

# AMERICAN SOCIOLOGICAL REVIEW

OFFICIAL JOURNAL OF THE AMERICAN SOCIOLOGICAL ASSOCIATION

---

## ONLINE SUPPLEMENT

to article in

AMERICAN SOCIOLOGICAL REVIEW, 2005, VOL. 70 (JUNE: XXX-XXX)

## **A Clash of Capitalisms: Foreign Shareholders and Corporate Restructuring in 1990's Japan**

Christina L. Ahmadjian  
*Hitotsubashi University*

Gregory E. Robbins  
*Emory University*

**Table 1.** Descriptive Statistics of 1,108 Firms in 1991–2000

Variable	Mean	Standard Deviation	Range
Down5 (>5% downsizing)	.190	.392	0–1
Down10 (>10% downsizing)	.070	.255	0–1
Div5 (>5% divestiture)	.153	.36	0–1
Div10 (>10% divestiture)	.041	.198	0–1
Year (2 = 1991)	6.500	2.872	2–11
Return on assets (t–1)	.040	.044	–.395 to .540
% Change in sales (t–1)	.036	.372	–.801 to 29.292
Negative profits in year t–1 and year t–2	.142	.445	0–2
Log assets (t–1)	11.596	1.307	6.698–16.475
Log of firm age in 1990	4.026	.336	2.708–4.796
Wage (deviation from industry mean) (t–1)	.022	1.822	–7.957 to 13.498
Capital intensity (t–1)	3.631	72.683	.086–1499
Exports/sales (t–1)	.092	.156	0–.996
Cumulative firm experience in 5% downsizings, 1991 to t–1	1.779	5.276	0–8
Cumulative firm experience in 5% divestitures, 1991 to t–1	.630	1.106	0–8
Population downsizing (cumulative total from 1991)	822	655	53–2083
Population divestiture (cumulative total from 1991)	856	589	42–1852
% Shares held by foreigners (t–1)	.062	.078	0–.779
% Shares held by financial institutions (t–1)	.371	.151	0–.783
1 = member of big six group	.111	.314	0–1
% Foreign ownership * % financial ownership	.025	.029	0–.204
% Foreign ownership * member of big six group	.010	.036	0–.406

**ONLINE SUPPLEMENT**  
to article in  
AMERICAN SOCIOLOGICAL REVIEW, 2005, VOL. 70 (JUNE: XXX-XXX)

**Table 2.** Zero-Order Correlations

	1	2	3	4	5	6	7	8	9	10	11	12
1 Down5 (>5% downsizing)	1.00	—	—	—	—	—	—	—	—	—	—	—
2 Down10 (>10% downsizing)	.57	1.00	—	—	—	—	—	—	—	—	—	—
3 Div5 (>5% divestiture)	.19	.17	1.00	—	—	—	—	—	—	—	—	—
4 Div10 (>10% divestiture)	.16	.18	.48	1.00	—	—	—	—	—	—	—	—
5 Year (2 = 1991)	.23	.16	.09	.07	1.00	—	—	—	—	—	—	—
6 Return on assets (t-1)	-.28	-.21	-.20	-.12	-.11	1.00	—	—	—	—	—	—
7 % change in sales (t-1)	-.09	-.07	-.07	-.05	-.11	.16	1.00	—	—	—	—	—
8 Negative profits in year t-1 and year t-2	.29	.25	.21	.13	.09	-.47	-.05	1.00	—	—	—	—
9 Log assets (t-1)	.10	-.01	-.05	-.02	.04	-.13	-.05	-.12	1.00	—	—	—
10 Firm age in 1990	.08	.04	.02	-.01	.00	-.31	-.10	.06	.22	1.00	—	—
11 Wage (deviation from industry mean) (t-1)	-.01	-.01	.01	.01	.00	-.03	-.01	-.01	.12	.16	1.00	—
12 Capital intensity (t-1)	.03	.02	-.03	-.02	.05	-.09	-.01	-.01	.24	-.01	.11	1.00
13 Exports/sales (t-1)	.02	.04	.09	.04	.06	-.05	-.01	.09	.11	.06	-.01	-.11
14 Cumulative firm experience in 5% downsizings, 1991 to t-1	.33	.27	.15	.15	.42	-.24	-.06	.29	-.05	.06	.04	.06
15 Cumulative firm experience in 5% divestitures, 1991 to t-1	.18	.16	.23	.16	.39	-.17	-.06	.25	-.12	.02	.01	-.05
16 Cumulative firm experience in downsizing squared	.26	.23	.13	.13	.31	-.19	-.05	.23	-.04	.06	.05	.05
17 Cumulative firm experience in divestiture squared	.14	.13	.18	.14	.30	-.13	-.04	.20	-.12	.02	.00	-.04
18 Population downsizing	.23	.17	.08	.07	.98	-.09	-.09	.08	.04	.00	-.01	.05
19 Population divestiture	.23	.16	.08	.07	.99	-.11	-.10	.09	.04	.00	.00	.05

**Table 2.** Zero-Order Correlations (*continued*)

	1	2	3	4	5	6	7	8	9	10	11	12
20 Log assets * population downsizing	.23	.16	.08	.07	.96	-.10	-.09	.05	.17	.02	.01	.09
21 Age * population downsizing	.24	.17	.08	.07	.97	-.12	-.10	.09	.06	.10	.01	.05
22 Wage * population downsizing	.00	-.01	.00	.01	.00	-.03	.00	.00	.08	.12	.81	.10
23 Log assets * population divestiture	.23	.16	.08	.06	.97	-.12	-.10	.06	.20	.03	.01	.09
24 Age * population divestiture	.24	.16	.08	.06	.98	-.14	-.11	.10	.06	.12	.02	.05
25 % Shares held by foreigners (t-1)	-.02	-.02	.02	.01	.20	.19	.00	-.06	.31	-.03	.05	.06
26 % Shares held by financial institutions (t-1)	-.02	-.04	-.02	-.05	-.06	-.13	-.07	-.06	.47	.48	.09	.02
27 1 = member of big six group	.06	.03	-.01	-.02	.00	-.11	-.02	-.02	.43	.22	.06	.11
28 % Foreign ownership * % financial ownership	-.03	-.04	-.04	-.04	.16	.15	-.01	-.09	.44	.12	.06	.06
29 % Foreign ownership * member of big six group	.04	.01	-.01	-.02	.07	-.05	-.01	-.03	.40	.16	.07	.16

**Table 2.** Zero-Order Correlations (*continued*)

	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
13 Exports/sales (t-1)	1.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Cumulative firm experience in 5% downsizings, 1991 to t-1	.05	1.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Cumulative firm experience in 5% divestitures, 1991 to t-1	.19	.44	1.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16 Cumulative firm experience in downsizing squared	.04	.90	.39	1.00	—	—	—	—	—	—	—	—	—	—	—	—	—
17 Cumulative firm experience in divestiture squared	.13	.40	.90	.39	1.00	—	—	—	—	—	—	—	—	—	—	—	—
18 Population downsizing (cum. total from 1991)	.06	.43	.38	.33	.30	1.00	—	—	—	—	—	—	—	—	—	—	—
19 Population divestiture (cum.total from 1991)	.06	.42	.39	.32	.30	.98	1.00	—	—	—	—	—	—	—	—	—	—
20 Log assets * population downsizing	.07	.41	.35	.31	.27	.98	.97	1.00	—	—	—	—	—	—	—	—	—
21 Age * population downsizing	.06	.44	.38	.34	.30	.99	.97	.98	1.00	—	—	—	—	—	—	—	—
22 Wage * population downsizing	-.01	.05	.01	.07	.00	.00	.00	.01	.02	1.00	—	—	—	—	—	—	—
23 Log assets * population divestiture	.07	.40	.35	.30	.26	.97	.98	.98	.96	.02	1.00	—	—	—	—	—	—
24 Age * population divestiture	.06	.43	.39	.32	.30	.97	.98	.96	.98	.02	.98	1.00	—	—	—	—	—
25 % Shares held by foreigners (t-1)	.23	.01	.05	.00	.02	.19	.20	.23	.18	.03	.26	.19	1.00	—	—	—	—
26 % Shares held by financial institutions (t-1)	.14	-.10	-.07	-.09	-.07	-.07	-.06	-.01	-.02	.06	.01	-.01	.19	1.00	—	—	—
27 1 = member of big six group	.06	.05	-.05	.03	-.04	.00	.00	.06	.02	.04	.07	.03	.13	.27	1.00	—	—
28 % Foreign ownership * % financial ownership	.26	-.04	.02	-.04	-.02	.15	.17	.22	.16	.04	.24	.18	.88	.45	.22	1.00	—
29 % Foreign ownership * member of big six group	.09	.03	-.02	.02	-.03	.07	.07	.13	.09	.06	.14	.09	.31	.22	.78	.40	1.00

**Table 3.** Downsizings of 10% in 1,108 Firms, 1991–2000

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Year	.028 (.041)	.035 (.041)	.039 (.041)	.037 (.041)	.040 (.041)
Return on assets (t–1)	–5.600*** (.714)	–5.364*** (.725)	–5.200*** (.731)	–5.421*** (.728)	–5.260*** (.734)
% Change in sales (t–1)	–1.256*** (.168)	–1.251*** (.168)	–1.238*** (.168)	–1.242*** (.168)	–1.234*** (.168)
Negative profits in year t–1 and year t–2	.255*** (.043)	.260*** (.044)	.261*** (.044)	.259*** (.044)	.260*** (.044)
Log assets (t–1)	–.081** (.031)	–.074* (.034)	–.073* (.034)	–.080* (.034)	–.077* (.034)
Firm age in 1990	–.282* (.127)	–.245 (.131)	–.270* (.131)	–.254 (.131)	–.272* (.131)
Wage (deviation from industry mean) (t–1)	–.002 (.023)	–.003 (.023)	–.004 (.023)	–.002 (.023)	–.004 (.023)
Exports/sales (t–1)	.350* (.158)	.394* (.161)	.410* (.162)	.378* (.162)	.398* (.162)
Cumulative firm experience in 5% downsizings, 1991 to t–1	.288*** (.036)	.282*** (.036)	.286*** (.036)	.281*** (.036)	.284*** (.036)
Cumulative firm experience in 5% downsizings, squared	–.028*** (.007)	–.028*** (.007)	–.029*** (.007)	–.028*** (.007)	–.029*** (.007)
Population downsizing (cumulative total from 1991)	–.002** (.0005)	–.002** (.0005)	–.002** (.0005)	–.002** (.0005)	–.002** (.0005)
Log assets * population downsizing	.0001** (.00002)	.0001** (.00002)	.0001** (.00002)	.0001** (.00002)	.0001** (.00002)
Age * population downsizing	.0002* (.0001)	.0002* (.0001)	.0002* (.0001)	.0002* (.0001)	.0002* (.0001)
Wage * population downsizing	–.00002 (.00002)	–.00002 (.00001)	–.00001 (.00002)	–.00002 (.00002)	–.00001 (.00001)
% Shares held by foreigners (t–1)	—	–.443 (.335)	1.101 (.664)	–.244 (.35)	1.023 (.667)
% Shares held by financial institutions (t–1)	—	–.260 (.185)	.036 (.215)	–.262 (.185)	–.004 (.218)
1 = member of big six group	—	.103 (.071)	.113 (.071)	.260* (.107)	.212 (.109)
% Foreign ownership * % financial ownership	—	—	–5.118** (1.893)	—	–4.423* (1.972)
% Foreign ownership * member of big six group	—	—	—	–1.904 (.998)	–1.246 (1.045)
Constant	.037 (.592)	–.125 (.626)	–.151 (.628)	–.045 (.627)	–.095 (.630)
Log likelihood	–2253.72	–2250.76	–2247.02	–2248.86	–2246.29

Note: Random effects prohibit coefficients with standard errors in parentheses; 18 dummy variables for industry significant, not reported.

\*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$  (two-tailed tests).

**Table 4.** Divestitures of 10% in 1,108 Firms, 1991–2000

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Year	.144 (.081)	.144 (.081)	.146 (.081)	.144 (.081)	.146 (.081)
Return on assets (t-1)	-3.287*** (.808)	-3.231*** (.819)	-2.869** (.827)	-3.238*** (.819)	-2.876*** (.828)
% change in sales (t-1)	-1.193*** (.197)	-1.191*** (.197)	-1.208*** (.198)	-1.188*** (.197)	-1.208*** (.198)
negative profits in year t-1 and year t-2	.213*** (.058)	.209*** (.058)	.207*** (.058)	.209*** (.058)	.207*** (.058)
Log assets (t-1)	-.114** (.042)	-.082 (.045)	-.082 (.045)	-.087 (.045)	-.083 (.046)
Firm age in 1990	.034 (.172)	.059 (.178)	.001 (.003)	.122 (.178)	.059 (.178)
Capital intensity (t-1)	-.002** (.001)	-.002** (.001)	-.002* (.001)	-.002** (.001)	-.002** (.001)
Exports/sales (t-1)	.450* (.217)	.431 (.219)	.464* (.219)	.418 (.219)	.461* (.219)
Cumulative firm experience in 5% divestitures, 1991 to t-1	.255*** (.051)	.258*** (.051)	.264*** (.051)	.257*** (.051)	.263*** (.051)
Cumulative firm experience in 5% divestitures, squared	-.035*** (.010)	-.036*** (.010)	-.036*** (.010)	-.035*** (.010)	-.036*** (.010)
Population divestitures (cumulative total from 1991)	-.001 (.001)	-.001 (.001)	-.001 (.001)	-.001 (.001)	-.001 (.001)
Log assets * population divestitures	.0001** (.00003)	.0001* (.00003)	.0001* (.00003)	.0001* (.00003)	.0001** (.00003)
Age * population divestitures	-.0002* (.0001)	-.0002 (.0001)	-.0002 (.0001)	-.0002 (.0001)	-.0002 (.0001)
% shares held by foreigners (t-1)	—	.090 (.432)	2.895*** (.806)	.210 (.442)	2.879*** (.808)
% shares held by financial institutions (t-1)	—	-.470 (.244)	.128 (.284)	-.468 (.244)	.120 (.286)
1 = member of big six group	—	-.050 (.114)	-.033 (.113)	.1005 (.168)	-.003 (.169)
% foreign ownership * % financial ownership	—	—	-9.995*** (2.475)	—	-9.850*** (2.548)
% foreign ownership * member of big six group	—	—	—	-1.836 (1.554)	-.379 (1.611)
Constant	-1.297 (.777)	-1.864* (.828)	-1.772* (.828)	-1.789* (.830)	-1.757* (.830)
Log likelihood	-1622.52	-1620.55	-1612.06	-1619.82	-1612.03

Note: Random effects prohibit coefficients with standard errors in parentheses; 18 dummy variables for industry significant, not reported.

\*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$  (two-tailed tests).

**Table 5.** Fixed Effects Models of Continuous Change in Number of Employees

Variable	Model 1
Year	-.013*** (.001)
Return on assets (t-1)	.461*** (.033)
% change in sales (t-1)	.012*** (.003)
negative profits in year t-1 and year t-2	-.016*** (.002)
Log assets (t-1)	-.005 (.005)
Wage (deviation from industry mean) (t-1)	.005*** (.001)
Exports/sales (t-1)	.042* (.018)
Cumulative firm experience in 5% downsizings, 1991 to t-1	.005* (.002)
Cumulative firm experience in 5% downsizings, squared	.0005 (.0004)
Population downsizing (cumulative total from 1991)	.0001*** (.00001)
Log assets * population downsizing	-.000005*** (.000001)
Wage * population downsizing	-.000002*** (.000001)
% shares held by foreigners (t-1)	-.010 (.049)
% shares held by financial institutions (t-1)	.044* (.020)
% foreign ownership * % financial ownership	.352** (.130)
Constant	.066 (.054)
R <sup>2</sup> within	.163
F	128.92
N	11066

*Note:* Fixed effects regression coefficients with standard errors in parentheses; outliers for which change in employment < -.8 or > 1 were removed. Dependent variable is the percentage change in number of employees.

\*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$  (two-tailed tests).

**Table 6.** Fixed Effects Models of Continuous Change in Tangible Fixed Assets

Variable	Model 1
Year	-.052*** (.004)
Return on assets (t-1)	.869*** (.058)
% Change in sales (t-1)	.013*** (.003)
Negative profits in year t-1 and year t-2	-.005 (.004)
Log assets (t-1)	-.033*** (.009)
Capital intensity	-.0004*** (.0001)
Exports/sales (t-1)	.109** (.032)
Cumulative firm experience in 5% divestitures, 1991 to t-1	.007 (.004)
Cumulative firm experience in 5% divestitures, squared	.002 (.001)
Population divestitures (cumulative total from 1991)	.0003*** (.00002)
Log assets * population divestitures	.00001*** (.000002)
% Shares held by foreigners (t-1)	-.043 (.034)
% Shares held by financial institutions (t-1)	-.236 (.085)
% Foreign ownership * % financial ownership	.977*** (.228)
Constant	.551*** (.099)
R <sup>2</sup> within	.13
F	105.14
N	10965

*Note:* Fixed effects regression coefficients with standard errors in parentheses. Outliers for which change in tangible fixed assets < - .8 or > 1 were removed. Dependent variable is the percentage change in tangible fixed assets.

\*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$  (two-tailed tests).