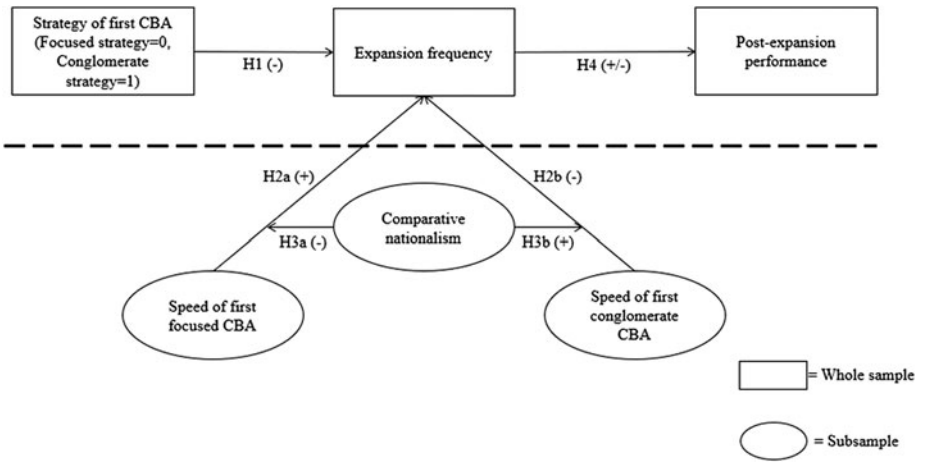

Figure 1. Research framework

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foreignness because of their latecomer handicap, characterized by a lack of international experience, poor managerial competence, and global competitive weakness (Kumar et al., 2020; Luo & Tung, 2007).

In the literature, much of the EMNE research on the initial entry has concerned the firms' choice of ownership modes and locations (e.g., Contractor, Lahiri, Elango, & Kundu, 2014; Jain, Pangarkar, Yuan, & Kumar, 2019). Yet there is a lack of consideration of the strategic attributes of the first CBA, even though the business-level strategy is considered 'a central issue in the management literature' (Jones & Butler, 1988: 202). Indeed, the strategic choice of EMNEs in their first CBA implies different degrees of risks and post-entry integration difficulties. A focused strategy in a CBA involves the acquisition of related businesses, which allows the acquirer to manage its activities to a lower diversification type and gain a deeper understanding of its existing business (Christen, Boulding, & Staelin, 2009; Delios, Zhou, & Xu, 2008). In contrast, firms adopting a conglomerate CBA aim at a higher level of market segmentation, and they often face higher market risk due to acquiring completely unrelated businesses (Cao et al., 2022; Hubbard & Palia, 1999).

Another core issue in IB research is the speed of an international attempt (Casillas & Moreno-Menéndez, 2014; Musteen, Francis, & Datta, 2010). Speed is used in the springboard perspective to distinguish EMNEs from other global players, and this highlights EMNEs' leapfrog approaches and faster pace of international expansion (Luo & Tung, 2007, 2018). Studies often use concepts such as earliness, rapidity, faster growth, and acceleration to capture the speed of international activities (e.g., Autio et al., 2000; Casillas & Moreno-Menéndez, 2014; Chetty, Johanson, & Martín, 2014). They consider speed a key predictor of firms' international expansion strategy, since a faster speed reflects that the firms have a high level of strategic flexibility to balance their resource allocation and simultaneously seize international opportunities (Chetty et al., 2014). Following that logic, we consider the speed of EMNEs implementing different strategies in their first CBA in examining their expansion.

Use of Focused Strategy Versus *Conglomerate Strategy for the First CBA*

The springboard perspective suggests that, although EMNEs share some common characteristics, such as having similar home-country institutional constraints and lack of international experience, they are heterogeneous in the foci of their strategic incentives (Luo & Tung, 2007, 2018). Studies identify that some firms attempt to pursue exploitative gains by engaging in more focused product-line activities that may facilitate economies-of-scope benefits (Rabbiosi, Elia, & Bertoni, 2012; Tang, Gu, Xie, & Wu, 2020). However, some firms emphasize product differentiation and tend to acquire new technology, brands, and other assets that can help them find innovative ways to become capable international firms (Luo & Tung, 2007; Tang et al., 2020). With different incentives, EMNEs may adopt a focused or conglomerate approach for their international acquisitions by acquiring related or unrelated businesses. Hence, the strategy of the first CBA is likely to affect the EMNE's global routine building and frequency of expansion in acquiring foreign assets.

We suggest that EMNEs adopting a focused strategy for their first CBA will expand more frequently than those using a conglomerate strategy. Through a focused strategy, EMNEs acquiring foreign firms that produce similar products and use familiar operational techniques or equipment can exploit cost-based synergies and facilitate the achievement of economies of scale (Capron, Mitchell, & Swaminathan, 2001). The focused approach enables firms with little international experience to take the big step (i.e., their first CBA) in a less risky way, which gives opportunities for EMNEs to quickly integrate similar businesses in the host country through horizontal and vertical integration (Hubbard & Palia, 1999). Given this, adopting a focused strategy for the first CBA helps smooth the EMNE's subsequent expansion and can result in it expanding more frequently in foreign markets. Conversely, a conglomerate strategy requires EMNEs to engage in substantial transformation activities to integrate the acquired business that differs in product and operations (Cao et al., 2022; Hubbard & Palia, 1999). This implies slower learning and a lack of flexibility in adapting to foreign markets (Dikova et al., 2016). Firms adopting a conglomerate strategy aim to achieve business growth through

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extending their product ranges or territories, are thus more likely to pause at first for the relatively tricky post-entry integration process. Considering these arguments, we propose the following:

Hypothesis 1 (H1): The strategy of the first CBA affects EMNEs' expansion frequency: their expansion frequency increases if they use a focused strategy for the first CBA (H1a) but decreases if a conglomerate strategy is adopted (H1b).

Speed of the First CBA and Frequency of Expansion

As global market latecomers, EMNEs entering a foreign market need to spend time acquiring local knowledge and adapting to an uncertain business environment (Casillas & Moreno-Menéndez, 2014). Research shows that the firms' international growth is determined by how quickly they can begin their foreign operation and learn new knowledge (Autio et al., 2000). We suggest that EMNEs implementing their first CBA quickly through a focused approach can significantly reduce their liability of outsidership, facilitating their subsequent international expansion. A fast-focused CBA enables these inexperienced firms to reduce communication costs, since the acquired foreign firm shares a common business language (i.e., in related business) and has a mutual understanding of the modes of operation and cooperation (Hubbard & Palia, 1999). With easier communication and product familiarity, EMNEs can minimize the likelihood of relational conflicts and become more effective in building closer relationships with local networks (Autio et al., 2000; Casillas & Moreno-Menéndez, 2014). Additionally, implementing a faster focused strategy for the first CBA not only helps EMNEs shorten the trial-and-error process but also brings them 'learning advantages of newness' due to their faster market adaption (Musteen et al., 2010: 197). In such a position, EMNEs are less likely to view CBAs as risky and costly foreign investments and more likely to accelerate subsequent expansion. Hence:

Hypothesis 2a (H2a): The speed of implementing a focused strategy in the first CBA is positively associated with EMNEs' frequency of expansion.

Conversely, a faster speed to implement the first CBA using a conglomerate strategy is likely to reduce EMNEs' international expansion frequency. First, compared with using a focused strategy, implementing a conglomerate one rapidly for the first CBA is likely to result in errors of overvaluation or undervaluation of the target firm due to the relative unfamiliarity of the new business and brands (e.g., Seth, Song, & Pettit, 2000). Second, some studies find that conglomerate acquisition is often associated with a higher divestiture probability than other types of acquisitions (Bergh, 1997; Chung & Luo, 2008). When EMNEs first acquire an unrelated business from overseas at a faster pace, they will face high information-processing costs due to their less localized knowledge about foreign operations (Fan, Cui, Li, & Zhu, 2016; Shi, Sutherland, Williams, & Rong, 2021). For instance, EMNEs may restructure their top management teams by hiring local managers or experts in the acquired business domains to manage better the diversified firms (Bergh, 1997). They must also spend additional time and effort learning new business systems and orchestrating the acquired resources and skills (Hobdari, Gammeltoft, Li, & Meyer, 2017). Consequently, the emphasis on improving internal governance will dilute EMNEs' aggressiveness in internationalization, reducing their expansion frequency. We propose:

Hypothesis 2b (H2b): The speed of implementing a conglomerate strategy in the first CBA is negatively associated with EMNEs' frequency of expansion.

Moderating Effect of Comparative Nationalism

The advent of deglobalization amplifies the complexity of firms' international expansion, especially for EMNEs that are more vulnerable to environmental varieties due to their limited prior experience and lack of understanding of the rules of the game in different countries (Luo & Witt, 2021). Although

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previous IB research examines the various forms of cross-country differences in hindering or facilitating EMNEs' internationalization (Bu et al., 2023; Wang et al., 2014), less is known about whether the intensified environmental variations due to the rise of nationalism affect their expansion. Nationalism has increasingly become a global strain in the last two decades[1], characterized by 'an intolerance of criticism and an unquestioning positive evaluation of, and staunch allegiance to, one's own nation' (Hanson & O'Dwyer, 2019: 780). Unlike patriotism, which is self-referential, 'feelings of nationalism are inherently comparative' (De Figueiredo & Elkins, 2003: 178). Home-country nationalism affects the image of firms and thus their liability of foreignness in internationalization (Balabanis, Diamantopoulos, Mueller, & Melewar, 2001). Host-country nationalism creates hostility toward the operations of foreign firms, leading to their facing more uncertainties that affect their scope of action (Wu & Fan, 2023). Considering the bilateral forces, research increasingly adopts a comparative view to compare the high or low level of nationalism between countries, based on the global average level (i.e., a high level refers to when nationalism in a country is higher than the world average level) (Wu & Fan, 2023).

Comparative nationalism captures the interplay of nationalism from the home and host country of the MNE, and it constitutes an emergent source of environmental uncertainty that is vital in affecting firm-level strategies (Wu & Fan, 2023). The influence of comparative nationalism is more salient for emerging market firms due to their home-country embedded nature and latecomer status, resulting in their high vulnerability to environmental complexity in the host country (Balabanis et al., 2001). High comparative nationalism implies a great extent of environmental hostility, which, on the one side, induces firms to compete against the leadership in their business areas and avoid cooperating with local rivals (i.e., due to high home-country nationalism), and, on the other, increases legitimacy challenges and costs of doing business for firms (i.e., due to high host-country nationalism). In acquisition studies, environmental hostility is an important contingent factor that has been found to have positive and negative effects in moderating the relationship between the strategic choices of firms and their consequences (Strobl, Bauer, & Matzler, 2020). Because implementing varying strategic positions in CBAs will lead to different market reactions (Strobl et al., 2020), we suggest that comparative nationalism exerts different moderating effects on the relationship between the speed of implementing different strategies for the first CBA and frequency of expansion of EMNEs.

On the one hand, high comparative nationalism rapidly reduces the positive impact of implementing the first CBA through a focused strategy on EMNEs' expansion frequency. This is mainly because a fast, focused CBA that firms adopt in first entering a country conveys an impression to host-country stakeholders of their aim to achieve economies of scale and fight for more market power (Cao et al., 2022; Hubbard & Palia, 1999; Strobl et al., 2020). When comparative nationalism is high, such action will lead to the EMNEs facing more challenges in executing post-entry integration activities, because the host-country nationalists that aim to maximize their benefits will try to block the participation of foreign firms (Kim, Lee, & Kwak, 2020). Consequently, comparative nationalism will lead to these firms, who are growing in their specialized business domains through focused CBAs, being perceived as unwelcome immigrants. Moreover, the rapid, focused strategy that firms adopt in their first CBA step is likely to lead them to be perceived as hostile actors (Delios, Perchthold, & Capri, 2021). To deal with these challenges, EMNEs need to spend more resources and time to build legitimacy in the host country and develop capabilities to manage various stakeholders rather than speeding up their expansion journey. Based on these arguments, we propose:

Hypothesis 3a (H3a): The positive impact of the first rapid focused CBA on the expansion frequency of EMNEs will be weakened if comparative nationalism is high.

On the other hand, high comparative nationalism changes the negative impact of the speed of the first CBA through a conglomerate strategy on EMNEs' frequency of expansion. The strategic position of EMNEs in adopting a conglomerate approach for their first CBA is often perceived as a defensive acquisition, instead of an offensive action (Park, 2003). It signals to host-country stakeholders that EMNE market entry aims to mitigate the poor performance of their original businesses or to learn the new business from the local market, instead of seeking greater market power (Hubbard & Palia,

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1999; Park, 2003). Considering that the EMNEs have purchased local businesses that they are unfamiliar with, the host-country stakeholders are less likely to act in a hostile manner toward these firms' unrelated product-diversification activities. This is because the EMNEs are perceived to be less likely to compete for leadership in the business domains due to the substantial set-up costs and learning requirements (Cao et al., 2022; Contractor et al., 2014). Moreover, taking an innovative approach through diversifying acquisitions in uncertain environments is an important way for firms to secure their operations, since this is more acceptable to host-country nationalists (Strobl et al., 2020). Compared with a focused strategy, a conglomerate strategy involves many explorative activities that are more distant in time (Strobl et al., 2020), giving EMNEs more time to find ways to cope with environmental uncertainty due to high comparative nationalism. In this respect, comparative nationalism benefits those EMNEs adopting conglomerate strategies for their first CBA, reducing the barriers to their subsequent expansion activities. We thus propose:

Hypothesis 3b (H3b): The negative impacts of the first rapid conglomerate CBA on the expansion frequency of EMNEs will be weakened if comparative nationalism is high.

Many existing studies have investigated the performance outcomes of MNEs' expansion strategy (Contractor et al., 2007; Yang, Ru, & Ren, 2015), yet there remains a need to consider the speed and strategic attributes of their initial step of entry and the post-expansion integration difficulties involved. Exploring the different firm-level strategies helps us to understand how the firms behave in knowledge activities, whether they can create firm value and enhance congruence with changing requirements, and the potential for them to develop new capabilities appropriate to local contexts (Huang, Zhu, & Brass, 2017; Wu, Delios, Chen, & Wang, 2023). Hence, we further conduct a post-hoc analysis to explore the relationship between expansion frequency and EMNEs' performance, and whether the speed of the first focused and conglomerate CBA affect their performance.

Methods

Sample and Data

To test the hypotheses, we focused on countries listed as 'emerging economies' by the IMF (International Monetary Fund), MSCI (Morgan Stanley Capital International), and EM (Emerging Market) bond index. We searched deal-level data from Thomson One Banker and focused on completed deals conducted by firms from among EMs. We removed domestic deals and only kept cross-border deals by EMNEs ($N = 3{,}533$). Firm-level data were collected from the Bureau van Dijk's OSIRIS database, which provides detailed information on publicly traded global firms. We then removed private firms from the dataset due to data unavailability and dropped firms with missing data in the main variables ($N = 1{,}632$). The final dataset contains 1,632 CBAs conducted by EMNEs from 1995 to 2019, matching with predicting variables at deal-, firm- and country-levels from $t-1$ (1994–2018), and firm performance from $t+1$ (1996–2020). Country-level data were extracted from multiple data sources, including the World Value Survey (WVS), the World Bank (WB), World Governance Indicators (WGI), Hofstede Insights, and CEPII database.

Appendix I provides an overview of the sample distribution across different countries and industries. In this dataset, most deals were conducted by firms from China (18.50%), followed by those from India (14.03%), Malaysia (11.40%), South Africa (9.87%), and South Korea (8.82%). The main target countries of EMNEs included developed countries such as the United Kingdom (7.90%), Australia (6.99%), Germany (4.17%), Canada (3.43%), and Italy (2.57%), and emerging countries such as China (8.39%), Indonesia (3.98%), Brazil (3.13%), Thailand (1.90%), Vietnam (1.90%), and India (1.72%). It is noted that the distribution across sectors is almost uniform, with Industrial and Materials accounting for a higher percentage for both the acquiring firms and target firms (see Appendix I).

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Model

To test our hypotheses, we adopted a Tobit regression approach due to the data structure of our sample. According to previous studies (Delios & Beamish, 1999; Delios & Henisz, 2000; Wu, Huang, Fan, Su, & Li, 2023), the Tobit model is more appropriate than the ordinary least squares (OLS) regression when the dependent variable has a lower limit value (i.e., left-censored) and/or an upper limit value (i.e., right-censored). In this study, the dependent variable, frequency of expansion, has a lower limit of 0. To avoid biased estimates, we, therefore, employed the Tobit regression procedure. In the empirical settings, the base model includes all control variables. Model 1 aims to examine the impact of the EMNEs' strategy of the first CBA on their frequency of expansion (H1). Models 2a and 2b investigate the impact of the speed of the first focused CBA and the speed of the first conglomerate CBA on the firms' expansion (i.e., H2a and H2b), respectively. Models 3a and 3b test the moderating effect of comparative nationalism (H3a and H3b).

Variables and Measurement

Dependent variables

The dependent variable in our main tests is the *frequency of expansion*, which was measured using the count of acquisitions the firm completed in foreign markets in year t (Nadolska & Barkema, 2007; Rothaermel, Hitt, & Jobe, 2006). Adding new units to firms from foreign markets reflects their expanding pace to build a global presence and achieve greater market power (Mingo, 2013; Nadolska & Barkema, 2007). We also examined the post-expansion performance of EMNEs, as a dependent variable in our post-hoc analysis. Performance was measured using the profitability of firms (i.e., the natural logarithm of profit before tax/total assets) in year $t + 1$ (Kafouros & Aliyev, 2016).

Independent variables

We created a dummy variable to categorize the strategy of the first CBA (0 = focused CBA, 1 = conglomerate CBA). The categorization was based on the mid-level industry classifications provided by Thomson Reuters, which considered the SIC codes, NAIC codes, and overall business descriptions. We categorized the deal as a focused CBA if the acquirer and the target firm have the same mid-level code. If the codes differ, we categorized the acquisition as a conglomerate CBA (e.g., Hubbard & Palia, 1999).

Speed of the first focused CBA was measured by 1 divided by the years elapsed since the firms initiated their first focused acquisition in the host country (e.g., Bauer & Matzler, 2014), that is, 1/(the year the firm initiated its first focused CBA – the year that the firm was established). Similarly, the speed of the first conglomerate CBA was measured using the same approach, i.e., 1/(the year the firm initiated its first conglomerate CBA – the year that the firm was established), which reflects how quickly the firm can complete its first conglomerate acquisition in a foreign market.

Moderator

We proposed a measurement to capture the degree of comparative nationalism between home and host countries. Although the 'distance' approach has been widely adopted in prior studies to compare cross-country differences, recent research has raised concerns about the potentially inappropriate use of the distance construct (Shenkar, 2012; Tung & Stahl, 2018). Thus, the distance approach has failed to capture differences in national sentiments, especially when the sentiments in countries are both at a high level (i.e., the actual impacts on MNEs are relatively strong; however, if we followed the distance approach, the impacts on MNEs will be the opposite). To avoid bias, we constructed comparative nationalism through three steps: (1) data collection and matching; (2) composite nationalism index and defining high/low nationalism of each country; and (3) calculating comparative nationalism.

The first step was to collect data from the World Values Survey (WVS) (one year before the acquisition), which is a dataset that offers a set of social and ideological variables covering more than 100 countries since 1981 (MacIntosh, 1998; Van Gelderen, Shirokova, Shchegolev, & Beliaeva, 2020). Using the WVS allows us to capture changes in ideologies and values at the country level, as the survey is conducted worldwide every five years. There are seven waves of national surveys in the dataset[2]

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(from 1981 to 2022), which contain multiple questions to capture people's values, beliefs, and sentiments. Based on the years between different waves of the survey, we incorporated the nationalism data into our dataset. Since the lists of countries surveyed in different waves are not identical, observations were dropped if there were missing values for the home or host country of the EMNEs in each wave.

Research often uses different concepts to reflect individuals' attachment to their homeland, such as national identity, national pride, patriotism, and nationalism (Balabanis et al., 2001; Bonikowski, 2016; Wu & Fan, 2023). Based on the core values of nationalism, we identified three survey items from WVS. The first item reflects whether individuals are willing to fight for their countries (WVS question: Of course, we all hope that there will not be another war, but if it were to come to that, would you be willing to fight for your country?) (Ariely, 2012; Bayram, 2019). The second item reflects whether the individuals feel pride in the institutions of their countries (WVS question: how much confidence do you have in the political parties?). The third shows the importance of politics to the individuals (WVS question: how important is politics in your life?) (Bobowik, Páez, Liu, Licata, Klein, & Basabe, 2014; Bonikowski, 2016; Huddy & Khatib, 2007). The Cronbach's alpha (0.704), coupled with composite reliability (0.729), indicates an acceptable fit (Jia, Tsui, & Yu, 2021).

In the second step, we generated a composite nationalism score using the three items for each country. Then we compared the nationalism of each country with the average nationalism score at the world level. The level of nationalism is defined as 'low' if the nationalism score of a country is lower than that of the world level and as 'high' otherwise. Then we paired the home-country nationalism (N_A) and host-country nationalism (N_T) based on each deal of the firms, with (1) low N_A and low N_T (P_{L_L}), (2) low N_A and high N_T ($P_{L\_H,}$), (3) high N_A and low N_T (P_{H_L}), and (4) high N_A and N_T (P_{H_H}). We then calculated comparative nationalism using the formula below (Wu & Fan, 2023) in order to capture the real impact of a high-high situation in the final step:

$$\text{Comparative Nationalism} = \begin{cases} |N_A - N_T|, & \text{if } P_{L\_L,}\ P_{H\_L,}\ P_{L\_H,} \\ |N_A - \bar{N}| + |N_T - \bar{N}|, & \text{if } P_{H\_H,} \end{cases}$$

Control variables

The location of the first CBA was controlled using a dummy variable, which equals 1 if the EMNE acquired a firm from a developed country and 0 otherwise. The value of the first CBA was used to capture the size of the first acquisition (the natural logarithm of the value of the first acquisition) (Fuad & Gaur, 2019). We also controlled firm size (using the natural logarithm of total assets), because it reflects the heterogeneity of firms that affects their international expansion and performance (e.g., Chang & Rhee, 2011). Stock turnover (operating revenue/stocks) was controlled because it demonstrates the firm's ability to convert inventory into revenues to facilitate international expansion activities (Banalieva & Eddleston, 2011).

A set of variables for corporate governance was controlled, including owner-manager duality, management size, the share of equity sought, and state ownership of firms. First, research shows that firms tend more likely to engage in non-market activities, such as bribery actions, when their owner is also acting as a manager (e.g., Ramdani & Van Witteloostuijn, 2012). Hence we included a dummy variable, owner-manager duality, to indicate whether the owner is also a manager (1 = yes, 0 = no). Second, management size was controlled using the firm's total number of managers and directors (natural logarithm transformed), since the management team plays an important role in decision-making (e.g., Distel, Sofka, de Faria, Preto, & Ribeiro, 2022). Third, the share of equity sought was measured using the percentage of the firms' ownership from the target, which reflects the degree of control after the acquisition (e.g., Chari & Chang, 2009). Fourth, we controlled the state ownership of firms, using data collected from OSIRIS, because previous research shows that government involvement in corporate governance affects the strategic decisions of firms, especially those from emerging markets (Heugens, Sauerwald, Turturea, & van Essen, 2020).

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At the country level, cross-country differences, including geographical distance (in 1000 kilometers), the difference in powder distance value (PDV distance)[3], and institutional distance[4] were controlled, following previous studies (Brouthers & Brouthers, 2001; Huang et al., 2017; Kogut & Singh, 1988). We also controlled for a set of variables that are related to the economic stability and investment attractiveness of the host country, including inflation rate (annual %), exchange rate volatility (i.e., the variation of the annual real exchange rate of the country), GDP growth rate (annual growth rate), trade openness (total export as a percentage of GDP), and education expense (% of government expenditure on education). The data on these variables were collected from the World Bank. High inflation rates and exchange rate volatility lead to environmental fluctuations and create uncertainties that discourage EMNEs' market-seeking actions (Papageorgiadis, Xu, & Alexiou, 2019). High GDP growth and trade openness reflect market attractiveness, which incentivizes firms to invest in the host country (Papageorgiadis et al., 2019). Moreover, we controlled the countries' education expenses to capture whether the countries facilitate knowledge exchange activities (e.g., Hernandez, 2014).

Results

Table 1 presents the mean value, standard deviation, and correlations of the variables. It shows that the correlation coefficient between the first CBA strategy and expansion frequency is negative (−0.025). The coefficient between the speed of the first CBA and frequency of expansion is positive (0.083). As predicted, a faster speed of the first attempt is likely to confer faster growth and expansion (Autio et al., 2000). The average VIF (variance inflation factor) value in all models is 1.32, and the maximum VIF value of all variables involved is 2.08, below the cutoff value of 5, thus removing concern for multicollinearity (Kalnins, 2018).

Table 2 presents the results for testing H1, which suggests that the strategy of the first CBA (focused vs. conglomerate) matters in predicting EMNEs' frequency of expansion. The regression coefficient in Table 2 confirms this hypothesis, showing that selecting a conglomerate strategy for the first acquisition reduces EMNEs' expansion frequency ($\beta = -0.386$, $p = 0.018$). However, a focused strategy is more likely to trigger a higher expansion frequency. We followed Sofka, Preto, and De Faria (2014) to estimate a simultaneous covariance matrix to compare the regression coefficients for the two groups of firms, where one group of firms used the focused strategy for the first CBA, but the other adopted a conglomerate strategy. The SUEST test result suggests substantial differences between the two subsamples ($\chi^2 = 39.43$, $p = 0.000$), thereby supporting our prediction in Hypothesis 1.

Table 3 presents the Tobit regression results for testing the impact of the first CBA speed on the expansion frequency and the moderating effect of comparative nationalism. Model 2a shows that the regression coefficient associated with the speed of the first focused CBA and frequency of expansion is significantly positive ($\beta = 0.397$, $p = 0.000$). This supports our prediction that the first-time acquisition through a fast, focused approach facilitates a firm's expansion in the host country. The regression coefficient for the speed of the first conglomerate CBA in Model 2b is negative and statistically significant ($\beta = -0.458$, $p = 0.034$), suggesting that if EMNEs used a conglomerate approach to initiate their first CBA quickly, they are less likely to increase commitment quickly to the host country.

Table 3 also presents the moderating effect of comparative nationalism in Models 3a and 3b. We find that the interaction term between the speed of first focused CBA and comparative nationalism in Model 3a is significantly negative ($\beta = -0.427$, $p = 0.003$), showing that comparative nationalism reduces the positive influence of fast, first-time, focused acquisition on EMNEs' subsequent expansion momentum. In contrast, the interaction term between the speed of first conglomerate CBA and comparative nationalism in Model 3b is positive and significant ($\beta = 1.208$, $p = 0.020$), suggesting that high comparative nationalism between home and host countries helps EMNEs to cope with their expansion difficulties in the host country after their fast, first-time, conglomerate acquisition. We plotted the moderating effect of comparative nationalism in Figure 2, which also supports H3a and H3b.

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Table 1. Descriptive statistics and correlations variables

Variables	Mean	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Frequency of expansion	1.388	0.806	1								
(2) Strategy of first CBA	0.363	0.481	−0.025	1							
(3) Speed of first CBA	0.075	0.100	0.083	−0.035	1						
(4) Comparative nationalism	0.270	0.172	0.037	−0.049	−0.040	1					
(5) Location of first CBA	0.417	0.493	0.008	0.000	−0.101	−0.035	1				
(6) Value of first CBA	0.241	0.774	0.172	−0.010	0.015	−0.117	−0.010	1			
(7) Firm size	13.701	2.147	0.185	−0.055	−0.133	−0.007	0.026	0.250	1		
(8) Stock turnover	0.295	0.764	0.008	−0.018	0.011	−0.008	0.003	−0.004	0.050	1	
(9) Owner-manager duality	0.037	0.190	0.202	0.073	−0.029	−0.032	0.121	0.047	0.033	−0.016	1
(10) Management size	3.432	0.675	0.129	−0.159	−0.064	0.089	0.028	0.135	0.456	−0.010	−0.019
(11) Share of equity sought	0.631	0.350	−0.017	−0.030	−0.035	−0.006	0.111	−0.115	−0.073	0.022	0.035
(12) State ownership	0.015	0.087	0.124	0.054	−0.015	−0.002	−0.066	0.017	0.180	−0.013	−0.028
(13) Geographical distance	5.227	3.857	−0.007	−0.047	−0.079	0.088	0.418	0.038	0.178	0.007	−0.045
(14) PVD distance	23.763	16.347	−0.083	0.005	−0.024	0.032	0.313	0.010	−0.082	0.001	0.051
(15) Institutional distance	1.797	1.445	−0.051	0.014	−0.028	−0.168	0.320	0.044	0.018	−0.015	0.054
(16) Inflation rate	0.033	0.039	0.067	−0.070	0.006	0.083	−0.265	0.035	0.083	0.002	−0.042
(17) Exchange rate volatility	0.001	0.049	0.053	0.018	−0.046	−0.073	−0.019	0.006	0.017	−0.011	0.020
(18) GDP growth trade	0.038	0.035	0.004	0.044	−0.015	0.009	−0.305	0.003	−0.097	0.000	−0.002
(19) Trade openness	0.499	0.492	−0.035	0.160	0.012	−0.050	−0.171	−0.034	−0.183	−0.028	0.082
(20) Host-country education expenses	0.044	0.011	0.043	−0.010	−0.039	−0.037	0.432	0.003	0.092	0.046	0.058
(21) Post-expansion performance	0.260	4.811	0.028	−0.042	0.154	−0.032	−0.030	−0.009	−0.117	0.018	−0.006
Variables	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
(10) Management size	1										
(11) Share of equity sought	0.003										

(*Continued*)

Table 1. (*Continued.*)

Variables	Mean	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(12) State ownership	0.073	−0.024	1								
(13) Geographical distance	0.138	0.029	−0.075	1							
(14) PVD distance	0.051	0.020	−0.027	0.214	1						
(15) Institutional distance	0.039	0.023	−0.070	0.246	0.374	1					
(16) Inflation rate	0.055	−0.047	0.049	−0.071	−0.171	−0.273	1				
(17) Exchange rate volatility	0.036	−0.052	0.049	−0.012	0.003	−0.027	0.113	1			
(18) GDP growth trade	−0.016	−0.074	−0.001	−0.294	−0.151	−0.129	0.159	0.063	1		
(19) Trade openness	−0.112	0.019	−0.047	−0.304	−0.117	0.182	−0.174	0.039	0.253	1	
(20) Host-country education expenses	0.066	0.109	−0.004	0.398	0.323	0.207	−0.191	−0.035	−0.381	−0.308	1
(21) Post-expansion performance	0.023	−0.034	−0.003	−0.052	0.007	−0.010	−0.036	−0.027	0.003	0.094	−0.020

Notes: SD stands for standard deviation; correlation coefficients over 0.05 are significant at the 5% level.

Table 2. The impact of first CBA on subsequent expansions

Tobit analysis	Base model		Model 1	
DV: frequency of expansion	β	*p*	β	*p*
Location of first CBA	−0.064 (0.085)	*0.454*	−0.048 (0.085)	*0.573*
Value of first CBA	0.279*** (0.071)	*0.000*	0.292*** (0.071)	*0.000*
Firm size	0.525*** (0.102)	*0.000*	0.548*** (0.102)	*0.000*
Stock turnover	−0.033 (0.070)	*0.638*	−0.040 (0.070)	*0.567*
Owner-manager duality	0.262*** (0.066)	*0.000*	0.271*** (0.066)	*0.000*
Management size	−0.148 (0.091)	*0.104*	−0.178† (0.092)	*0.051*
Share of equity sought	0.120† (0.070)	*0.084*	0.110 (0.069)	*0.113*
State ownership	0.161 (0.110)	*0.144*	0.152 (0.110)	*0.168*
Geographical distance	−0.168† (0.095)	*0.079*	−0.168† (0.095)	*0.077*
PDV distance	−0.165† (0.092)	*0.074*	−0.172† (0.092)	*0.062*
Institutional distance	−0.030 (0.095)	*0.751*	−0.029 (0.094)	*0.756*
Inflation rate	0.010 (0.088)	*0.911*	−0.000 (0.088)	*0.998*
Exchange rate volatility	0.107 (0.072)	*0.136*	0.104 (0.072)	*0.146*
GDP per capita growth	−0.165† (0.098)	*0.093*	−0.168† (0.098)	*0.086*
Trade openness	−0.081 (0.088)	*0.358*	−0.058 (0.088)	*0.512*
Host-country education expenses	0.056 (0.082)	*0.493*	0.060 (0.082)	*0.460*
Strategy of first CBA			**−0.386*** **(0.163)**	***0.018***
Model indices				
Adjusted R^2	0.171		0.173	
Model χ^2	344.84		350.55	
Significance of the model	0.000		0.000	

Notes: Year and country dummies were included; standard errors in parentheses; *P* values in italics; †<0.10; *$P < 0.05$; **$P < 0.01$; ***$P < 0.001$; $N = 1,076$.

Post-hoc Analysis and Robustness Tests

We conducted a post-hoc analysis to investigate the EMNEs' post-expansion performance. The literature has no clear link between the frequency of expansion and firm performance. In addition, one might contend that the strategic position of EMNEs in the first CBA attempt hinder or facilitate

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Table 3. The impact of the speed of the first CBA on subsequent expansions and the moderating effect of comparative nationalism

Tobit analysis	Model 2a		Model 2b		Model 3a		Model 3b	
DV: frequency of expansion	β	*p*	β	*p*	β	*p*	β	*p*
Location of first CBA	−0.122 (0.104)	*0.239*	0.080 (0.142)	*0.575*	0.013 (0.121)	*0.912*	1.350** (0.513)	*0.010*
Value of first CBA	0.261** (0.093)	*0.005*	0.555*** (0.133)	*0.000*	0.091 (0.107)	*0.398*	0.452† (0.234)	*0.056*
Firm size	0.693*** (0.135)	*0.000*	0.171 (0.167)	*0.307*	0.379* (0.180)	*0.036*	−0.180 (0.429)	*0.675*
Stock turnover	−0.006 (0.075)	*0.938*	−0.150 (0.190)	*0.432*	−0.153 (0.168)	*0.363*	−1.774 (1.125)	*0.119*
Owner-manager duality	0.385*** (0.101)	*0.000*	0.217* (0.095)	*0.023*	0.359† (0.183)	*0.051*	−0.376 (0.275)	*0.176*
Management size	−0.241* (0.108)	*0.026*	−0.094 (0.190)	*0.623*	0.079 (0.141)	*0.575*	−1.311 (0.787)	*0.100*
Share of equity sought	0.082 (0.084)	*0.333*	0.059 (0.115)	*0.608*	0.082 (0.104)	*0.431*	0.488* (0.187)	*0.011*
State ownership	0.160 (0.110)	*0.148*	0.228 (0.358)	*0.525*	0.297* (0.129)	*0.022*	0.578 (0.949)	*0.544*
Geographical distance	−0.027 (0.117)	*0.815*	−0.184 (0.154)	*0.234*	0.008 (0.133)	*0.952*	−0.220 (0.277)	*0.428*
PDV distance	−0.010 (0.110)	*0.925*	−0.427** (0.155)	*0.006*	0.113 (0.144)	*0.435*	−0.659† (0.366)	*0.076*
Institutional distance	−0.045 (0.114)	*0.690*	0.106 (0.168)	*0.527*	−0.094 (0.146)	*0.520*	0.842† (0.491)	*0.090*
Inflation rate	0.104 (0.100)	*0.299*	−0.268 (0.190)	*0.159*	−0.293† (0.157)	*0.062*	1.741** (0.637)	*0.008*
Exchange rate volatility	0.192* (0.082)	*0.020*	−0.104 (0.143)	*0.468*	0.259* (0.101)	*0.011*	−0.121 (0.386)	*0.754*
GDP per capita growth	−0.137 (0.118)	*0.244*	−0.421* (0.180)	*0.020*	−0.302* (0.149)	*0.043*	−0.171 (0.533)	*0.750*

Trade openness	−0.065 (0.130)	*0.617*	−0.093 (0.120)	*0.440*	−0.266 (0.202)	*0.190*	0.510 (0.403)	*0.210*
Host-country education expenses	−0.003 (0.103)	*0.980*	0.146 (0.139)	*0.294*	−0.326* (0.148)	*0.029*	1.187* (0.521)	*0.026*
Comparative nationalism					−0.097 (0.126)	*0.440*	−0.050 (0.561)	*0.930*
Speed of first focused CBA	0.397*** (0.104)	*0.000*			0.429*** (0.130)	*0.001*		
Speed of first focused CBA × comparative nationalism					−0.427** (0.142)	*0.003*		
Speed of first conglomerate CBA			−0.458* (0.215)	0.034			−1.501† (0.803)	*0.065*
Speed of first conglomerate CBA × comparative nationalism							1.208* (0.507)	*0.020*
Model indices								
Adjusted R^2	0.206		0.373		0.313		0.664	
Model χ^2	276.63		251.33		237.47		194.37	
Significance of model	0.000		0.000		0.000		0.000	

Notes: Year and country dummies were included; standard errors in parentheses; *P* values in italics; †<0.10; *$P < 0.05$; **$P < 0.01$; ***$P < 0.001$.

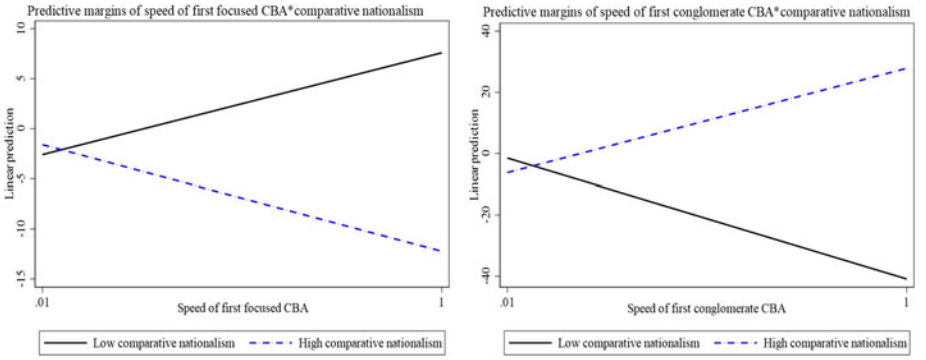

Figure 2. The moderating effect of comparative nationalism
Note: The left part predicts the moderating effect when the first CBA is a focused strategy, while the right part predicts the effect when the first CBA is a conglomerate strategy.

their performance outcomes. For example, EMNEs expanding frequently after their first, rapid, focused CBA may lead to better performance, because the target firms are operating in familiar function areas, and economies of scale and scope are likely to be achieved (e.g., Cao et al., 2022). However, firms frequently expanding after adopting a rapid conglomerate CBA for the first attempt may face more challenges in the post-expansion integration process, resulting in negative performance consequences. This is because the costs of expansion after an unrelated diversification are often at a high level, because firms need to spend additional time and resources to learn the new business acquired and adapt to the local business environment (Cao et al., 2022).

Accordingly, we examine the performance outcomes to determine whether frequently expanding overseas enables EMNEs to perform better, and whether the speed of their first strategy matters. The post-hoc analysis results are presented in Appendix II, and show that the regression coefficient of frequency of expansion in Model 4 was positive but not significant. Model 4a shows that, if the EMNE frequently expanded after the first rapid focused CBA, it becomes more likely to gain better performance ($\beta = 0.024$ $p = 0.043$). Yet the post-expansion performance is insignificant in Model 4b, when the first rapid conglomerate CBA was adopted. The results indicate that EMNEs' post-expansion performance varies when different types of strategies are adopted for the first attempt. Hence we suggest that future studies investigate further the circumstances under which the rapid expansion of EMNEs can lead to better performance, and, in particular, examine whether their strategic choices in different internationalization steps may benefit or harm their performance.

We also conducted additional tests to check the robustness of our empirical findings (see Appendix III). First, the 2007–2008 Global Financial Crisis (GFC) had a widespread, complex impact on the internationalization of firms, which exerted increasing pressure on firms to respond to the crisis, especially between 2008 and 2009 (Odlin, 2019). To ensure that the GFC has not influenced our findings about EMNEs' frequency of expansion, we retested our models after removing deals made in 2008 and 2009, and the results remain unchanged (see Test 1 in Appendix III).

Second, researchers suggest that state-owned firms in an emerging economy are more likely to obtain institutional support and additional financing resources from state-controlled banks (Yang et al., 2015). However, unlike private firms that are more flexible in the strategic selection, state-owned firms are more obligated to follow the government's policy in foreign market acquisitions and, therefore, may expand in a unique pattern (Heugens et al., 2020; Li & Wan, 2016; Yang et al., 2015). To avoid biased estimation, we removed firms with state ownership ($N = 113$) and re-ran our tests based on this subsample. The results were consistent with our main models (see Test 2 in Appendix III).

Third, previous studies show that cross-border activities became active among EMNEs only after the reforms and regulatory changes in 2003 in many large emerging economies such as China and India (e.g., Popli, Akbar, Kumar, & Gaur, 2016; Wan, Wang, Geng, & Huang, 2023). Hence, we

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removed acquisitions incurred before 2003 ($N = 103$) and found that our findings remained unchanged (see Test 3 in Appendix III).

Fourth, we changed the empirical setting to adopt a three-stage least squares (3SLS) regression estimation to test our hypotheses, because a 3SLS approach allows us to have efficient estimates with endogenous variables, which estimates two equations simultaneously using a giant equation (Dhrymes, 1969). In the model settings, the dependent variable in Equation 1 is the expansion frequency, and the dependent variable in Equation 2 is post-expansion performance. The results in Test 4 of Appendix III also confirm the robustness of our main findings and indicate that the performance outcomes of EMNE expansion require more investigation in future studies.

Discussion

Prior studies have increasingly drawn on the springboard perspective to explore emerging market firms' unique international expansion patterns (Arikan et al., 2022; Kumar et al., 2020; Luo & Tung, 2018). The present study extends this line of research that has tended to discuss firms' modes of control, location choices, and the influence of cross-country distance, such as cultural, institutional, or geographical distance, on the internationalization of EMNEs (Bu et al., 2023; Wang et al., 2014). We empirically test the frequency of expansion of EMNEs taking into account the speed and strategic attributes of their first CBA, examine the contextual influence of a new reality (i.e., comparative nationalism), and further explore the performance outcomes of the EMNEs' expansion. Our findings offer lessons for the literature in several fields, including the literature about the springboard perspective, EMNE internationalization, and ideological research in the IB field. Below we discuss the theoretical implications of these and their contributions to each field in turn.

Theoretical Implications

First, this study contributes to a deeper understanding of the springboard behavior of EMNEs in terms of their expansion frequency. Testing the frequency of expansion is a meaningful way to capture the catch-up process of emerging market firms, as the upgrading path of these firms is characterized by their frequent actions in accessing more disparate knowledge, broader market potentials, and a greater amount of strategic resources (Enderwick & Buckley, 2021; Nadolska & Barkema, 2007). Although many studies on EMNEs increasingly use the springboard perspective to map the expansion patterns of EMNEs, their foci are on how firm-specific characteristics and home- and host-country institutions affect the rapidity, diversity, and aggressiveness of expansion (Kumar et al., 2020; Luo & Tung, 2018; Wang et al., 2014). However, the role of springboarding in EMNEs remains to be clarified (Enderwick & Buckley, 2021), especially in their expansion frequency to catch up with advanced global players. This study addresses the gap and enriches the springboard perspective by highlighting expansion frequency as a dimension of EMNEs' springboard behavior, by which we tested how the speed and strategic attributes of their first attempt at venturing into a foreign market affect their subsequent expansion frequency. Our work also helps clarify the inherent mechanisms that facilitate or hinder the springboard behavior of EMNEs, which is a response to the recent calls for refining the models of expansion of EMNEs (Arikan et al., 2022; Enderwick & Buckley, 2021).

Second, while previous studies underscore the scale, timing, and location of EMNEs' first venture (Kumar et al., 2020; Wang et al., 2014), we extend the line of research by considering the strategic attributes of the first venture and the speed of firms implementing different strategies. Our findings answer an important question: under what circumstances will EMNEs speed up or slow down their international expansion journey? It also validates essential insights from the springboard perspective that EMNEs are heterogeneous in the foci of their strategic incentives (Luo & Tung, 2007, 2018). Interestingly, the frequent expansion of EMNEs may lead to varying performance outcomes, which is affected by the strategic posture of these latecomers in their first attempt to venture into a foreign market. This finding also contributes to the EMNE literature by underscoring that

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competing with global players in related or unrelated product domains can lead to firms' performance varying.

Third, this study extends the IB literature by testing how nationalism between home and host countries affects EMNEs' international expansion. Essentially, 'international management is management of distance' (Zaheer, Schomaker, & Nachum, 2012: 19). Although previous studies examine how the varying types of home-host country distances affect EMNEs, there is a lack of understanding of whether the differing national ideologies across countries play a role in changing their expansion patterns. By testing the moderating role of comparative nationalism, our analysis offered an improved understanding of the contextual impact on firm internationalization. This also responds to the call for considering national attitudes, different ideologies, and ideological tensions between countries when observing firms' expansion behaviors (Lubinski & Wadhwani, 2020; Luo & Tung, 2018; Wu, Fan, & Chen, 2022). The findings about the different moderating effects of comparative nationalism on EMNEs' expansion also provide new insights into IB research, showing that national interest concerns disrupt MNEs' expansion in today's geopolitical climate (Luo, 2022; Wu & Fan, 2023).

Practical Implications

This study also offers practical implications for EMNEs and governments. Our findings suggest that, although using a rapid, focused CBA as the first venturing attempt positively impacts EMNE springboard expansion, such an advantage is not enough to translate into a positive performance of springboard expansion. Hence, to obtain better performance, EMNEs should continue to improve their learning and managerial capabilities in the process of international expansion. These global latecomers can consider providing managerial incentives or hiring local talents and management experts to fill the void of lacking professional knowledge (e.g., Huang, Fan, He, & Su, 2021; Luo & Tung, 2018). For those firms that aim to extend their product lines by acquiring foreign firms from different industries, we suggest their managers focus more on networking and relationship building with local stakeholders to deal with the liability of outsidership and unfamiliarity.

EMNEs should investigate host-country political risks and differences in national ideologies to determine their market entry strategy. They can develop geopolitical strategies to leverage the differences in nationalism between countries, such as adopting political behavior to position themselves as complementary to the national interest of the host country or delegitimize their competitors (Lubinski & Wadhwani, 2020), thus avoiding extra costs to deal with the rise of nationalism. More importantly, these global market latecomers should equip themselves with the capabilities to respond to the changing external forces in an era of deglobalization (Witt, 2019). To enhance business long-term sustainability and global competitiveness, firms should consider adopting an innovation-based pathway to alleviate environmental threats (Luo & Witt, 2021; Wu & Fan, 2021), rather than merely spreading their operations rapidly to diverse countries.

Government officials should also pay attention to the impacts of national sentiments on their firms' expansion. Particular actions or policies should be developed to mitigate the negative impacts of high comparative nationalism. For example, governments should provide explanations around transnational regulations and domestic politics and avoid triggering geopolitical tensions. E-government construction may also be a way to help firms eliminate firm-government asymmetry and improve their decision-making efficiency (Liu, Xu, Fan, Li, Shao, & Zheng, 2021). Instead of supporting the internationalization of their MNEs, too, governments can develop formal and informal cooperation with target countries where they have major investments, thus enabling a win–win negotiation in globalization.

Limitations and Future Research Implications

We acknowledge several limitations in this study. Our consideration of EMNE springboard expansion is limited to CBAs. Yet existing studies show that firms can expand abroad through different entry modes, such as contracting, exporting, and franchising, and different entry modes are related to

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different degrees of controls and risk portfolios (Brouthers, 2002; Kogut & Singh, 1988). Hence our findings may have limited generalizability. Also, we only consider the expansion frequency of EMNEs as an aspect of their aggressiveness, leaving more space for future studies to test the different aspects that can help further explore their leaping, jumping, and springboarding behaviors in internationalization. We encourage future research to test our findings by considering different types of market entry modes and expansion goals.

Second, given the data limitations, we were unable to investigate the performance of aggressive expansion in aspects other than financial performance, such as innovation performance or learning outcomes. Our measurements cannot represent the overall performance of latecomers (Brouthers, 2002). For example, although some EMNEs experience financial hardship after expanding aggressively, they can still yield non-financial outcomes, such as innovation, network resources, and better production skills (Brouthers, 2002). Hence we suggest that future studies design an all-inclusive performance index or use market and operational performance variables to test relationships.

Conclusion

Doing things right the first time is always sound. However, choosing the right strategy and speed for their first CBA is not an easy task for EMNEs as latecomers in the international domain. This study employs the springboard perspective to test variations of the expansion frequency of EMNEs, taking into account their speed of implementing different strategies for their first attempt. Our work also adds another layer to investigate the moderating role of comparative nationalism in EMNEs' expansion. The findings deliver new insights into the theoretical arguments of the springboard perspective and offer a signal for future research to consider contemporary situations in an era of deglobalization. We encourage future research that can further validate our findings and advance the models of EMNE internationalization.

Notes

1. Nationalism has played a role in many impactful global events, such as the UK leaving the European Union (Brexit), former US President Trump's 'America first' policy, and the U.S.-China dispute due to national interest concerns (Kim et al., 2020; Witt, 2019).
2. WVS database: https://www.worldvaluessurvey.org/WVSContents.jsp
3. Following Brouthers and Brouthers (2001) and Huang et al. (2017), we controlled PDV difference, because this reflects the cultural condition fundamental to acquisitions and affects the hierarchical role relationship between the acquirer and the target.
4. Institutional distance was measured using data collected from WGI: the institutional dimensions include voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption.

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Appendix I

Table I. Sample distribution

Home countries	*N*	%	Host countries	*N*	%	Industries of the acquirers	*N*	%
China	302	18.50%	China	137	8.39%	Industrials	309	18.93%
India	229	14.03%	United Kingdom	129	7.90%	Materials	304	18.63%
Malaysia	186	11.40%	Australia	114	6.99%	Consumer Staples	208	12.75%
South Africa	161	9.87%	Singapore	112	6.86%	High Technology	190	11.64%
South Korea	144	8.82%	Germany	68	4.17%	Energy and Power	144	8.82%
Thailand	63	3.86%	Indonesia	65	3.98%	Healthcare	84	5.15%
Poland	60	3.68%	Canada	56	3.43%	Telecommunications	72	4.41%
Israel	57	3.49%	Brazil	51	3.13%	Consumer Products and Services	72	4.41%
Philippines	56	3.43%	Italy	42	2.57%	Retail	54	3.31%
Brazil	51	3.13%	France	37	2.27%	Media and Entertainment	48	2.94%
Mexico	50	3.06%	Spain	35	2.14%	Others	147	9.01%
Saudi Arabia	37	2.27%	Japan	33	2.02%	Industries of the targets	N	%
Chile	37	2.27%	Thailand	31	1.90%	Materials	300	18.38%
Greece	32	1.96%	Vietnam	31	1.90%	Industrials	272	16.67%
Kuwait	24	1.47%	Argentina	30	1.84%	Consumer Staples	205	12.56%
Colombia	23	1.41%	Netherlands	30	1.84%	High Technology	185	11.34%
Russia	22	1.35%	India	28	1.72%	Energy and Power	148	9.07%
Turkey	21	1.29%	Malaysia	25	1.53%	Consumer Products and Services	83	5.09%
Indonesia	20	1.23%	Turkey	24	1.47%	Healthcare	81	4.96%
Argentina	18	1.10%	Russia	20	1.23%	Retail	71	4.35%
Czech Republic	15	0.92%	United Arab Emirates	20	1.23%	Real Estate	62	3.80%
Peru	10	0.61%	Romania	19	1.16%	Telecommunications	55	3.37%
Others (Egypt, Qatar, Pakistan, and Nigeria)	14	0.86%	Others (105 countries)	495	30.33%	Others	170	10.42%

Appendix II

Table II. Post-hoc analysis of firm performance

OLS regression	Base model		Model 4*p*		Model 4a		Model 4b	
DV: Post-expansion performance	β	*p*	β	*p*	β	*p*	β	*p*
Location of first CBA	−0.027**	*0.002*	−0.027**	*0.002*	−0.027*	*0.017*	−0.028†	*0.096*
	(0.009)		(0.009)		(0.011)		(0.017)	
Value of first CBA	−0.005	*0.573*	−0.006	*0.454*	0.014	*0.256*	−0.026	*0.121*
	(0.008)		(0.009)		(0.012)		(0.016)	
Firm size	−0.011	*0.261*	−0.013	*0.195*	−0.030*	*0.035*	0.026	*0.163*
	(0.010)		(0.010)		(0.014)		(0.018)	
Stock turnover	0.007	*0.351*	0.007	*0.327*	0.012	*0.194*	0.012	*0.430*
	(0.007)		(0.007)		(0.009)		(0.015)	
Owner-manager duality	0.010	*0.178*	0.008	*0.269*	0.017	*0.135*	0.007	*0.529*
	(0.007)		(0.007)		(0.011)		(0.011)	
Management size	0.021*	*0.023*	0.021*	*0.020*	0.033**	*0.007*	−0.006	*0.721*
	(0.009)		(0.009)		(0.012)		(0.018)	
Share of equity sought	0.003	*0.655*	0.003	*0.722*	0.009	*0.309*	−0.005	*0.728*
	(0.007)		(0.007)		(0.009)		(0.013)	
State ownership	0.031**	*0.019*	0.030*	*0.024*	0.027*	*0.062*	0.052	*0.322*
	(0.013)		(0.013)		(0.015)		(0.052)	
Geographical distance	0.026**	*0.006*	0.027**	*0.004*	0.037**	*0.003*	0.015	*0.360*
	(0.009)		(0.009)		(0.012)		(0.016)	
PDV distance	−0.003	*0.717*	−0.002	*0.802*	−0.006	*0.631*	0.004	*0.820*
	(0.009)		(0.009)		(0.012)		(0.017)	
Institutional distance	0.003	*0.721*	0.003	*0.717*	0.009	*0.487*	−0.013	*0.478*
	(0.010)		(0.010)		(0.013)		(0.018)	

(*Continued*)

Table II. (*Continued.*)

OLS regression	Base model		Model 4*p*		Model 4a		Model 4b	
DV: Post-expansion performance	β	*p*	β	*p*	β	*p*	β	*p*
Inflation rate	−0.009	*0.346*	−0.009	*0.341*	−0.004	*0.726*	−0.033	*0.111*
	(0.009)		(0.009)		(0.012)		(0.021)	
Exchange rate volatility	0.003	*0.672*	0.003	*0.717*	0.003	*0.786*	−0.001	*0.972*
	(0.007)		(0.007)		(0.010)		(0.015)	
GDP per capita growth	0.003	*0.782*	0.003	*0.737*	0.003	*0.809*	0.005	*0.767*
	(0.010)		(0.010)		(0.012)		(0.017)	
Trade openness	−0.007	*0.424*	−0.007	*0.438*	−0.012	*0.364*	−0.009	*0.478*
	(0.009)		(0.009)		(0.013)		(0.013)	
Host-country education expenses	0.004	*0.655*	0.003	*0.716*	0.020*	*0.086*	−0.043**	*0.005*
	(0.009)		(0.009)		(0.012)		(0.015)	
Frequency of expansion			0.010	*0.198*	0.009	*0.367*	0.007	*0.680*
			(0.008)		(0.010)		(0.016)	
Speed of first focused CBA					0.024*	*0.043*		
					(0.012)			
Speed of first conglomerate CBA							0.019	*0.345*
							(0.020)	
Significance of model	0.000		0.000		0.000		0.000	
Adjusted R^2	0.115		0.012		0.089		0.188	

Notes: DV is performance ($t+1$); year and country dummies were included; Standard errors in parentheses; *P* values in italics; †<0.10; *$P<0.05$; **$P<0.01$; ***$P<0.001$.

Appendix III

Table III. Robustness tests

Robustness tests		β	SE	*p*	Wald χ^2	Significance of model
Test 1: removing deals incurred during the GFC (*N* = 217)	H1: Strategy of first CBA → Frequency of expansion	−0.405*	0.189	*0.032*	329.15	0.000
	H2a: Speed of first focused CBA → Frequency of expansion	0.444***	0.122	*0.000*	274.25	0.000
	H2b: Speed of first conglomerate CBA → Frequency of expansion	−0.967**	0.331	*0.004*	228.46	0.000
	H3a: Speed of first focused CBA × Comparative nationalism → Frequency of expansion	−0.687***	0.198	*0.001*	239.22	0.000
	H3b: Speed of first conglomerate CBA × Comparative nationalism → Frequency of expansion	0.574***	0.026	*0.000*	442.48	0.000
Test 2: removing EMNEs with state ownership (*N* = 113)	H1: Strategy of first CBA → Frequency of expansion	−0.407**	0.165	*0.014*	267.21	0.000
	H2a: Speed of first focused CBA → Frequency of expansion	0.366***	0.100	*0.000*	251.09	0.000
	H2b: Speed of first conglomerate CBA → Frequency of expansion	−0.398†	0.218	*0.069*	181.72	0.000
	H3a: Speed of first focused CBA × Comparative nationalism → Frequency of expansion	−0.500**	0.172	*0.004*	236.57	0.000
	H3b: Speed of first conglomerate CBA × Comparative nationalism → Frequency of expansion	1.514*	0.601	*0.014*	177.70	0.000
Test 3: removing deals incurred before 2003 (*N* = 103)	H1: Strategy of first CBA → Frequency of expansion	−1.501†	0.803	*0.065*	194.38	0.000
	H2a: Speed of first focused CBA → Frequency of expansion	0.359***	0.101	*0.000*	272.63	0.000
	H2b: Speed of first conglomerate CBA → Frequency of expansion	−0.458*	0.215	*0.034*	247.77	0.000
	H3a: Speed of first focused CBA × Comparative nationalism → Frequency of expansion	−0.360**	0.131	*0.006*	234.97	0.000
	H3b: Speed of first conglomerate CBA × Comparative nationalism → Frequency of expansion	1.208*	0.507	*0.020*	194.38	0.000
Test 4: Using 3SLS regression	H1: (Eq. 1) Strategy of first CBA → Frequency of expansion	−0.170**	0.058	*0.003*	836.32	0.000
	H1: (Eq. 2) Frequency of expansion → Performance	0.001	0.002	*0.762*	365.88	0.000
	H2a: (Eq. 1) Speed of first focused CBA → Frequency of expansion	0.142***	0.041	*0.001*	800.76	0.000
	H2a: (Eq. 2) Frequency of expansion → Performance	0.003	0.003	*0.232*	294.05	0.000
	H2b: (Eq. 1) Speed of first conglomerate CBA → Frequency of expansion	−0.150*	0.065	*0.021*	803.17	0.000

(*Continued*)

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Table III. (*Continued.*)

Robustness tests		β	SE	*p*	Wald χ^2	Significance of model
	H2b: (Eq. 2) Frequency of expansion → Performance	−0.004	0.003	*0.128*	676.17	0.000
	H3a: (Eq. 1) Speed of first focused CBA × Comparative nationalism → Frequency of expansion	−0.130*	0.058	*0.024*	427.67	0.000
	H3a: (Eq. 2) Frequency of expansion → Performance	0.009*	0.004	*0.020*	300.64	0.000
	H3b: (Eq. 1) Speed of first conglomerate CBA × Comparative nationalism → Frequency of expansion	0.263***	0.058	*0.000*	946.74	0.000
	H3b: (Eq. 2) Frequency of expansion → Performance	0.012*	0.005	*0.011*	1,288.55	0.000

Notes: Control variables were included; standard errors in parentheses; *P* values in italics; †<0.10; *$P < 0.05$; **$P < 0.01$; ***$P < 0.001$; In Test 4, following the 3SLS procedure, the location of first CBA and the value of first CBA were regarded as additional control variables included in Eq. (1) in testing the frequency of expansion, but we did not include them in Eq. (2) to predict the post-expansion performance. This is because prior research found that the location and size of the first acquisition will affect the speed of firms completing the deal (e.g., Fuad & Gaur, 2019). However, the two variables may not affect firms' post-expansion performance, as they only represent the influence of the first deal but do not consider the subsequent deals initiated by the firms.

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Sihong Wu (sihong.wu@auckland.ac.nz) is an Assistant Professor at the University of Auckland, New Zealand. Her research interests include global innovation and international business strategies. Her publications have appeared in *International Business Review, Journal of World Business, Management International Review, Journal of International Management, Transportation Research Part E: The Logistics and Transportation Review, International Journal of Manpower, Technological Forecasting and Social Change, American Business Review,* and *Journal of General Management*.

Di Fan (david.fan@rmit.edu.au) is a Professor of Management in the School of Management, RMIT University, Melbourne, Australia. His current research interests include international business strategies and international human resource management. His publications have appeared in journals such as *Academy of Management Discoveries, Entrepreneurship Theory and Practice, Journal of Management Studies, Journal of World Business, Industrial Marketing Management, Long Range Planning, Organization Studies, Public Administration Review, Regional Studies,* among others.

Christine Soo (christine.soo@uwa.edu.au) is an Associate Professor of Management and Organizations at the UWA Business School. She is interested in how people create, share, and apply knowledge in organizations, and the role of the organization in implementing effective processes and mechanisms to facilitate this. Her publications have appeared in journals such as *Journal of Management, Journal of Organizational Behavior, Human Resource Management, Personnel Review,* and *Harvard Business Review*, etc.

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