



‘[...] despite decades of research, what impacts the performance of firms engaging in M&A activity remains largely unexplained’ (King et al., 2004)

Mergers & Acquisitions = 80% Foreign Direct Investment	Annual expenses for corporate acquisitions < 2 trillion US\$	Research shows 70-90% fail to add financial value
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‘**Organizational Integration** is the degree of interaction and coordination between the 2 firms involved in the merger or acquisition.’ (Larsson & Finkelstein, 1999)

Research attributes 30-50% of failed deals to post-merger integration management issues  
(Cartwright and Cooper, 1996; Dannemiller Tyson, 2000)

3 Research Projects

1 | Meta-Analysis on Integration

Literature

- Focus was long on *strategic & financial factors*
- Scholars begin to state *the importance of integration* of target & acquirer (King & Kesner, 2008; Ellis et al., 2011)
- Results remain contradicting & heterogeneous

Methodology

- Meta-analytical approach: statistical integration technique of primary data
- Sample: ± 30 quantitative studies
- Combined sample size: 3,847 deals (1996-2016)

Initial Findings

- Synergy Realization* as preferred performance measure
- 6 different definitions: general integration | degree of autonomy | integration level | R&D integration | routine codification | restructuring
- sub-group analysis = positive impact of R&D integration, restructuring & routine codification

Additional Analysis

- Possible Moderators: national & corporate culture | experience | industry relatedness

2 | Sub-national Cultural Differences

Literature

- International Business* traditionally views culture on a national level only (unified German culture)
- In theory: crossing a national border impact acquisition performance due to *cultural differences*

Culture

- Research shows: **dialect differences** still reflect persistent *cultural differences* across German regions (Falck et al., 2012)
- Cultural Distance measure = Dialect Similarity Matrix on NUTS3 level
- Sub-national regions drawn on NUTS3 level & dialect matrix

Hypotheses

- Hypothesis 1*: crossing an internal cultural border lowers post-deal performance
- Hypothesis 2*: the higher the cultural distance – defined by the linguistic distance of two dialects – the lower the post-deal performance

Methodology

- Event Study*: assessing the way in which an acquisition causes the market to update the firm’s value
- Sample: 3,856 deals (2000-2016)

3 | Communication and Social Networks in Poster-merger Integration

Literature

- Purpose of M&A deals are rooted in financial & strategic advantages – *but the actual merger process remains a human event* (Cartwright & Cooper, 1996)
- Research shows: integration & communication is of critical importance to exploit advantages of strategic interdependencies & synergy realization

Case Study Methodology

- So far: research focuses on operational interactions rather than individual employees’ communication & interaction
- Social Network Analysis*: degree of interaction and coordination between target and acquirer is investigated and measures by networks and graph theory

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