

# Economic motivation of corporate managers facing disqualified organizational restructuring

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This paper investigates how the economic motives of corporate manager influence the choice of qualified or disqualified corporate divestiture. Especially, I show that there are some factors involved in the motivation of corporate managers who undertake disqualified corporate divestiture inspite of that this method incurs a tax burden, and whether the motivation of corporate managers who seek organizational restructuring lies

outside incentives from the capital market, such as stock holdings by executives, financial reporting purpose, and so on. While I present some reason about the corporate governance issues with manager, the influence of tax status seems to be quite limited. The results reveal that companies with low marginal tax rates and large amounts of operation transfer gain and loss select disqualified corporate divestiture, or vice versa.