

A comparative study on the ownership structure, technological capacity, and performance of multi-national enterprises-taking American, British, and Japanese companies as examples

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ABSTRACT

Multi-national enterprise has been expanding in recent years. The aim is to enhance the performance of the business through overseas investments. This study takes on this unresolved issue by studying the effects of different types of ownership structure as well as technological capabilities on business performance.

The purpose of this study is to understand: 1. What types of ownership structure lead to better business performance? 2. Can Taiwan's high-tech industries' technological capabilities continue to create better business performance? 3. Does the business performance correspond proportionally to higher technological capabilities as a result of higher percentage of foreign ownership? 4. Do multi-national enterprises from America, Great Britain, and Japan cause interference on the ownership structure, technological capabilities, and business performance?

Statistical analysis shows that 1. Each multi-national enterprise adopts a different type of ownership structure, which does show a significant difference on performance. As the percentage of ownership goes higher, business performs better, on account of more flexible capital transfer and business strategies. 2. The higher the technological advantage, the better the performance. Foreign investment's higher technological capabilities brings in new manufacturing process or new products, which enhance the competitive edge and, thus, better business performance. 3. The different types of ownership structure have an interference effect on the technological capabilities and business performance. When a foreign company holds a higher percentage of ownership, it tends to transfer more technologies to upgrade the company's technological capabilities and, as a

result, promotes better sales and earning. 4. Those British, American, and Japanese multi-national enterprises have an interference effect on indigenous ownership structure, technological capabilities and business performance.

Key Words : multi-national enterprises, ownership structure, technological capabilities, business performance

