

自由論題セッション報告申込用
(Application Form for Reports on General Sessions)
要約フォーマット(Summary Format)

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報告タイトル(Title)

Examining Nippon Steel's attempted acquisition of United States Steel:
Implications for Multinational Enterprises

キーワード(5 keywords)

Mergers & acquisitions, international business, trade unions,
geopolitics

要約(Abstract)

1. 研究目的(Objective)

This research examines Nippon Steel Corporation's (NSC) attempted acquisition of United States Steel (USS) to identify implications for cross border acquisitions. Although the mutual benefits for NSC, USS, and the steel industry in the United States were touted by industry experts and the business press in the U.S., as well as management of both firms, the deal met with opposition from politicians of both political parties in the United States and the United Steel Workers (USW) Union. Thus far, the deal has not been approved or even outright blocked at different levels of the United States government. One year and four months after the original announcement, the future of the deal still remains uncertain. There is a substantial body of research on cross border acquisitions, yet relatively little has been written about proposed deals which have been blocked by governments. Developing insights from the NSC-USS case may provide new insights into why cross border acquisition deals may fail to come to fruition.

2. リサーチ・クエスチョン(Research question)

What forces and attitudes are responsible for the opposition to Nippon Steel's attempted acquisition of Nippon Steel? How are these forces and attitudes inter-related? What implications do these observations have for Multinational Firms attempting cross-border acquisitions of high-profile legacy firms?

3. 研究デザインと方法論(Research design/methodology)

This research follows a qualitative case study research methodology using archival data, including publicly available documents from the companies, government agencies, and the United Steel Workers Union. This data is augmented by reports from the business press to provide additional context.

4. 発見事項(Findings)

On the surface, opposition to the deal appeared to be primarily from politicians. In an election year, the idea of approving the sale of a well-known legacy firm to a foreign company was politically unpalatable to presidential candidates, even if there were apparent benefits. Yet, observers suggested that the government would eventually approve the acquisition if the United States Steel Workers would go along. NSC's public relations and lobbying efforts had been effective at getting many of the USS stakeholders to favor the deal, including local politicians, the top management team, stockholders, and some vocal employees. However, the USW continued to balk. Publicly available communications between the company and the union document how the USW rejected opportunities to meet with NSC and suggest that the Union did not trust NSC. The history of the steel industry in the United States, issues related to the industry structure, and labor relations arguably all influence the USW's stance. Other actors appear to have played influential roles in the background. The business press discussed attempts by Cleveland-Cliffs (CC) to stop the merger. CC had been acquiring firms in the industry and had made a losing bid for USS. From CC's perspective, NSC, which had superior technology and deep pockets, presented a major business threat. Given the potential of increased protectionism of the steel industry in the United States, CC would be much better off if NSC were unable to gain a major production foothold in the country. Although a smaller and less successful firm than NSC, CC enjoyed a strong

relationship with the USW and the political benefits of being a home country firm.

This case is somewhat disturbing to those involved with international business because the way it has been handled is arguably inconsistent with fair application of the law. The salient legal concerns about the deal from the U.S. government, namely antitrust concerns and national security concerns, were actively addressed by NSC, and therefore do not appear to be legitimate causes of failing to approve the deal. On the face of it, nationalism and xenophobia appear to have played roles in the situation. However, underlying these aspects are the USW's memory of hard times in the past and a local competitor using political means to protect itself from stronger competition. It is a confluence of these different factors which has so far blocked the acquisition.

5. 理論的・経営管理上のインプリケーション(Theoretical/practical implications)

Liability of foreignness is a major theme in international business. This case study highlights several specific areas where NSC suffered from such a liability, such as familiarity with politics, deep understanding of the USW and its history, etc. It also underlines the relatively weak position a foreign firm has in interacting with the government when compared to a local competitor. Even in countries where the expectation is generally that the law will be followed without prejudice or favor, outcomes which are not in agreement with the spirit of the law are possible. Finally, the case suggests that acquisitions of high profile legacy firms are likely to be opposed by host countries, even when the acquirer's home country is a close ally.

6. 限界(limitations)

This research presents a single case based upon archival sources. USS is a very high profile legacy firm. The findings of this research may not necessarily apply to acquisitions of lower profile firms or non-legacy firms. This research includes observations from the business press which cannot be individually verified through other sources, even though the source has been documented.

7. 独自性と価値(Originality/value)

Extant literature on cross border acquisitions primarily examines acquisitions which were completed. This research contributes to the literature by examining the case of a blocked acquisition.

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