

Government intervention and M&A performance: From the perspective of target corporate social responsibility overinvestment

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Abstract

Based on a sample of cross-border mergers and acquisitions (M&As) of Chinese enterprises in different target countries between 2000 and 2021, this paper explores the impact of target corporate social responsibility overinvestment on M&A performance and the moderating effect on the above impact of Chinese government's two forms of interventions in the process of corporates financing and operating. The results show that target corporate social responsibility overinvestment has a negative effect on M&A performance. Moreover, government interventions in corporates' financing and operating process negatively moderate the relationship between target corporate social responsibility overinvestment and M&A performance. This research helps government to take different forms of interventions to motivate enterprises to participate in social responsibility and improve performance.

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