

## DOCTORAL THESIS

### Mimicking repurchases and corporate governance: a cross-country study

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*Date of Award:*  
2008

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**Mimicking Repurchases and Corporate Governance:  
A Cross-Country Study**

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**A thesis submitted in partial fulfillment of the requirements  
for the degree of  
Doctor of Philosophy**

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**August 2008**

## **ABSTRACT**

In the long history of signaling theory, one of the central puzzles is how to assess and ensure the quality of signals, which this study aims to address in a stock repurchase context. Based on an ex-ante proxy for identifying mimicking repurchases and collecting open market stock repurchase data from 30 economies around the world, I identify a subset of repurchasing firms who are likely to use repurchase as a tool to mislead investors, and find that the long-term operating and market performance following mimicking repurchases do not improve, which is contradictory to the conventional hypotheses. I further find that mimicking firms are potentially over-valued, cash-poor, and relatively small in size. They are more likely to reduce capital investment and issue (resell) new (treasury) shares firms in the repurchase year compared with non-mimickers. Moreover, I explore the role of investor protection and ownership structure in curbing managers' mimicking behavior, and find that mimicking activities are more likely to occur in countries with weak investor protection and in firms with high ownership concentration. The strong legal institutions are effective in ensuring the signaling credibility of stock repurchase. These findings enhance our understanding of the motives of stock repurchases and the impact of corporate governance on corporate payout policy.

**Keywords:** Repurchases; Mimicking; Legal institutions; Ownership structure

## TABLE OF CONTENTS

Declaration.....	i
Abstract.....	ii
Acknowledgements.....	iii
Chapter 1 Introduction.....	1
Chapter 2 Literature Review.....	8
2.1 Literature related to signaling theory.....	8
2.2 Literature related to motives for stock repurchases.....	9
2.3 Literature related to firm performance following stock repurchases.....	14
Chapter 3 Hypotheses Development.....	17
3.1 The effect of investor protection on mimicking behavior.....	17
3.2 The effect of ownership structure on mimicking behavior.....	19
3.3 The joint effect of investor protection and ownership structure on mimicking behavior..	21
Chapter 4 Research Design.....	23
4.1. Identifying potential mimickers.....	23
4.2 Measuring earnings quality.....	25
4.3 Measuring abnormal long-term operating performance.....	26
4.4 Measuring abnormal long-term market performance.....	28
4.5 Testing the determinants of mimicking repurchases.....	29
Chapter 5 Sample Selection and Descriptive Statistics.....	34
Chapter 6 Empirical Results.....	37
6.1 Long-term performance following stock repurchases.....	37
6.2 Characteristics of mimickers.....	39
6.3 Regression results for the determinants of mimicking repurchases.....	40
Chapter 7 Robustness tests.....	43
7.1 Using alternative measure to identify mimicking repurchases.....	43
7.2 Using alternative country-level corporate governance indices.....	44
7.3 Excluding Japanese firms.....	44
7.4 Excluding firms with decreased preferred shares.....	44
7.5 Excluding large and small amount of repurchases.....	45

7.6 Using corporate insider ownership percentage.....	45
7.7 Using Rogers method of clustering by firm .....	45
7.8 Controlling for discretionary accruals in checking the post performance.....	45
<b>Chapter 8 Conclusions .....</b>	<b>47</b>
<b>References.....</b>	<b>50</b>
<b>Curriculum Vitae.....</b>	<b>86</b>