Departmental Seminar (2019-2020)

Activist Hedge Fund Board Representation and Its Impact on Corporate Strategy

Speaker: Dr Albert M. AHN
The Paul Merage School of Business, University of California, Irvine

Date: 1 November 2019 (Friday)

Time: 10:30 am - 12:00 nn

Venue: Room WLB602
The Wing Lung Bank Building for Business Studies
Shaw Campus, Hong Kong Baptist University

Abstract
Activist hedge funds have been increasingly successful at gaining board representation in firms they target. Yet, we know little as to whether activist hedge fund appointed directors can influence these firms. I propose that activist hedge fund appointed directors will be able to influence the corporate strategy of firms that they target. Specifically, I investigate and find that activist hedge fund board representation in target firms is more likely to lead to divestitures and acquisitions than target firms without activist hedge fund board representation. This paper contributes to understanding activist hedge funds and the role they play in influencing the corporate strategy of firms in which they gain board representation.

Short bio
Albert M. Ahn is a Ph.D. Candidate in Strategic Management at The Paul Merage School of Business, University of California, Irvine. He has a master’s degree in economics from The University of Southern California, a master’s degree in Statistics from Yale University, and a bachelor’s degree in economics from Emory University. His research falls within the realm of corporate governance and strategy. He examines the influence of external market capital constituents, in particular activist hedge funds, on the decision making of boards, senior executives and the eventual outcome of their campaigns.