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**How serial acquirers learn: A study on how
deliberate learning mechanisms are affected
by absorptive capacity**

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Abstract

This paper presents the underlying elements that affect a serial acquirer's deliberate learning mechanisms. In this thesis, we took an exploratory case study approach. A total of ten serial acquirers were interviewed about their acquisitions. We find that serial acquirer's deliberate learning mechanisms (articulation, sharing, codification and internalization) are affected by their absorptive capacity, which comprises of the two elements motivation and ability. Moreover, we propose that serial acquirers' level of motivation and ability matters differently for each of the deliberate learning mechanisms. Lastly, we suggest that internalization activities further strengthen the firms' absorptive capacity. These findings combine the current research on organizational absorptive capacity and deliberate learning mechanisms and contribute to the serial acquisition literature.

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1. Introduction

For many years, scholars have been concerned about how firms can create value through acquisitions (Haleblian and Finkelstein 1999, Haspeslagh and Jemison 1991b, Birkinshaw, Bresman, and Håkanson 2000). Today, the question is more relevant than ever. As the year turned 2016, firms acquire for more money than ever before. The level of worldwide acquisitions in 2015 hit another record high of \$5 trillion dollars, beating the old from 2007 (Staiti 2016). Despite the popularity (nearly 40 000 acquisitions were initiated in 2015) and firms' awareness of the importance of effective pre- and post-acquisitions strategies, many continue to fail because they do not know how to act upon them (Graebner, Eisenhardt, and Roundy 2010, Hansell 2014). Larsson and Finkelstein (1999) point out that the reason for this could be in regards to the complex process of conducting acquisitions. Dealing with this complexity, an increasing number of researchers have started to examine a learning perspective (Barkema and Schijven 2008).

Initially, learning was seen as an outcome of organization's experience accumulation (Yelle 1979). However, researchers broke away from the assumption that learning always follows experience (Haleblian and Finkelstein 1999). Scholars found that deliberate learning mechanisms (articulation, codification, sharing, internalization) are positive for the building of an M&A capability (Kale and Singh 2007). Sequentially, use of deliberate learning mechanisms has a positive impact on acquisition performance (Heimeriks, Schijven, and Gates 2012, Trichterborn, Knyphausen-Aufseß, and Schweizer 2015, Zollo and Singh 2004). These mechanisms work between experience accumulation and performance (Barkema and Schijven 2008). Thus serial acquirers will benefit by engaging in deliberate learning.

Also absorptive capacity plays a significant role in the learning literature (Cohen and Levinthal 1990, Volberda, Foss, and Lyles 2010). Minbaeva et al. (2003) suggest that absorptive capacity consists of both employees' ability and motivation. Chang, Gong, and Peng (2012) add that the element opportunity is a part of absorptive capacity. Motivation reflects drive or will, ability reflects the capacity or potential, and opportunity reflects the external factors that limit employees learning (Blumberg and Pringle 1982, Chang, Gong, and Peng 2012,

Minbaeva et al. 2003). We know that absorptive capacity is needed to facilitate knowledge transfer (Szulanski 1996). However, we do not know whether serial acquirers' absorptive capacity affects how they deliberately learn from their acquisitions (Junni and Sarala 2013, Laamanen and Keil 2008, Trichterborn, Knyphausen-Aufseß, and Schweizer 2015).

This leads us to our research question:

What affects serial acquirers' use of deliberate learning mechanisms?

In this exploratory case study, we have examined what affects serial acquirers' use of deliberate learning mechanisms. Our findings contribute to the understanding of absorptive capacity and deliberate learning mechanisms. We find that a serial acquirer's absorptive capacity, which includes motivation and ability, triggers their deliberate learning mechanisms.

We propose that serial acquirers learning motivation, which constitutes of their perception of a need for acquisition knowledge, and their belief in the effect of learning activities, positively affects the use of deliberate learning mechanisms. Secondly, we argue that serial acquirers' ability, which constitutes of their resources and acquisition team characteristics, strengthens motivation's positive effect on deliberate learning mechanisms. Subsequently, we outline what deliberate learning mechanisms that serial acquirers prioritize first and last. Lastly, we argue that internalization efforts reinforce serial acquirers' absorptive capacity, which in turn strength their learning efforts.

2. Literature review

In this part, we will outline three main subjects that will be in the center of this thesis; *acquisitions*, *deliberate learning mechanisms*, and *absorptive capacity*. These parts will present what we already know in these areas and how it matters for our dissertation.

2.1 Acquisitions

On a fundamental level, the reasoning behind making an acquisition is to create value (Haspeslagh and Jemison 1991a). Acquiring a company to achieve knowledge, access to a market's products or technology can be faster, less risky and less costly, than building it internally (Jemison and Sitkin 1986). Haspeslagh and Jemison (1991a, 27) argue that *"the key difference between acquisition success and failure lie in the understanding and better managing the processes by which acquisition decisions are made and by which they are integrated."* From the 1990s there has been a significant increase in the merger and acquisition (M&A) activity (Ranft and Lord 2000). This growth has not gone unheeded by scholars, who have shown a widespread interest in the field (for a thorough review on M&A, Haleblan et al. 2009). As a development, researchers have gone from investigating single M&As to a broader perspective – serial acquisitions and acquisition programs (Laamanen and Keil 2008, Chatterjee 2009).

Serial acquisitions

Scholars have for a long time explored M&As and their performance implications as non-recurring events (Laamanen and Keil 2008). Researchers have found that the acquisition success hinges on synergy realization (Haspeslagh and Jemison 1991b), careful target selection (Ramaswamy 1997) and especially effective post-acquisition integration (Larsson and Finkelstein 1999). To assure this, scholars have even eliminated acquirers from studies that have made acquisitions simultaneously (Laamanen and Keil 2008). Despite these findings, many acquisitions still fail (King et al. 2004). Acquiring seems to be far more complex than daily activities, such as production, product development or administration. Each acquisition consists of several sub-activities, such as due diligence, negotiations and implementation, each of which is complex in itself (Hitt, Harrison, and Ireland 2001).

Since Schipper and Thompson (1983) explored the advantages of announcing acquisition programs, the focus on serial acquisitions and acquisition programs have been sparse (Chatterjee 2009).

Now, scholars have begun to realize that learning from acquisitions may be crucial to enhance performance (Barkema and Schijven 2008). To understand this learning process, researchers had to study the acquisition process on a higher level than single acquisitions. During the 90's an increasing number of companies, such as Cisco, Vodafone, and Google, begun to engage in acquisition programs (Brueller and Capron 2010, Smit and Moraitis 2010b, Graebner, Eisenhardt, and Roundy 2010). For example, Microsoft and General Electric had an extensive acquisition program in which they acquired more than 50 companies (Laamanen and Keil 2008). As a result, the interest for investigating serial acquirers and acquisition programs sprung forth (Aktas, de Bodt, and Roll 2009, Chatterjee 2009, Haleblan and Finkelstein 1999, Haleblan et al. 2009, Henningsson 2015, Laamanen and Keil 2008, Smit and Moraitis 2010a, Nadolska and Barkema 2014).

The assumption is that, although an acquisition fails, the overall performance of an acquisition program may be positive. Performance may not only be driven by the characteristics of a single acquisition. Instead, the experiences can be valuable for future acquisitions (Laamanen and Keil 2008). By accumulating experience, serial acquirers start building acquisition knowledge and capabilities (McEvily and Marcus 2005, Ranft and Lord 2002).

We believe these the acquisition capabilities are worth clarifying. When discussing acquisition capabilities, Laamanen and Keil (2008) distinguish between three different layers that have been developed. They advocated these research streams to explain what capabilities acquirers seek to obtain.

(1) The first stream focuses on capability development *through* acquisitions (Ahuja and Katila 2001, Puranam, Singh, and Chaudhuri 2009, Ranft and Lord 2002). For example, this can be a technology tool, bought or developed through acquisition, which is seen to enhance the overall quality of a firms' product or service (Graebner 2004, Ranft and Lord 2000, 2002).

(2) Another stream investigates how acquirers develop *capabilities to carry out individual acquisitions*. Findings in this stream have been vastly diverse. While Al Rahahleh and Wei (2012) found a declining pattern for the success of acquirers,

Haleblian and Finkelstein (1999) found a U-shaped relationship between the number of acquisitions and acquisition performance (Finkelstein and Haleblian 2002). This link indicates that companies learn from their acquisitions, and use this knowledge to generalize future ones, which first decreases the success of the acquisitions. As firms continue to acquire, they learn to discriminate or change the way they handle an acquisition, and thus improve the performance rate. Haleblian and Finkelstein (1999) found that companies need to make at least eight acquisitions to get a broad enough perspective, to grasp the advantages from an acquisition. While this might seem extensive, CEO Steinar Sønsteby in the serial acquiring technology company in Norway, Atea, pointed out that he thought it would be more than eight acquisitions (Colman and Lunnan 2013). Despite how many acquisitions that are needed to master an acquisition, the result puts emphasis on the complexity of acquiring (King et al. 2004).

(3) The third capability layer presented by Laamanen and Keil (2008) is *the ability to manage acquisition programs*. By this, they suggest that the success of acquisition programs is not only dependent on an acquirers' ability to acquire a company *per se*, but also to handle the program itself. In this case, acquisitions, earlier seen as unsuccessful, might have been valuable, as they have contributed to relevant and sustained learning of how to control the acquisition program (Chatterjee 2009, Hutzschenreuter and Kleindienst 2006). Chatterjee (2009) suggests that acquirers that engage in these acquisition programs are most likely to succeed.

The need to understand the building and development of acquisitions, and organizational capability development in general, has been advocated as an important task (Barkema and Schijven 2008, Eisenhardt and Martin 2000, Teece, Pisano, and Shuen 1997). In that context, we are examining the streams that focus on the development of the acquisition capability, and how firms learn from their acquisition experience (Laamanen and Keil 2008). Within this research area, Barkema and Schijven (2008) have presented the learning streams that build our understanding of the contingencies and mechanisms of organizational learning in acquisitions.

2.2 Acquisition-learning

Traditionally, organizational learning in a strategy management setting followed the traditional learning curve perspective (Barkema and Schijven 2008). Research in this area tends to assume that as experience accumulates, the firm will improve in the respective area. This view certainly makes sense when measuring repetitive tasks as manufacturing cars or radios, but it often falls short in the complex modern world, in which context and change matters (Argote 2012, 121-138).

As organizational learning got placed on the research agenda, scholars began, early in the 1990s, to advocate the need for considering external and internal contingencies that affect learning (Barkema and Schijven 2008). Researchers who followed the external stream tried to find whether learning varied by industry (Hébert, Very, and Beamish 2005) and country or culture (Barkema, Bell, and Pennings 1996). Moreover, articles within the internal stream offer evidence for experience with a target firm (Porrini 2004), the key role of partner-specific experience (Zollo, Reuer, and Singh 2002), and effect financially distressed and non-distressed acquisitions (Bruton, Oviatt, and White 1994).

From the 1990s, frameworks that were more applicable to the strategic settings took place. Three developments in organizational learning have moved beyond the traditional learning curve perspective (Barkema and Schijven 2008).

One stream highlighted the negative experience transfer (Haleblian and Finkelstein 1999). Another stream brought attention to firms that learn from each other, also called vicarious learning (Baum, Li, and Usher 2000). A final stream drew attention to the heuristic parts of the organizational learning process. Based on prior research of the knowledge-based view of the firm (Grant 1996) and dynamic capabilities (Zollo and Winter 2002); studies from the stream of alliances (Kale and Singh 2007) and acquisitions (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015), we adopt this notion, that such a learning process involves deliberate learning mechanisms, such as articulation, codification, sharing and internalization. In the following paragraphs, we will further outline each of these aspects in further detail.

Articulation

The study of deliberate learning mechanisms has given attention to the advantage of articulation of tacit knowledge (Zollo and Winter 2002). Researchers have tried to understand the importance of reflecting upon (Zollo and Singh 2004) and externalizing know-how within the firm (Kale and Singh 2007). Knowledge can be articulated in several ways. It can be presented as speech, through written words, through the use of models, analogies or metaphors (Kale and Singh 2007). In the organization, activities such as debriefing sessions, formalized interviews, and other facilitating collective discussion are indications of articulation as a deliberate process (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). Bingham, Eisenhardt, and Furr (2007) points out that while many larger firms might tend to articulate and create codified material, such as checklists or integration manuals, smaller companies often focus on the usage of articulated heuristics as informal rules-of-thumb.

Similar to the alliance process (Kale and Singh 2007), articulation of acquisition knowledge can help managers take control and improve the process in two ways. Firstly, it can help them create a map and record of the old acquisition history, including tools, experiences, actions, plans, etc. Secondly, an ex-post review of the process can help managers reflect upon the different actions taken throughout the process, and thereby create a sense-making of these. Also, articulation can give other employees and groups guidance and knowledge of a past or ongoing process (Zollo and Winter 2002).

The reason this mechanism is important is that it reduces the risk related to the ambiguity and complexity of making an acquisition. Firstly, although only a small percentage of the articulable knowledge is articulated, the firm can reduce the loss of knowledge (Kale and Singh 2007). On average, groups are better at remembering than individuals (Argote 2012, 117), and if the process, plan, experience has been articulated through speech or text, the knowledge loss can be decreased whenever a person resigns (Kale and Singh 2007). Secondly, by reflecting upon the process, companies can avoid possible experience overconfidence and future failure (Levinthal and March 1993, Lichtenthaler and Lichtenthaler 2009). Overconfidence from a latter acquisition can make it harder for a leader to identify differences that can play a role in how a unique acquisition should be handled (Haleblian and Finkelstein 1999). Lastly, insight gained from such a process can lead managers and firms to recognize the need for changes in

the acquisition process (Chatterjee 2009, Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). Consequentially, the usage of articulation can lead to a better acquisition process and improved performance (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015).

Codification

Some scholars have pointed out the advantages of codifying routines and processes within the firm (Zollo and Winter 2002, Zollo and Singh 2004). While earlier research has viewed codification merely as documentation of knowledge, Zollo and Winter (2002) brought the discussion further, arguing that it is a more deliberate process that involves creating and using codified material (Kale and Singh 2007).

Examples of codified materials are everything from checklists, manuals (Kale and Singh 2007), guidelines, blueprints, and spreadsheets, to more advanced tools such as decision support systems and project management software products, which can help capability building (Zollo and Winter 2002). While articulation mainly concerns the ability to externalize tacit knowledge, codification can provide content (know-what), methodology (know-how) and reason (know-why) for managing tasks (Kale and Singh 2007).

There are several reasons why codifying is an advantage to the firm (Zollo and Winter 2002). Firstly, by going through a codification process, employees, working with the material, can reach a higher degree of understanding. They can reflect upon the experiences and put it into context, which could be a necessity since the firm is likely to handle a variety of different acquisitions (Zollo and Singh 2004, Bower 2001). Secondly, researchers have emphasized that codification facilitates dispersion of knowledge (Zander and Kogut 1995, Nonaka 1994). Not only is this important for future sharing within the organizations, but due to the infrequent nature of acquisitions it can improve teams or individuals heuristic ability (Zollo and Singh 2004). Thirdly, Zander and Kogut (1995) found that a capability that also can be codified transfers much easier. To take advantage of a capability in a routine, it must be codified (Argote 2012). Lastly, codification simplifies coordination and implementation of ambiguous and complex tasks (Zollo and Winter 2002, Zollo and Singh 2004).

Despite the many confirmations that the effects of investing in codification are beneficial (Zollo and Singh 2004, Kale and Singh 2007), researchers have raised

attention to possible costs related to investing in codification (Zollo and Winter 2002). Firstly, there are direct costs like time and resources spent on codifying. Surely a company could spend an infinite amount of time codifying each choice, action, and process in an acquisition. The question would be whether that is needed in the future. This leads us to the second point, misfire. Models, processes, templates and advises can be beneficial to read, but human costs related to this process could possibly wipe out the advantage of future needs. This could be the case if the subsequent acquisition would be completely different. Heimeriks, Schijven, and Gates (2012) therefore argue that codification needs to be counteracted by higher-order routines. They show the need for establishing risk management practices to evaluate to prevent the generalization of zero-order routines.

Despite this, the notion towards the benefits of deploying codification as a deliberate learning mechanism to build an acquisition capability is still favorable (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015).

Sharing

Knowledge sharing is the third learning mechanism that helps build an M&A capability (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). It takes place both in formal and informal settings (Kale and Singh 2007). Examples of formal settings are committees, task force meetings, seminars, and retreats, while informal can be daily casual conversations, a discussion between managers over coffee. While both are frequently used in all organizations, Willem, Buelens, and Scarbrough (2006) showed that it is the formal coordination that is beneficial for knowledge sharing between business units.

According to Grant (1996), coordination of knowledge is one of the firms' primary activities. He distinguishes between the knowledge creation, which happens within individuals, and knowledge application, which is done in two ways; "(a) by learning of its members, or (b) by ingesting new members who have knowledge the organization didn't previously have" (Simon: 25 - found in Grant 1996). Knowledge, if not shared, will depreciate or be lost as employees leave the company (Argote, Beckman, and Epple 1990), or just forget what they have learned (Grant 1996). Although sharing costs could be high, companies need to ensure the spread of knowledge internally (Nonaka 1994, Kogut and Zander 1992). An essential prerequisite for knowledge sharing taking place is

incentivizing employees to work together (Haspeslagh and Jemison 1991b), which ensures the spread of knowledge within the firm (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015).

On an organizational level, several factors are found to affect the quality of sharing (Argote and Miron-Spektor 2011). These include relationships characteristics, such as ties or relationship between the knowledge source and the receiver (Hansen 1999); characteristics of the members or units involved such as geographic proximity (Gittelman 2007), expertise (Cross and Sproull 2004), similarity (Darr and Kurtzberg 2000), or absorptive capacity (Cohen and Levinthal 1990); knowledge characteristics such as causal ambiguity (Szulanski 1996); firm characteristics such as hierarchical structure (Tsai 2002).

Because the acquisition process often is limited to a smaller part of the firm as a group or a team (Nadolska and Barkema 2014), we believe it can be valuable to mention the triggers and context that affects knowledge sharing within groups. Argote (2012, 119-126) presents that knowledge sharing within teams can be affected by; its members such as leaders and members experience (Larson et al. 1996); the group characteristics such as the member diversity (Cummings 2004, Nadolska and Barkema 2014), size (Stasser, Taylor, and Hanna 1989) or time that they have worked together time (Larson, Foster-Fishman, and Keys 1994); and the task features, such as whether the knowledge is already known (Stasser and Titus 1987), or a solution can easily be proved (Stasser and Stewart 1992).

Overall we regard knowledge sharing as an important mechanism for building an acquisition capability.

Internalization

Lastly, the internalization of know-how in the organization makes it possible to retain and later access the knowledge needed for a particular process or task (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). In contrast to the sharing mechanism, which stresses the importance of spreading the information from the source to the receiver, internalization is much more focused towards the receiver, may it be a group or an individual (Kale and Singh 2007).

It is not sufficient to know how a process works; rather companies need to care about how to do it. Many acquirers seem to fail continuously on this matter (Barkema and Schijven 2008, King et al. 2004). Secondly, the absorptive capacity of individuals is both enhanced and an indicator of a firms' ability to internalize

new knowledge (Cohen and Levinthal 1990). A manager with former acquisition experience will have a better chance at absorbing relevant know-how at the same time as he/she will improve future the ability to learn. The accumulated knowledge base within the firm creates a foundation for the acquisition capability (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015).

Examples of activities that strengthen and enhance the internalization of the acquisition knowledge are acquisition training programs, mentorships, and workshops, in which members are allowed to articulate, share and reflect upon the various activities that are related to the acquisition (Kale and Singh 2007) (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). In sum, the internalization process allows members to act upon the shared knowledge and develop their knowledge foundation.

In sum, internalization is regarded as a mechanism that helps to build an acquisition capability (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015).

In conclusion, the deliberate learning mechanisms are seen as having a positive effect on acquisition learning and the building of an acquisition capability (Zollo and Winter 2002, Zollo and Singh 2004, Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). However, it is still unclear whether serial acquirers are engaging in learning activities differently - and in case they do, what cause serial acquirers to establish deliberate learning mechanisms? In this thesis, we will open the black box of learning further by presenting how absorptive capacity seems to affect the extent to which serial acquirers establish these deliberate learning mechanisms. Following is an outline of the research stream absorptive capacity.

2.3 Absorptive capacity

The capability absorptive capacity was first described in the late 1980's (Kedia and Bhagat 1988). It is, however, the contribution by Cohen and Levinthal (1990) that is considered the founding paper (Volberda, Foss, and Lyles 2010). Absorptive capacity is presented as a firm's ability to recognize new external information, assimilate it, and apply it to its operation (Cohen and Levinthal 1990). Building on this concept, a significant amount of literature has been developed (for review see, Volberda, Foss, and Lyles 2010).

One reason for developing a great absorptive capacity is to achieve better knowledge transfer (Minbaeva et al. 2003). Based on Cohen and Levinthal (1990) and Kim (2001), Minbaeva et al. (2003) argue that absorptive capacity consists of two elements; *prior knowledge* and *intensity of effort*.

One of Minbaeva et al. (2003) main contributions is that; to have an extensive absorptive capacity, it is not sufficient for an individual to be experienced and skilled. Individuals need *the intensity of effort (motivation)*, to achieve an optimal absorptive capacity (Minbaeva et al. 2003, Reinholt, Pedersen, and Foss 2011). "*Motivation refers to the willingness (or the degree to which a person is inclined) to perform it*" (Chang, Gong, and Peng 2012, 928).

Secondly, *prior knowledge* refers to the sum of the accumulated knowledge, retained in each individual within the firm (Kim 2001, Minbaeva et al. 2003). This includes abilities and competencies related to the educational and organizational background (Minbaeva et al. 2003, Minbaeva 2007, Szulanski 1996). The sum of prior knowledge is also referred to as an individual's, group's or firm's *ability* (Minbaeva et al. 2003, Minbaeva 2007, Minbaeva et al. 2014).

In addition to these two elements, some researchers have included the element *opportunity*, which refers to firms' (Chang, Gong, and Peng 2012) or people's search and utilization of resources. Examples of these resources are a network of knowledge (Reinholt, Pedersen, and Foss 2011), or a digital tool or facilities (Blumberg and Pringle 1982). In our study, we see the sum of employees' *abilities* and their *opportunities* to spend resources on learning as the acquirer's *learning ability*.

The degree of knowledge transfer is, in addition to a receivers absorptive capacity, affected by the characteristics of the knowledge, the senders dissimilation capacity (Minbaeva 2007, Chang, Gong, and Peng 2012), the relative relationship between the sender and receiver (Lane and Lubatkin 1998, Minbaeva 2007), and the network position (Tsai 2001, Reinholt, Pedersen, and Foss 2011).

In regards to the acquisition literature, the role of absorptive capacity has, according to Junni and Sarala (2013), gotten relatively little attention. Ahuja and Katila (2001) found that the absorptive capacity, as an absolute knowledge base, enhances innovation performance, while the relative knowledge base reduces the innovation output. Björkman, Stahl, and Vaara (2007) propose that cultural

differences negatively affect a post-acquisitions potential absorptive capacity, which in turn is associated with higher levels of capability transfer between the acquiring and acquired firm. Deng (2010) argues that overseas acquisition performance is affected by the acquiring firm's absorptive capacity. Lastly, Junni and Sarala (2013) explore the antecedents and the outcome of the absorptive capacity.

The abovementioned studies have all been focusing on the absorptive capacity of the acquirers, the acquired firm or both. Minbaeva et al. (2014) call for better contextualization, multi-level research logic, and more dynamic models. In the stream of M&A, we have not found any research that studies whether serial acquirers' absorptive capacity affects the deliberate learning mechanisms.

Therefore, we extend the understanding of absorptive capacity by presenting how *learning motivation* and *learning ability* in the acquiring firm affects the use of deliberate learning mechanisms. We also argue that the level of *motivation* and *ability* matters differently for each of the deliberate learning mechanisms.

3.0 Methodology

In this section, the methodological approach of this thesis is explained. *“The methods section describes the rationale for the application of specific procedures or techniques used to identify, select, and analyze information applied to understanding the research problem, thereby, allowing the reader to critically evaluate a study’s overall validity and reliability”*. (Kallet 2004, 1229-1232). As such, the methodology will cover the research design, strategy and type of case selection. Thereafter, we will present research setting following, ethical consideration, data collection and data analysis.

3.1 Research Design

Research design can be described as a framework and a plan for collecting and analyzing data (Bryman and Bell 2015, 41). A multiple exploratory case study is a preferable research design when there is a limited amount of research or specific research environment (Baxter and Jack 2008). As we examined the uninvestigated area of what affects serial acquirers’ use of deliberate learning mechanisms; a multiple exploratory case study was a viable approach. As our thesis reflects around the underlying reason of why serial acquire employees engage in deliberate learning activities, a qualitative research strategy provides a reasonable approach.

We collected primary and secondary data to analyze and understand the underlying reasons behind serial acquirers deliberate learning mechanisms.

The main data was semi-structured interviews with open-ended questions. These interviews were conducted with acquisition managers or leaders. The interviews provided an in-depth analysis on how serial acquirers view their acquisition strategy and experience learning.

The secondary data was gathered from online databases, and contained data such as size, revenue, the number of employees, industry. These were added to our analysis. With this, we were able to compare the serial acquirers and provide a broader context to our primary data.

Case selection

Professor Junni introduced us to the proposal of studying Norwegian serial acquirers, an extension to a larger study by two other professors at BI Norwegian Business School. To study learning in serial acquisitions, Professor Junni

provided a list of Norwegian serial acquirers. The list of serial acquirers contained firm name and number of acquisitions for the past decade, which had acquired at least two firms since 2013. To remain within the exploratory design, we did not differentiate firms by size, industry or any other variable. To contact the serial acquirers from the list, we used email and phone. Of the 40 serial acquirers: 25 were either not interested or were unreachable, and five were not contacted due to information that made them seem unfitted for the project. Ultimately, we got acceptance and conducted interviews with ten serial acquirers.

3.2 Research Strategy

The choice of research strategy was based on the objective of the thesis, which was to understand the underlying elements that affect serial acquirers' use of deliberate learning mechanisms. An underlying objective has been to understand each of the deliberate learning mechanisms and what learning activities the serial acquirers prioritize. To understand and explore this complexity of human learning, the thesis required information-rich data. Therefore, a qualitative research strategy was desirable. *"..qualitative research, which adopts an interpretive approach to data, studies 'things' within their context and considers the subjective meanings that people bring to their situation."* (De Vaus and de Vaus 2001, 10).

The main advantage of the qualitative nature of our study was that we were able to take a broad approach to the subject of learning. The interviewees were not bound by pre-determined findings. Rather they were allowed to speak freely about their acquisition process. The main disadvantage with the qualitative strategy was bias, such as interview bias or social desirability bias (wanting to present themselves better, that may deviate from the truth) (Nederhof 1985). We believe that this could have appeared, as we were talking to the people in charge of the M&A operations. It is possible that some might have wanted to present the process as more professional than it was.

However, in line with the abovementioned perspective, we believe the thesis is in line with a qualitative case study approach and that our data enabled us to explore the objective of the phenomena at hand (Bryman and Bell 2015).

3.3 Data Collection

Our primary source of data was from the interviews with serial acquirers. The secondary sources of data were Zephyr and Proff.no. The interviews were semi-structured, and we had one informant from each firm. All informants were either a part of the M&A function or closely involved with acquisitions made by the firm. Our secondary source of data from Zephyr provided general information and past acquisition history, while proff.no provided data of serial acquirer's revenue and age. The interview data were limited by each respondent's knowledge, the time frame of our interview and the questions asked during the questioning. Due to the semi-structured approach, none of the interviews included the same questions. Rather, each discussion took its route as the interview progressed. This may have caused interviewees to leave out information relevant for this study.

Each interview was recorded and later transcribed in Microsoft Word. During this transition, some context could have been lost or meaning distorted. Also, the secondary data may have added some limitation to our study. We use the data that were available through the Zephyr and proff.no database. However, there might be data, not publically available that would have changed the direction of our exploratory study.

Semi-structured interview

We adhered to the assumptions that *"the people constructing their organizational realities are 'knowledgeable agents,' namely, that people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions"* (Gioia, Corley, and Hamilton 2013, 17). Thus, we assume that candidates in interviews knew or had prior experience of the subject in questions, and illustrate their thoughts, actions and intentions (Gioia, Corley, and Hamilton 2013, 17).

To observe and conceptualize what affect how serial acquirers learn, we had to communicate with practitioners about their chain of the process and real world practice of acquisition learning. Furthermore, we wanted each interviewee to have an open dialog, open to the views, experiences, and imperatively allow each interviewee to use his or her narrative to describe their acquisition and the learning process.

As the data of this thesis is an extension of a larger study by our professors at BI Norwegian Business School; Professor Lunnan, Colman, and Junni developed the

interview guide (see Appendix 1). However, we were given leeway into direction of our subject in question. The interview guide gave the interviewee flexibility in terms of outcome and personal interpretation of their experience and knowledge.

As all interview objects were native Norwegians, the guide was later translated to allow an improved communication flow (see Appendix 1). The interview began with an introduction of the interviewee, like position, function, and tasks. After that, a general introduction of the interviewees firm, such as acquisition strategy, industry target, product portfolio. Furthermore, we posed questions concerning the different parts of a typical acquisition process, such as identification, due diligence, negotiations and implementation. The central theme of the interviews weighs on the learning process of each serial acquirer, and activities throughout their acquisition phase.

To avoid any reconstructed or premeditated answers, the interviewees did not receive questions before the interview. Instead, we gave central themes to what is to be discussed in broad terms, such as acquisitions and learning process. With this in mind, we gave each interviewee the time to construct and understand the issues, events, and in the interview, time to express their opinion as they saw relevant or vital (Bryman and Bell 2015).

Most of the interviews were conducted by the two authors of this thesis. During the first interview of this thesis, Professor Colman was present. She led the interview and gave us insight to how open-ended interviews can be conducted. Nevertheless, this gave us insight on how to lead and ask questions that were relevant to the subject in question. Each interview had a time span of approximately 1 hour. All interviews were later transcribed in Microsoft Office Word and coded in Windows software “QDA Minor Lite 4”.

Choice of respondents

The research focus centers on serial acquisition learning. To understand the serial acquirers learning, we contacted a randomized selection of serial acquirers. In specific, we approached the management level in the companies - M&A leaders, managers, presidents, executives, mostly hold these experiences. This approach was based on the judgmental sampling method, which is grounded in the belief that certain people would be appropriate for the study (Westfall 2008). This sampling method is for instance used when a limited number of people have the

expertise of the subject for research. In addition, the interest of the research or thesis is on a specific theme or concentrated group (Bryman and Bell 2015). In the search for in, we tried to understand who were involved in the acquisition process in each respective company. Based on this thought process, we contacted key informants from relevant M&A positions, such as Business Develop Manager, Head of M&A, Head of Legal and M&A Manager.

Given our reasoning, they had the experience and knowledge of their acquisition history, thus better subject of knowledge and interpretation. The managers and leaders were approached by both email and a formal telephone conversation with the necessary information. The email structure was introductory by presenting who we are, and what our thesis will contribute, followed by confidentiality attachment provided by our Professors, explaining the nature and intentions of the study.

In total, ten interviews were conducted from various serial acquirers from different industries by the use of purposive sampling (Bryman and Bell 2015).

Secondary Data Collection

Two databases were utilized for the secondary data collection. From proff.no, we gathered general corporate information, such as revenue, and the number of employees. The secondary data collected from Zephyr database provided acquisition information and statistics, such as the number of acquisitions and acquisition price. The purpose of secondary data was to enable comparison and analysis between the serial acquirers. We combined the primary and secondary data, which were pieced together in Table 2. The model gives an overview of the ten serial acquirers and their revenue, industry, the number of employees, establishment, acquisition strategy and the deliberate learning mechanism (see Table 2).

3.4 Ethical considerations

Ethical principles were a constant proprietary throughout our research; as such, issues can arise and challenges the integrity of the research. Business ethical principles can be categorized into four different groups. These principle areas are as follows: whether there is harm to participants, whether there is an invasion of privacy, whether there is a lack of informed consent, and whether deception is

involved (Bryman and Bell 2015, 128). These are guidelines that we have been paying attention to, throughout the thesis project.

Firstly, harm to participants refers to the harm that can be caused by the participants during or as a result of the research study (Bryman and Bell 2015). In this thesis, there was no real danger of harm to the participants during the data gathering. However, due to the sensitivity of the information, several of the serial acquirers emphasized the need for anonymity in the study. We solved this issue by (1). By creating fictional names coined in the Greek alphabet (e.g. Alpha, Beta, Gamma, etc.), for each of the serial acquirers (2). We categorized and grouped information like revenue, the number of acquisitions, etc.

Secondly, lack of informed consent refers to any covert information about the project that may tip the informant's participation decision (Bryman and Bell 2015). In this study, complete information of the project was given to all participants. Detailed interview questions were not provided until the interview itself. However, participants were given some insight into the subjects and themes (e.g. acquisition process and learning). The serial acquirers were allowed to withdraw from the project at any time if they did not think that the information provided was sufficient.

Thirdly, *invasion of privacy* refers to the participants right to keep information that they do not wish to share (Bryman and Bell 2015). During the interviews, the serial acquirers were informed that concrete examples were preferred. However, they were allowed to hold back information that they did not feel comfortable sharing. In addition, all recorded material was deleted and private names and sensitive information shared in the interview was redacted in the final material.

Finally, *deception* refers to the informant's right to know the main reason for the projects (Bryman and Bell 2015). Although our approach has been exploratory, the complete idea of the project was presented to the serial acquirers, and the development and conclusion does not differ significantly from the original intent. Thus, we regard that no deception has occurred.

Based on the abovementioned ethical discussion, we consider our research process in line with the general ethical principles, for which a business research project should be conducted.

3.5 Data Analysis

“The data analysis stage is fundamentally about data reduction – that is reducing the large corpus of information gathered in order to make sense of it.” (Bryman and Bell 2015, 13). In this thesis, our data analysis is divided into three parts: *coding, conceptualization of themes, and interpretation of context & model creation.*

Coding

Initially, to find patterns in the interviews and between serial acquirers, we coded all the interviews. These interviews were our primary data of the 10 Norwegian serial acquirers. *“Coding is a process whereby the data are broken down into components parts which are given labels”* (Bryman and Bell 2015, 13). The computer-aided qualitative data analysis software (CAQDAS) program we used for the coding process was QDA Miner lite 4.0 Windows OS operator. The codes were structured into groups, such as learning, integration, acquisition strategy, teams and more. By grouping and labeling various codes, we were able to centralize all quotes, create structure and make sense of the data.

Conceptualization of themes

Once coding was complete, we developed a model through two steps. In the first part, we identified serial acquirers learning methods. In specific, our attention was to identify the predefined deliberate learning mechanisms. In the second part, we took a more exploratory approach and tried to identify the underlying causes affecting the deliberate learning mechanisms. We will outline in further detail.

Firstly, we identified the deliberate learning mechanisms, predefined in the acquisition-learning literature (articulation, codification, sharing, and internalization) (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). Based on the interviews, we recognized whether each serial acquirer had established a high or low level of each of the deliberate learning mechanisms. Also, variables, such as having an acquisition function and the number of acquisitions, were defined. Sequentially, these were added to the Table 2 together with the secondary data.

Furthermore, in the deliberate learning mechanism analysis we involved both primary and secondary data from the table. The choice of variables (revenue, the

number of acquisitions, age, etc.) for secondary data attained from the proff.no and Zephyr databases were based on predefined acquisition literature. With both primary and secondary data at hand, we compared the serial acquirers and analyzed the number that had a high or low involvement in deliberate learning activities.

After the analysis of the deliberate learning mechanisms, we took a more exploratory approach. Our intention was to identify what affected these serial acquirers use of deliberate learning mechanisms. In this second part, we also used both primary and secondary sources. We worked with the transcribed and coded material and allowed categories and structures emerge from the data. In other words, to identify what affected serial acquirers learning we let the data speak for itself. Thereafter, we combined the codes, as shown in the Gioia data structure for final analysis and interpretation. The Gioia data structure is divided into three phases (1st order concepts, 2nd order themes, and aggregated dimensions)(Gioia, Corley, and Hamilton 2013). The purpose of Gioia data structure is “*that data structure not only allows us to configure our data into a sensible visual aid, it also provides a graphic representation of how we progressed from raw data to terms and themes in conducting the analyses—a key component of demonstrating rigor in qualitative research*” (Gioia, Corley, and Hamilton 2013, 20). This approach allowed us to identify clear themes and an understanding of the complex data.

Interpret context and model

In the third stage of the analysis, we combined earlier literature with our analysis to identify the relationship between the aggregated themes. Based on this analysis we identified a causal relationship between the themes. Thereafter, we created seven propositions and the Figure 2 which visualizes our findings.

3.6 The quality of the research strategy

There are various methods and measurements to ensure the quality of research. To ensure reliability in our research, we refer to trustworthiness criterion developed by Bryman and Bell (2015). Measurements for assessing the research thesis are credibility, transferability, dependability and confirmability are discussed due to

the relation of the interview transcripts (Bryman and Bell 2015). Our assessment of the four criteria is addressed in a table below.

Trustworthiness Criterion	Assessment to research thesis
<p><i>Confirmability:</i> Neutrality and leeway from biases <i>i.e. “has the investigator allowed his or her values to intrude to a high degree?”</i></p>	<ul style="list-style-type: none"> ✓ Clear and structured research design ✓ Detailed and explicit data ✓ Transparent methodology
<p><i>Dependability:</i> Consistency and relation to theoretical inference that can be justified <i>i.e. “are the findings likely to apply at other times?”</i></p>	<ul style="list-style-type: none"> ✓ Coding and consistency of groups ✓ All interviews transcribed and coded in Microsoft Office Word and QDA Miner lite 4 ✓ All analysis and categories are developed from data (interviews)
<p><i>Credibility:</i> To ensure that the research follows the norms of neutrality and non-bias <i>i.e. “how believable are the findings?”</i></p>	<ul style="list-style-type: none"> ✓ Cross-referenced with secondary data and diligently questioned subject at interviews ✓ Ensured all information are verified from the interviewee, and all information are from the right people (job position concerning the M&A function) ✓ Validated each interviewee for context-rich data
<p><i>Transferability:</i> Richness of the context, base of judgment and transferability to another setting <i>i.e. “do the findings apply to other contexts?”</i></p>	<ul style="list-style-type: none"> ✓ Clear description of each of the firm’s contexts and verification of their learning ability.

Table 1 - Trustworthiness based on (Guba and Lincoln 1994), (Tuckett 2005) and (Bryman and Bell 2015, 52)

3.7 Data Presentation

The abundance of data challenged us to funnel the narrative of presentation. To give a viewer a holistic view of the research and findings we have divided the analysis into three parts.

Firstly, we created the large Table 2, which presents each of the serial acquirers and their characteristics. This will hopefully provide the reader with clear base information. In the second part, we described each of them in more detailed. The intention was that the reader could get to know the firm, their learning methods and understand how they think about acquisitions. Thirdly, we present the final

model through three parts; firm motivation, firm ability and deliberate learning mechanisms. In this part, the model is also visualized, the overarching themes compared, propositions created and a figure that visualize the relationship between the themes.

In the third part, we also created two models and two figures that describe our findings. Table 2 presents all of the serial acquirer's characteristics and their learning mechanisms. The seven Tables (Table 3 – 5.4), include quotes that represent our findings for the second-order themes. Figure 1 is based on the Gioia structure and presents all of the overarching concepts (Gioia, Corley, and Hamilton 2013). Lastly, the Figure 2, provides the full visual overview of the causal relationship between our findings.

4.0 Analysis

This part of the thesis is divided into three sections: a table, an in-case analysis, and a between-case analysis. Table 2 contains both primary and secondary data. The in-case analysis will provide a brief introduction and present the deliberate learning mechanism (articulation, codification, sharing and internalization) of the 10 Norwegian serial acquirers. In the between-case analysis, we have crossed-analyzed all the serial acquirers, found a pattern, and created a theoretical model.

The models and tables for analysis are as follows. Firstly, Table 2 presents the characteristics of the ten serial acquirers. Secondly, the between-case analysis consists of two models and three tables. The first model describes overarching concepts of our findings. The second model describes the causal relationship between the findings. The three tables illustrate quotes from the serial acquirers in regards to the three overarching concepts; motivation, ability, and deliberate learning mechanisms.

4.1 Serial acquirer table

Nick Name	Alpha	Beta	Gamma	Delta	Epsilon	Zeta	Eta	Theta	Iota	Kappa
Industry	Service provider	Office	Industrial	Industrial	Finance	Retail	Service	Retail	Retail	Industrial
Revenue MNOK 2014	Less than 1 BNOK	Less than 1 BNOK	More than 10 BNOK	More than 10 BNOK	Less than 1 BNOK	More than 10 BNOK	1 - 10 BNOK	More than 10 BNOK	1 - 10 BNOK	More than 10 BNOK
Established	After 2007	After 2007	Before 1995	Before 1995	1995 - 2007	Before 1995	1995 - 2007	Before 1995	After 2007	1995 - 2007
Employees official	Less than 1000	Between 1000 - 10 000	More than 10 000	Between 1000 - 10 000	Less than 1000	More than 10 000	Between 1000 - 10 000	More than 10 000	Less than 1000	More than 10 000
Number of acquisitions since 2013	3 – 5	3 - 5	3 - 5	Less than 3	More than 5	Less than 3	More than 5	Less than 3	Less than 3	More than 5
Strategy	Grow fast, Enter markets	Grow fast	Grow fast, Enter Markets	Support Growth	Portfolio based	Growth in Product, Geo, SC	Fast Growth	Grow in product, geo, get synergies	Gain power, extract synergies	Support Strategy, Growth
Acquisition Function	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Function (8/10) (Person/Team)	n.a	Person	Team	Person	Team	n.a	Person	Person	Person	Team
Who initiated acquisitions	Departments	By M&A function/ leaders	M&A function/ Department	M&A function	Departments	Departments/BD/ Leaders	Owners/BD	Departments	Owners/M&A function	M&A-team (function)
Deliberate Learning mechanisms*										
Articulation	High	High	High	High	High	High	High	High	High	High
Sharing	High	High	High	High	High	Low	High	High	High	High
Codification	High	Low	High	High	High	Low	High	High	Low	High
Internalization	Low	Low	High	High	High	Low	High	High	Low	High
Degree of Deliberate learning Mechanisms	Low	Low	High	High	High	Low	High	High	Low	High
Responsible										
Pre-acquisition responsible	Departments	M&A function	M&A function	M&A function	Departments	Departments	Business Development	Project leader	M&A function	M&A function
Post-acquisition responsible	n.a	Acquired leaders	Business Unit	Business Unit	Manager	Business Unit	Business Unit	Business Development	Acquired leaders	Senior Manager/Integration team

Table 2 - Serial acquirer table

* Deliberate learning mechanisms are either High (clearly observed) or Low (little or not observed)

4.2 In-case analysis

The analysis consists of 10 Norwegian serial acquirers. For anonymity and confidentiality agreement, we have replaced firm names with Greek alphabets and people involved in the acquisition are disguised with their title. The in-case analysis provides an overview of the most relevant findings from the serial acquirer's acquisition strategy, firm profile, characteristics and the learning methods.

Alpha

Interviewee: Leader European market

Alpha's profile

Alpha was a consultancy service provider in the offshore and maritime industry, established after 2007, and the youngest of all the ten Norwegian serial acquirers. It was geographically dispersed in more than ten countries worldwide. The acquisition strategy of Alpha was to grow fast through acquisitions.

By acquiring, Alpha increased the area of expertise and quickly achieved market access. The firm often had to acquire as it could not enter markets and gain knowledge sufficiently quickly by only growing Greenfield. Also, Alpha was able to attain human resources and client portfolios rapidly.

The European leader in the company was often responsible for the acquisitions. However, the chairperson frequently led parts of the process, such as negotiations. An acquisition team was involved if the leader group decided to go ahead with the acquisition. Also investors and board members had significantly M&A experience and participated in this acquisition team. In addition, Alpha made use of external resources to execute the financial part of the acquisition. Alpha's listing at Oslo Stock Exchange, gave the firm abundant resources to perform M&A activities.

Alpha's learning

Preserving acquisition experience was important to Alpha. Every week it shared information on progress through Link with its country leaders. The serial acquirer always involved expertise from its commercial owners who had acquisition experience. To build its knowledge base further, the acquisition team members documented parts of the process.

Beta

Interviewee: Head of M&A

Beta's profile

Beta was a financial service provider specializing in debt collection. The company was established after 2007 and in more than 10 European countries. Since 2013, Beta had acquired between three and five companies. Its main objective was to grow further in a significant number of European markets. The current growth was achieved through the acquisition of targeting one or two medium-large firms in the markets, which could be used as platforms. As Beta was dependent upon local expertise, one primary goal when acquiring was to take over the knowledge base. Investing in the right people was crucial in the industry.

The serial acquirer had a Head of M&A, who dealt with all the acquisitions. He had taken over the position a couple of years ago. Also, the CFO and the rest of the management team were involved in the acquisitions.

Promising targets were identified by keeping an eye on certain markets and businesses. The leader group initiated contact and negotiations, and consulting and legal firms were involved.

After each acquisition, Beta often kept the acquired leaders and gave the company the autonomy they thought was necessary. Beta did not want to plan the full acquisition process. Rather, they wanted to adjust their approach to each firm.

Beta's learning

The head of M&A in Beta had only been in the company for a couple of years. Although this person had acquisition experience, none was related to Beta's experience. The former head of M&A, who had left Beta, had not left any documents that were related to the past acquisitions. Thus, acquisition experience was only inherent within other positions in Betas, such as CFO and CEO. However, the administrative functions in Beta worked closely together in a small office, and the head of M&A commented that it was fast and easy to get together for a meeting or an informal discussion.

Although the head M&A acknowledge that they lacked some structured processes to capture experience, it was emphasized that Beta was still a young company. The head of M&A believed there would be many advantages by creating documents, blueprints or plans, which could be used later. It was an ongoing plan to structure the learning process at Beta.

Gamma

Interviewee: Head of Group Legal

Gamma's profile

Gamma was a large serial acquirer with more than 10 000 employees. It had operations in many industries; from offshore, maritime to healthcare. It was the outcome of a merger. The firm was established before 1995 and was one of the oldest firms amongst the 10 Norwegian serial acquirers. It was present in more than 100 nations and had acquired between three and five firms since 2013. Since early 2000, the company's main aims have been to achieve fast growth and new market entries. As Gamma did not manage to achieve organic growth quickly enough in all markets and segments, acquiring was seen as an important part of their strategy. Gamma had a specific M&A function that summarized firm needs and potential acquisition solutions into a short list. After that, the Head of Group Legal and the M&A team found a project leader who controlled the different work streams. An integration manager was later located in the business area. Gamma always tried to find people who would fit the project and that had experience from earlier acquisitions.

Gamma's learning

Gamma had a long history of acquisitions, and codification was an important tool for experience accumulation. The codification tool at Gamma was referred to as their term sheet. It was a giant excel sheet packed with all tasks that the serial acquirer should go through. Gamma updated this sheet after every acquisition.

To perform acquisition integration well, the serial acquirer prepared each work-stream ahead of the integration. Once the acquisition closed, teams got together, discussed and planned the activities and responsibilities for the next 100 days. 100 days was the time horizon that Gamma often used.

To evaluate their progress, Gamma had several "lesson learned" processes. Normally, these "wrap-up" sessions occurred at (1) closing, (2) after the 100 days, and (3) when the integration was regarded finished. The findings in these sessions were implemented in their documentation sheets, such as Excel.

The Head of Group Legal had several issues he wished to improve. For example, Gamma planned to create more specialize M&A groups, which took care of different streams. Also, the lesson learned process was something the head of legal was not satisfied with and believed could be improved.

Delta

Interviewee: Head of Finance

Delta's profile

Delta was an industrial firm specializing in power and hydroelectric plants. Delta was established before 1995 and was one of the oldest firms among the 10 Norwegian serial acquirers. The main strategy objective of Delta was to achieve growth in all business areas. Growth was achieved both organically and through acquisitions. Since 2013, Delta had acquired less than three firms. Although the serial acquirer had sufficient financial and human resources to acquire more, their acquisition activity was limited by their operation as a network company (limited the advantage of acquiring businesses in complete separate geographic locations), and the industry, which was carefully controlled by the government. The Norwegian government licensed the right to operate in different regions.

Delta's learning

Delta had several activities that ensured reflection, sharing, and documentation of their acquisition experiences. During acquisition, Delta would typically assign a leader who became in charge. The project manager was normally the Head of M&A, who worked closely with Delta's CFO. The company usually established a control group - made up of Delta's top leaders - to ensure progress in the acquisition process. During the acquisition process, the project leader would report to the control group, who would act as mentors.

The project leader would involve a team of 5-6 people, who normally came from the business area related to the respective acquisition. Although Delta would document some of the tasks, it was not a standardized process. Also, Delta did not have a good system from which they could find and reuse old documents.

During the pre-acquisition, the CFO and head of M&A would control most of the acquisition activities. However, when entering into post-acquisition the business area would take charge of the integration, and the M&A function would not be involved. It was up to the new project leader to prioritize time spent on documentation and learning activities.

Epsilon

Interviewee: Investment Manager

Epsilon's profile

Epsilon was a financial equity fund established between 1995-2007. Unlike the other nine Norwegian serial acquirers, Epsilon's business model was completely dependent upon acquisitions. Since 2013, Epsilon had acquired more than six companies. Compared to the number of employees, the serial acquirer was well capitalized.

Epsilon targeted only businesses in the Nordic region. Also, the acquired firms had to have ties to the Norwegian market, either or both historical and market presence. Epsilon subdivided its segments into categories, such as healthcare, energy, consumer goods. This categorization allowed Epsilon's teams to specialize in certain industries. The philosophy was that not everyone could know everything.

Epsilon's learning

Epsilon was one of the serial acquirers that were most devoted to learning from its acquisitions. The investment manager commented that learning was crucial to their business. If someone made a mistake, this was shared with the rest of the teams in the company. The partners created a team of three people for every acquisition. In that team, team members shared everything related to the acquisition, at all times. They carefully documented everything - created models, reports or blueprints - which were available for everyone in Epsilon.

Once a week, everyone in Epsilon met and updated each other on new investments, acquisition progress, and portfolios. Also, the teams had several review meetings of each acquisition – monthly and quarterly. They also had, every second year, an interorganizational acquisition update on different levels. Epsilon was also one of the few firms that tried to build an external network of individual professionals within each industry. By doing that, they were able to specialize and obtain vicarious learning. As such, Epsilon had several sparring partners - both internal and external – who were mentoring the teams.

Zeta

Interviewee: Business Development Manager

Zeta's profile

Zeta was a retail firm established before 1995. The acquisition strategy of Zeta was to attain growth along three axes – product line, supply chain, and geographically. Since 2013, the serial acquirer had acquired less than three firms,

which meant that its acquisition frequency was relatively limited compared to the other serial acquirers.

Zeta had a vast number of subsidiaries, which meant that their corporate strategy spread out in several directions. Zeta did not have one strategy. According to our informant, they had a large strategy document that gave the company direction.

The informant mentioned that they did not want to have a large HQ. Rather, they wanted to be as flexible as possible and that most of the decisions were taken as close to the customer as possible. As such, their subsidiaries had a high degree of autonomy. Their subsidiaries were encouraged to compete against each other. That way, Zeta believed that each subsidiary worked harder to keep their customers, which was positive for the company as a whole.

The serial acquirer dealt with acquisitions in two ways. Firstly, large corporate acquisitions were handled by the corporate HQ. This solution normally meant that the business development manager himself was responsible. He worked closely with the groups, the CEO and the rest of the leader team. Secondly, many smaller acquisitions, and especially those that were initiated or related to any of the subsidiaries, were handled by the subsidiaries leader team. The way they handled each acquisition would be different.

An important note in regards to Zeta's strategy was that they did not have an acquisition strategy. Rather, they prefer to avoid acquisitions. However, sometimes acquiring was the best alternative to reach their objectives. As such, Zeta did not seem to focus on learning from its acquisitions.

Zeta's learning

Zeta understood the importance of learning from the acquisitions. However, according to the business development manager, they spend too little time on building a knowledge base. To Zeta, spending time on learning from their acquisitions meant that they had to hire more people. That was something they did not want. Instead, they preferred 'flexibility' and 'agility'. During acquisitions handled by the mother firm, the business development manager controls the acquisition process. He used other leaders and work groups to discuss ideas on how to manage the acquisition. However, the experience was codified or shared between the HQ and the different units. Zeta was the serial acquirer that seemed to have least learning activities. Also, they saw this as a choice and had no plans to spend more time learning.

Eta

Interviewee: Chief Operating Officer (COO)

Eta's profile

Eta was a hospitality and educational provider, established in the period 1995-2007. A part of the serial acquirer's strategy was to achieve growth. In other words, they did not see stagnation as a viable option. Since 2013, Eta has acquired between 3 - 5 firms. However, these were only based on larger acquisitions registered in an official database. Also, Eta performed several small acquisitions each year.

Earlier, only one person had been in charge of the whole process. Eta had changed this procedure. Depending on the acquisition size, the acquisitions were led by the country manager or COO. A team of people, who normally performs some other tasks in the company, were put together. Each was responsible for activities related to his or her position.

In Eta, the owners have a prominent role in strategic decisions such as acquiring. They also had an extensive network and industry knowledge, which was necessary for the acquisition leaders in Eta.

Eta's learning

Eta had established several processes that help them capture acquisition experience. Firstly, their owners worked as acquisition mentors. The owners knew a lot about the industry, had a vast network and launched many acquisition initiatives. Their knowledge was transferred onto Eta. Secondly, Eta had an internal network, in which they gather all documents. These documents were shared with everyone in the company – also the acquisition documents. Despite the advantage this might have given, Eta admitted that they were not as good at using the codified knowledge as they should.

Lastly, the COO wanted to spend time on reviewing the projects. However, the COO admitted that they were not good to keep those review meetings. In the end, days passed and people were busy with their tasks.

Theta

Interviewee: Executive Vice President and CEO of a division

Theta's profile

Theta was a conglomerate established before 1995 - the oldest firm of the 10 Norwegian serial acquirers. Theta mainly operates with consumer goods and was present in more than 40 countries globally. Regarding its acquisition strategy, the serial acquirer had three objectives; grow the number of products, grow geographically, and obtain synergies.

Theta was divided into several subdivisions and for many years most acquisitions were handled by each division. However, the company had moved to a more centralized acquisition approach. At the time of the interview, most of the acquisition projects were supported by the firm's business development department and its M&A team.

Before an acquisition, a project owner was found, and a project team and a control group were created. As the project progresses, more people were added to the acquisition group. The group had a core team that manages different work streams. Each of the work streams had a team leader.

It was important for Theta to balance the number of team members, as it drained Theta for resources that handle daily activities. Employees from a numerous of different departments were included in each acquisition. Theta regards it as important to have some acquisition background. Hence, they often searched for employees that had acquisition experience and added them to the team or took advantage of their knowledge.

Theta's learning

For each acquisition, Theta spent a lot of time and resources on finding the right people and planning the project. Despite its effort to keep the number of resources involved in the acquisitions down, it did see the importance of including future acquisition team members in workshops, meetings, and discussions related to the project. By including people at an early stage, they avoided misconceptions and arguments that had already been solved at a previous stage of the process.

Theta believed that individual experience was an important factor in building the knowledge base. Therefore, they spend much time finding the right people for each project. To avoid knowledge loss, Theta drew on employees with experience; let them work with inexperienced employees or used them as mentors.

However, during the last acquisitions, they had created several reports, blueprints and documents that described their pre- and post-acquisition decisions. All this information was shared with other departments within the company, hoping that it would lead to best practice.

Theta also had a group, to which project leaders reported. This group often consisted of the top leaders of the firm. Further down in the project, team leaders reported to the project manager.

Iota

Interviewee: Business Development Manager

Iota's profile

Iota was a retail firm established after 2007. It primarily targets businesses in the Nordic regions. Since 2013, Iota had acquired less than three firms. Iota's main objective was to grow within its industry by extracting back-end and front-end synergies from a relatively fragmented industry.

All the acquisitions were handled by the top leaders of the firm, with the business development manager as the main responsible for the projects. In an acquisition process, the serial acquirer would combine strategic, financial and legal, and operational expertise. It focused mainly on reusing employees that had experience from earlier acquisitions.

Due to the company's relative newness, it did not yet have a clear process for how to execute an acquisition. Originally, most decisions were driven on the back of the leader's industry experience – an unstructured process based on tacit knowledge. However, the company wished to form, and worked to achieve a structured process, from which it could create standardized processes and best practices.

Iota's learning

As mentioned, Iota had not spent much time on learning activities. Instead, the serial acquirer allocated its resources onto the nearest challenges. Individual knowledge was primarily shared through discussions rather than documentations and models. This solution was about to change, as the serial acquirer identified the need to perform analyses and create standardized processes. An important task was then to create a structured and systematic process – especially for the post-acquisition process, which has little or no such plan. In that regards, tools, guides

and blueprints were being collected from several external sources. The interviewee wanted to create documentation that can guide the firm through the processes.

Kappa

Interviewee: Head of M&A

Kappa's profile

Kappa was an industrial chemical firm divided into four segments with a worldwide present. It was established in the period between 1995-2007. Since 2013 it had acquired more than six firms, which made it a relatively frequent acquirer, compared to the other nine serial acquirers. Kappa followed both a corporate and segment strategy. At the time of the interview, one of Kappa's main goals was growth. In regards to this, inorganic growth (acquisitions) seemed to be an effective solution.

Kappa was one of the serial acquirers that had a very clear acquisition function. Its M&A-team handled and evaluated all possible acquisitions for the company. The team served as a filter for all projects. In addition to identifying firms, the M&A-team controlled the pre-acquisition phase and worked as a guide or mentor during the post-acquisition phase. The team consisted of 5-6 members, and most of the technical acquisition tasks were centralized to the team. Also, the team made good use of its departments and their industry knowledge. During acquisition, the team could consist of more than 30 people. These team members were mostly found and hired for the project by the M&A-team. The head of M&A emphasized the importance of the right people to the right project. For example were senior leaders in Kappa who knew the company well involved in the implementation. They moved to a senior position in the acquired company and controlled the implementation phase with the M&A-team as support.

Kappa's learning

Kappa thought there were both advantages and disadvantages of spending time on learning activities - *"Acquiring gets much more expensive when you want to look at everything, keep lists, and analyze the process"*. Still, the company spent time on documenting, reviewing and finding experienced employees to ensure that acquisition synergies were realized, and acquisition goals met.

During acquisition, project leaders reported to the M&A-team and corporate management. The project manager presented progression on different milestones, challenges, and actions. After each acquisition, the M&A-team got together with internal audit and went through the full acquisition – a process that often brings several revelations.

Kappa stated that it could be tough to be good at acquiring, especially integration because it was so expensive. However, by centralizing most of the information in the M&A-team, making team members responsible for each segment, and sharing and training colleagues in the organization before each acquisition, Kappa was able to control some knowledge, structure, filter and internalize it for use at a later point.

4.3 Between-case analysis

From our data gathering, we have identified three overarching categories, which constitutes of *learning motivation*, *firm ability*, and *deliberate learning mechanisms*. In the following sections, we will outline the three overarching concepts in detail.

Learning motivation

From primary and secondary data, we identified two secondary-order categories: Belief in deliberate learning mechanisms and firm needs. If a serial acquirer believes that spending time on learning activities is valuable, and it considers the knowledge outcome to be great, then it triggers a firm's motivation to focus on the deliberate learning mechanisms in its business. On the contrary, if the company considers the activities to be marginal beneficial or the downsides being greater than the upside and that the learning needs of the firm are small, then it does not trigger the need for involving in deliberate learning activities.

Belief in learning benefits

We found that most serial acquirers believed in establishing learning processes that could help the employees build knowledge and standardize processes, which could improve future acquisitions. However, there were also doubts about the benefits of engaging in too many activities or the need for creating processes that could be transferred. The serial acquirers especially emphasized vast differences

Figure 1
The Structure of the Data

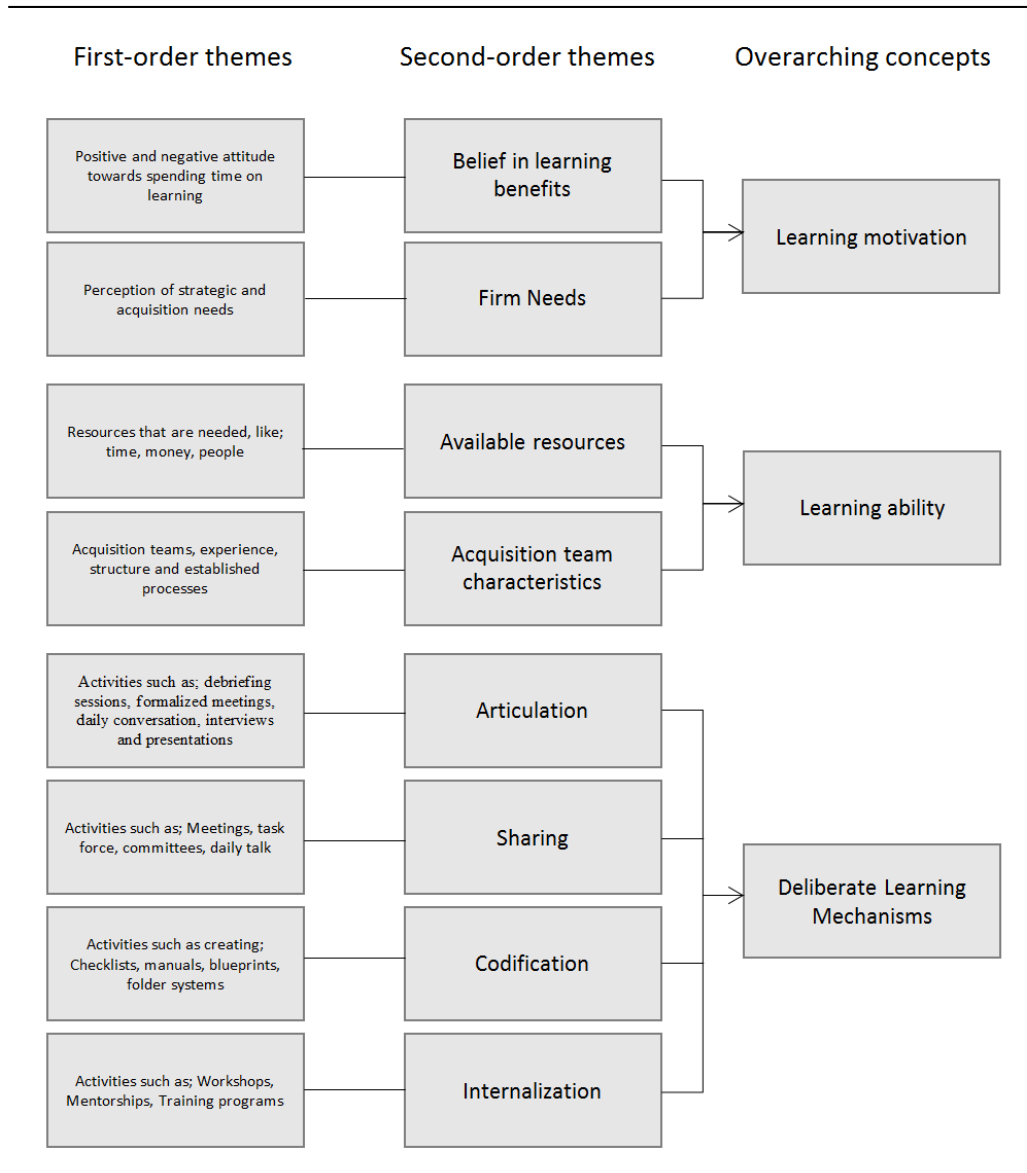


Figure 1 – The Structure of the Data

between the acquisitions and how costs (related to time, resources and capital) trumped the benefits.

Serial acquirers that had established activities associated with building knowledge and learning from past acquisitions expressed that these actions were "important" for their learning. For example, *Theta* commented that having discussions, such as meetings or workshops, was key to the acquisition itself and that leaving people out could be a disadvantage to that process or future acquisitions.

“And then it's people who haven't been there discussing it (...), and it is a disadvantage not to involve all key players” (Theta)

When serial acquirers were allowed to reflect upon possessions or activities, which they did not have, that could suggest a learning outcome; they often admitted that it was something they probably should have had. For example, Iota would want to create a codified plan for the integration process, which could be similar to the pre-acquisition phase plan.

".. I think it is most important to be a little more structured. Just develop a list, like we have for the financial and legal DD" (Iota)

Despite the positive consideration of learning activities, the serial acquirers expressed some concerns about possible negative effects, trying to spend too much time learning. Firstly, their worries were related to the time and resources dedicated to such activities.

"So there are both advantages and disadvantages. Acquiring gets much more expensive when you want to look at everything, keep lists, analyze the process and involve many. And then it takes longer" (Kappa)

Secondly, there were some doubts about whether the knowledge would be useful in the future. *Beta* believed that most acquisitions would anyhow differ, so they would have to consider each case individually.

"Every case is different. So it's not necessary that the method works better in the other case"
(Beta)

Third, an opposite argument would argue that there was no need to learn that much because the acquisition processes were so similar that there was not much to know about the method. With this side of the argument, *Alpha* believed that buying a company was not significantly unique. *Alpha* commented that the firm might be different, but the way of dealing with an acquisition would be the same.

"To some degree. Candidates are different, but the method is the same."(Alpha)

In total, all of the serial acquirers had some positive and some negative thoughts about spending time on learning. However, two important observations were made. Firstly, the company *Zeta* did not seem eager about building a knowledge

base. Zeta believed it would be difficult to codify everything and that the cost would wipe out the benefits. Secondly, several of the companies established after 2007, and with revenue below 5 billion Norwegian kroner (BNOK) were interested in investing more.

Firm needs

We understand *firm needs* as an acquirer's subjective need for acquisition knowledge, which it does not already possess. Underlying the second-order theme, based on the data, we defined two first-order themes; *strategy needs* and *acquisition needs*. We define the perception of strategy needs as a serial acquirers' self-perception of being in need to acquiring activities to reach its strategic goals. Additionally, we define acquisition needs as a serial acquirers' need to gain acquisition knowledge.

We found that serial acquirers had different perceptions of how dependent they were on making acquisitions and what it meant for their strategic goals. The objects also viewed serial acquirers need for building acquisition knowledge very differently.

The company *Epsilon* relied heavily on building acquisition knowledge within their firm. As an investment firm, *Epsilon* was highly dependent on improving all phases of the acquisition. The documented almost all activities and experiences. *Epsilon* had frequent reviews, and everyone in the team was updated on the acquisition progress. At *Epsilon*, employees shared best practices across teams and the serial acquire emphasized that they rely on openness and sharing within the firm. Making great acquisitions was how *Epsilon* created value. Thus learning to acquire was highly correlated with its strategy.

"We are a general investment fund that invests in health, energy, consumer goods, retail and more traditional industries. And then we have strategic criteria within each industry." (Epsilon)

On the other hand, *Zeta* did not want to share acquisition knowledge across units, build a knowledge base or involve in a significant number of internalization activities. The serial acquire expressed that making acquisitions was not their primary goal, but sometimes regarded as beneficial. However, they would avoid acquiring if they could. Making acquisitions *per se* did not support the corporate strategy.

“We do not have a strong acquisition strategy, concerning having to own our suppliers. We do not really want to own them. It originates from our desire to serve customers better, on those categories that are important to the customers).” (Zeta)

Regarding acquisition needs, several serial acquirers, such as *Epsilon*, *Kappa*, and *Gamma*, which had already established some learning activities, emphasized the need to learn more to improve their acquisition process. The M&A leader in *Kappa* reported that they had a post-acquisition review so they could find out more from their acquisition and use that knowledge for a later time. The *Epsilon* manager stated that they went through everything to adjust acquisition processes and models.

Gamma was one serial acquirer that described the need for more professionalized acquisition teams. The company already had a dedicated M&A- and legal team, but the legal responsible also expressed the desire to establish more dedicated acquisition groups in areas like finance, IT, and HR, to increase sharing and accumulate acquisition knowledge.

“I want a dedicated team in the pre-acquisition phase, who have the resources time after time, and be better at sharing information with each other” (Gamma)

In sum, we found that serial acquirers had different perceptions of how much acquisition knowledge they needed to make a successful acquisition. This understanding was built upon two underlying needs - the need to support an organization strategy, and the need to improve the team per se. Firstly, serial acquirers that were highly dependent on acquiring to reach their organizational strategy were also more eager about deliberate learning mechanisms.

Table 3
Learning motivation

Belief of Learning benefits	Firm Needs
<p><u>First-order themes: <i>Perception of value</i></u> Examples of positive perceptions:</p> <ul style="list-style-type: none"> Perceived positive value of reviewing investment Perceived positive value of a learning investment not implemented <p>Quotes: "And these types of discussions, thoughts, are important in that phase (...), so it is important to work to secure value" (Theta) "And in all these post-investment reviews, we have many revelations and learning, which is important" (Kappa) "But we try to change all the time and develop. If we have had a bad experience, and we realize we could have done this better, then it is crucial that we are open and honest with ourselves" (Epsilon) "But we do not have a book for integration. That is probably something we should improve." (Beta) "..but no, we are not building an extensive database with experiences. But we should have done it..." (Zeta) ".. I think it is most important to be a little more structured. Just develop a list, like we have for the financial and legal DD" (Iota)</p> <p>Examples of negative perceptions:</p> <ul style="list-style-type: none"> Perceived negative result of deliberate learning mechanism Doubt about experience transferability Challenge of codification Tasks are anyway the same <p>Quotes: "So there are both advantages and disadvantages. Acquiring gets much more expensive when you want to look at everything, keep lists, analyze the process and involve many. And then it takes longer" (Kappa) "But again. Every case is different. So it's not necessary that the method works better in the other case" (Beta) ".. and it's tough to codify everything." (Zeta) "To some degree. Candidates are different, but the method is the same." (Alpha) "But, the technical part, buying a company, it's not that unique. There are many who can do that. There are many who acquires" (Zeta)</p>	<p><u>First-order themes: <i>Strategy needs</i></u></p> <ul style="list-style-type: none"> No desire to own firms Acquisition strategy to achieve growth <p>Quotes: "We do not have a strong acquisition strategy, in terms of having to own our suppliers. We do not want to own them. It originates from our desire to serve customers better, on those categories that are important to the customers (...)" (Zeta) "Regarding acquisition strategy, it is based on the need for volume and growth, which we have not been able to generate organically" (Gamma) "And now we have a clear strategy to grow, (...) we believe in many areas, its most valuable to grow inorganically" (Kappa) "Our strategy is to grow in all business areas (...) In addition; we have a growth strategy structurally, in terms of acquisitions" (Delta)</p> <p><u>First-order themes: <i>Acquiring needs</i></u></p> <ul style="list-style-type: none"> Need to improve for future Need for professional teams <p>Quotes: "Yes, the reason why you do it is that you learn more (about post-investment review). It's too late to do something reverse the acquisition, so it's better to find about the things you can improve" (Kappa) "but we go through everything (...), to learn what we have seen, in reality, it is not 100% like we thought it should be, so it is important to adjust to reality and adjust course if necessary" (Epsilon) "And then you learn something new every time. But integration is so difficult; it's always something to we need to get better at" (Kappa) "I want a dedicated team in the pre-acquisition phase, who have the resources time after time, and be better at sharing information with each other" (Gamma) "We are working to establish more strategic groups or a significant strategic group, which are onboard on all acquisitions, not just the M&A and Legal team. We see that we also need finance and HR and ideally IT" (Gamma)</p>

Table 3 - Learning motivation

Also, serial acquirers that found it valuable for the team to know more about acquisition also prioritized learning activities. In total, when acquisition needs and strategy needs were high, the motivation to learn was high.

Firm ability

By combining the interviews and data from secondary sources we studied and found the serial acquirers need high *ability* to develop the deliberate learning mechanisms that they wanted. We identified two secondary order themes that inflicted upon their ability to involve in learning activities. The first category was the serial acquirer's available *resources*, such as time, people, money and an acquisition function. This finding corresponds to the what other researchers have

recognized as opportunity (Blumberg and Pringle 1982, Chang, Gong, and Peng 2012). The second was the acquisition team characteristics such as, already established routines, previous knowledge, acquisition structure, and size. In light of the literature, we interpret this as *ability* or pre-existing knowledge (Minbaeva et al. 2003, Chang, Gong, and Peng 2012, Reinholt, Pedersen, and Foss 2011). We found that serial acquirer that had more resources at hand were better at involving in acquisition learning activities. Additionally, companies that had characteristics such as, pre-existing experience and knowledge, having a structured process and already well-established routines, also used more time on learning activities. We regard these two secondary-order themes as *Firm ability*.

Available resources

Engaging in workshops, reviews, meetings, creating manuals and blueprints can be time-consuming and drain a company for other value creating activities. We found evidence that serial acquirers who felt that they could spare resources like time and people for acquisition reflecting, and build a knowledge base, were better at engaging in learning activities. We will give examples of resources that gave the manager the ability and resources that could hinder or make them less likely to involve in learning activities.

We found that both the large and small serial acquirers expressed the need for more resources such as time and people to be able to involve more in acquisition learning. Our source in *Theta* commented that they were in lack of resources during their acquisition. Theta solved this challenge by leaving people who were needed later in the process out of the workshops. However, this had also been problematic. Employees that Theta included at a later stage did not always understand some of the models that were already worked out.

"But it's hard because we do not really have many resources (...), I notice that it is much key personnel that hasn't been sufficiently involved. They do not understand the model, and that is a downside, right. (Theta)

Other serial acquirers, such as *Eta*, had planned for acquisition reviews. However, Eta confessed that they did not always actually keep the reviews, due to the lack of time. During the interviews, a reoccurring answer to questions about learning activities was also that:

“we should spend more time on that. (...) But in real, the days pass fast, and everyone does their part” (Eta)

We also identified resources that seemed to hinder serial acquirers from engaging in learning activities. Firstly, almost all of the serial acquirers involved consulting companies or other external parties, who had significant knowledge of acquisitions. This decision has been especially true for finance and legal activities.

Although the serial acquirers were able to benefit from specialized firms in performing acquisition activities, they were also vulnerable concerning carrying on experiences. For example, *Delta* had been using the same consulting firm for their last acquisitions. However, during the recent acquisition, the acquired firm had used the respective consulting company as their advisor, which again prevented *Delta* from taking advantage of the firm. We found that when the serial acquirers engaged consulting companies, they did not spend much time on learning activities related to that field.

“to train people into becoming excellent at integration is difficult. So we often benefit from external competencies” (Kappa)

Secondly, in cases where the M&A-teams, leaders or the acquisition function possessed metaknowledge of who knows and does what (Argote 2011), they were often reluctant to engage in learning activities. In many cases, they would rather try to make someone who already had acquisition experience instead of facilitating knowledge transfer. Although metaknowledge could be a way to avoid spending time on learning, it was also in some cases a source of learning. This finding is in line with Reinholt, Pedersen, and Foss (2011) and Tsai (2001), who find that a network centrality is positive for knowledge transfer. By combining people with acquisition experience and people with little or none acquisition experience, the serial acquirers were able to facilitate knowledge transfer, mentoring and support. Kappa often used experienced personnel who could help and give advice.

Table 4	
Learning ability	
Available resources	Acquisition team characteristics
<p>First-order themes: <i>Resources</i></p> <p>Examples of resources with a positive effect</p> <ul style="list-style-type: none"> • Need people to perform tasks • Spent time • Function creates control • Leader needs to know how to get knowledge <p>Quotes:</p> <p>"So we are maybe a team of 15 people, who constitutes the core team, but then we draw on different resources from other places" (Delta)</p> <p>"Therefore my team is in charge of that" (Theta)</p> <p>"And then we spend a lot of time getting the right people. So we have a lot of discussions. Get the right teams in place" (Theta)</p> <p>"I think it is important that the person knows the processes that the company is changing into. That the person knows whom to talk to if there are some problems." (Gamma)</p> <p>"At the same time, we have some people working on the project. But it's hard because we do not have many resources" (Theta)</p> <p>"In the core team, we were maybe 5-6. But the total number of people involved was probably 50" (Delta)</p> <p>"But obviously, we want to standardize as much as possible, because it can save us both time and resources" (Beta)</p> <p>Examples of resources with a negative effect</p> <ul style="list-style-type: none"> • External consultants do the work • Lack of resources <p>Quotes:</p> <p>"In many cases, on large acquisitions, we bring in consultants. You need some much manpower that you are not able to allocate it alone" (Kappa)</p> <p>"But in the case of company X, the selling company those advisors, so then we could not use them. We chose some other advisor" (Delta)</p> <p>"To train people into becoming excellent at integration is difficult. So we often benefit from external competencies" (Kappa)</p> <p>"But it's demanding because you do not have a lot of people who stand around and are ready to integrate. You do it so rarely" (Kappa)</p> <p>"There is no doubt that there is a lot of learning by doing that (about codification), but no, we are not that into building a database of experiences, to put it like that. But we should have done it, but then we had to hire more people, and we don't want that" (Zeta)</p>	<p>First-order themes: <i>Team function and experience</i></p> <ul style="list-style-type: none"> • Large teams involved in the acquisition • Acquisition function team • No established structure for involvement <p>Quotes:</p> <p>"I bet that... In the core team (..) we were about 5-6 people. But the total number of people involved internally was probably 50" (Delta)</p> <p>"In the M&A team, there are three people" (Gamma)</p> <p>"We are not that many, maybe 5-6 people centrally. But in an acquisition, we are 30 people in the team. So many competencies are within the business areas. But controlling the acquisition and the methodology around acquiring is central." (Kappa)</p> <p>"Like in X part of the company. I am not there. I do not take part in the X acquisitions at all. That is the X department who deals with that" (Zeta)</p> <p>"I have worked with acquisitions before, so it is partially based on different experiences" (Beta)</p> <p>"We have some people from each business area who have acquisition experience and take part in most of them." (Gamma)</p> <p>First-order themes: <i>Established routines/processes</i></p> <ul style="list-style-type: none"> • Improved working processes • Lacking structured processes • Well established acquisition process <p>Quotes:</p> <p>"During the DD process, we have been more focused on creating standardized processes." (Kappa)</p> <p>.. An unstructured process in which we think this is the most important. Ok, let's with this." (Iota)</p> <p>"And the second part is not to underestimate the value of structuring the projects and the integration processes that are needed" (Eta)</p> <p>"We have a standard process in the company which is called the capital value process, which really documents how you make investments" (Kappa)</p> <p>"In that area, we could probably improve... (...). But we are a relatively young company and not everything is perfect" (Beta)</p>

Table 4 - Learning ability

"Then it is a task to find an integration manager who has done it before. That is often difficult, but at least there is someone in my team who has been a part of it before. And at least someone from my team, M&A, who can help and support them." (Kappa)

In total, resources seemed to be a significant predictor for serial acquirer's ability to establish deliberate learning mechanisms. An acquirer with few resources like, time, people and money, spent less time on learning from its acquisitions. In general, serial acquirers with more revenue and more employees spent more time on learning. We will get back to this in the part about deliberate learning mechanisms as an overarching theme.

Acquisition Team Characteristics

Based on our data, we define acquisition characteristics as firms' acquisition team, and their already established processes, routines, and knowledge. We found that serial acquirers that had large acquisition teams and a dedicated function had more learning activities. We found that these had a lot of acquisition experience. This finding is in line with the former literature, which argues that the sum of experience, knowledge, and skills (ability) are positively related to knowledge transfer (Cohen and Levinthal 1990, Minbaeva et al. 2003, Minbaeva 2007). Also, serial acquires that during recent years had undergone more acquisitions, had managed to create processes, structures that made it easier to spend time on learning activities. Based on past research, we understand established processes, firm structure and routines as critical learning enablers (Levitt and March 1988, Levinthal and March 1993).

Firstly, some serial acquirers, like *Gamma*, *Kappa*, *Epsilon* and *Theta*, had a dedicated acquisition team that worked with acquisitions all the time. This solution made it possible to accumulate and retain knowledge in a small group. They became experts in the acquisition process. The serial acquirers that had large teams were involved in more learning activities during their acquisitions compared to the firms that had a few dedicated people.

"We are not that many, maybe 5-6 people centrally. But in an acquisition, we are 30 people in the team. So many competencies are within the business areas. But controlling the acquisition and the methodology around acquiring is central." (Kappa)

Others, like *Beta*, *Delta*, *Eta* and *Iota*, had a dedicated person who engaged other employees who would work on each acquisition. We noted that also these firms had acquisition experience. However, three of the companies had received a new acquisition function within the last three years. The new acquisition functions had experience from other firms. For example, the acquisition function in *Beta* mentioned:

"I have worked with acquisitions before, so it is partially based on different experiences" (Beta)

Secondly, we found that serial acquirers that had engaged in many acquisitions the last three years had established better acquisition processes. More defined

acquisition processes made it easier for the firm to include learning activities. Some, like *Kappa*, had standardized evaluation procedures, and their acquisition followed the same structure. It was also very conscious of learning more and getting better.

"We have a standard process in the company called the capital value process, which documents how you make investments" (Kappa)

Serial acquirers like *Iota* or *Beta*, which had not yet established the same routines, were very focused on standardizing processes and opened up for more learning activities.

"In that area, we could probably improve (...). But we are a relatively young company and not everything is perfect" (Beta)

In sum, we found that serial acquirer's ability to establish deliberate learning mechanisms to be affected by the acquisition team size, its knowledge base and the processes, structure, and routines already built. A serial acquirer that had a clear team that took control over the acquisition process and with clear, structured processes also had more deliberate learning mechanisms in place.

The deliberate learning mechanisms

In line with Zollo and Winter (2002), Kale and Singh (2007) and Trichterborn, Knyphausen-Aufseß, and Schweizer (2015) we identified four deliberate learning mechanisms; *articulation, sharing, codification, and internalization*.

All of the serial acquirers had at least established one deliberate learning mechanism. All serial acquires had some articulation, 9/10 had a way of sharing acquisition knowledge, 7/10 used codification to capture and store knowledge and 5/10 had internalization activities. In total, only 5/10 engaged in all of the four defined deliberate learning mechanisms, and there were large differences between the firms and how much resources they would allocate to learning activities. The *Epsilon* case was a prime example of a company that engaged in a variety of different learning activities. On the other hand, the *Zeta* case had few activities identified as deliberate learning mechanisms.

Table 5	
Establishment of Deliberate Learning Mechanisms	
Articulation	Sharing
<p>First-order themes: <i>Articulation activities</i></p> <ul style="list-style-type: none"> • Informal discussions • Formal discussions <p>Quotes:</p> <p>"We are a small management, so it's obvious that we talk together. (...). We are probably more informal than large industrial groups (...). So obviously, we have a lot of meetings in which we discuss the status and – whether it is something that we can do differently." (Beta)</p> <p>"We try to facilitate it, but we do not go all the way. We do not sit down two hours trying to sum up everything and ask ourselves what we have learned from the project (...). So there we have a potential for improvements." (Eta)</p> <p>"It was an unstructured process in which we believed this, and that is important. Then we decided to do it that way." (Iota)</p> <p>"And those kinds of discussions, thoughts, are important in that phase. How should we, how much should we extract? How should we organize ourselves? So this is important work to secure value in the best possible way." (Theta)</p> <p>"We got all our meetings on Skype for business or Link; maybe that is what it is called" (Alpha)</p>	<p>First-order themes: <i>Sharing activities</i></p> <ul style="list-style-type: none"> • Do not have the intention of sharing • Regular meetings • Sharing of documents <p>Quotes:</p> <p>"We have a war between the subunits... in other words, there is no cooperation between K, L, or M or N (...) and that is the philosophy." (Zeta)</p> <p>"We got all our meetings on Skype for business or Link" (Alpha)</p> <p>"We have a meeting every Friday, in which we update each other on all new investments we are working with and existing companies, so everyone is oriented at all times" (Epsilon)</p> <p>"and that document is a living document which you can adjust." (Gamma)</p> <p>"So obviously we have made a lot of documentation on company X now, which is nice to use for others" (Theta)</p> <p>"and at least someone from my team, M&A, is there to support them. So, especially during the planning phase, we are there and say; "This is how you should structure it, the integration team. And this is the plan that often works", and then we have a discussion with them." (Kappa)</p>
Codification	Internalization
<p>First-order themes: <i>Codification activities</i></p> <ul style="list-style-type: none"> • Do not spend time on codification • Spending some time on codification • Centralize codification efforts to M&A function • Acquisition related codified material created <p>Quotes:</p> <p>"Interviewee: But, we do not have any handbook for integration." (Beta)</p> <p>"To some degree. I'm sure that is something we could improve, but we do have an internal folder in which we document the whole process" (Delta)</p> <p>"... we create the integration process on the back of a huge excel sheet, which explains all the work streams for the first 100 days" (Gamma)</p> <p>"But we have this short-list, which we keep centrally (...). So we have, not a manual but a document" (Kappa)</p> <p>"We always make comprehensive documentation within an acquisition (...). In that package, we include everything from market to company and management to the process, so it's documented very well, absolutely everything" (Epsilon)</p> <p>"... we have systems in which we share all work completed. An integration project has a lot of written material such as project mandates, action plans, analysis, evaluation and things like that. And that is available to everyone." (Eta)</p>	<p>First-order themes: <i>Internalization activities</i></p> <ul style="list-style-type: none"> • No efforts to internalize • Use of mentoring efforts • Use of acquisition workshops <p>Quotes:</p> <p>"But our ability to actually use experiences from the latter project in the new project, that is not good enough" (Eta)</p> <p>"But we do not really have a fixed evaluation system; we do not have that" (Beta)</p> <p>"Like the management in Delta, they took part in a control group, which participate as a board for the project and guarantees for the progress. They have meetings frequently, in which the project leader reports project status to the control group." (Eta)</p> <p>"So there will always be a control group and a project owner. So they have competence in Theta too, support functions" (Theta)</p> <p>"So we have a similar review of our portfolio, every week, a thorough review every month and even a more comprehensive review every quarter. We also have a review every 2nd year on all levels" (Epsilon)</p> <p>"In these workshops that we have straight after closing and given information to the employees" (Gamma)</p>

Table 5 - Establishment of Deliberate Learning Mechanisms

We have combined both primary and secondary data. The primary data forms the first-order themes, second-order categories and overarching concept, which can be found in Table 5 – 5.4 displays an overview of each of the second-order themes.

The second data in Table 2 was then added to the analysis to identify a pattern between the serial acquirers. There were especially five variables that stood out; company size (revenue in 2014), the age of the firm, number of acquisitions since 2013, acquisition function, and acquisition function type (Person/team). The serial acquirers are grouped in each of the variables. We have combined the data for the Tables 5 - 5.4 and the secondary data from Table 2. In this part, we present high

and low measures of the deliberate learning mechanisms and to what extent each company engaged in each of them. We found clear differences between these variables and their establishment of deliberate learning mechanisms.

Articulation

The usage of the deliberate learning mechanism articulation was central to the acquirers. All of the ten serial acquirers did articulate during their process, to some degree. The articulation process was both *formal* and *informal*. We define formal articulation as meetings, workshops, and documents that are a structure and planned part of the acquisition process. Informal articulation is ad-hoc, random or daily speech, drawings, discussions that happen without intention during the process. Based on (Willem 2006) we regard formal articulation and knowledge sharing as more valuable than informal. Five of the serial acquirers had established a formal process, while five had an informal evaluation process. In the following part, we first describe the serial acquirers that mostly rely on informal articulation, and thus little articulation. Secondly, we give examples of companies that had formal and a structured and planned articulation process.

Table 5.1
Establishment of Articulation

Low Articulation	High Articulation
<p><i>"We got all our meetings on Skype for business or Link"</i> (Alpha)</p> <p><i>"We are a small management, so it's obvious that we talk together. (...). We are probably more informal than large industrial groups (...). So obviously, we have a lot of meetings in which we discuss status and – whether it is something that we can do differently."</i> (Beta)</p> <p><i>"We could be better at using our knowledge-base to improve the processes, but at the same time, we are doing it, to some degree. Especially if something goes wrong we sit down, (...) we go through the things that went good and bad and what could be better next time."</i> (Gamma)</p> <p><i>"We do not spend enough time on that either. We have an idea whether it as a success or not, so we once in a while we might present something for the board, it happens. So, you could say that, but it is not like.... I mean, best practice would be to spend much more tie on this too."</i> (Zeta)</p> <p><i>"We try to facilitate it, but we do not go all the way. We do not sit down and use two hours trying to sum up everything and ask ourselves what we have learned from the project (...). So there we have a potential for improvements."</i> (Eta)</p> <p><i>"It was an unstructured process in which we believed this and that is important. Then we decided to do it that way."</i> (Iota)</p>	<p><i>"In these workshops, which we facilitate immediately after closing and we have informed the employees; then we usually facilitate an integration workshop, where we fill out this excel sheet. We sit in each work stream and discuss on both sides of the table what each needs to reach their objectives for the next 100 days."</i> (Gamma)</p> <p><i>"Like the management in Delta, they took part in a control group, which participate as a board for the project and guarantees for the progress. They have meetings frequently, in which the project leader reports project status to the control group."</i> (Delta)</p> <p><i>"When we've sold the company after 2-5 years, we always have a detailed review of the DD; what prices did we find, what if we then should invest, and whether we then should have done it, and how the investment would have ended then."</i> (Epsilon)</p> <p><i>"And those kinds of discussions, thoughts, are important in that phase. How should we, how much should we extract? How should we organize ourselves? So this is important work to secure value in the best possible way."</i> (Theta)</p> <p><i>"One or one and a half year after, we have this thing we call post-investment review. (...). So we have the business case: Where are we now? What did work and what did not work? Have we achieved our goals? etc."</i> (Kappa)</p>

Table 6 - Establishment of Articulation

Low articulation

From the interviews, we found that five serial acquirers (*Alpha, Beta, Zeta, Eta, and Iota*) tend to use an informal articulation process. Out of five, four were small

or medium, regarding revenue of 2014. Four out of five had less than six acquisitions since 2013. Similar were four out of five of the serial acquirers were established after 1995 and both of the firms without acquisition function had low articulation.

Except *Zeta*, all of the companies were defined as small, medium or large. The serial acquires that mainly relied on informal communication told that this was a part of everyday activities. The serial acquirer *Beta* merely dropped by their colleague's office whenever there was anything to discuss. The acquisition function in *Beta* told that they relied on the use of continues communication throughout the project, without establishing any milestones in which they would evaluate the process. As it was a small company, regarding HQ size, the acquisition function in *Beta* had a personal impression that they were more informal than other companies (See Table 5.1 *Beta*).

Another variable that stood out as interesting was the number of acquisitions since 2013. Four of the five serial acquirers had acquired less than six companies the last three years. Several of these acquirers relied on informal ad hoc meetings during the process. However, they expressed that they thought it would be better practice to spend more time on evaluating their acquisitions. For example, the serial acquirer *Zeta*, which had performed less than three acquisitions since 2013, believed that they should spend more time on evaluating. Occasionally, the *Zeta* acquisition responsible would present a progress report to the board. However, this was a rather unstructured process. *Iota*, which also had less than three acquisitions the last three years, gave a similar answer (See Table 5.1 *Iota*).

Acquisition function also stood out as a variable with clear differences amongst the serial acquirers. Either of the two companies *Alpha* and *Zeta*, which did not have an acquisition function, had established a formal acquisition evaluation process. Three companies, which had an informal articulation process, had an acquisition function. However, there was an indication that companies without an acquisition function had low articulation, while most of the serial acquirers with an acquisition function had high articulation.

Also, three of the five serial acquirers that had a person as an acquisition function had an informal articulation process.

Lastly, our material shows that all of the three companies established after 2007 had an informal articulation process. In comparison, only one out of three serial acquirers created between 1994 and 2007 and one out of four established before 1995 had an informal articulation process.

Eta, established between 1995 - 2007, and *Beta*, established after 2007, gave a general impression why it could be that articulation happened so informally.

One reason was time. *Eta* implied that it did facilitate for formal discussions. However, this would cost time that could be spent on other activities. Despite this, the manager thought that they could be better at facilitating a formal evaluation process.

"We have the opportunity to become good at this, but in reality, the days pass too quickly" (Eta)

Another reason was that they were small, and it was not difficult to get together on short notice. *Beta* commented that:

"We talk a lot together, and we meet on a daily basis. It is not difficult to get together and have a meeting. In that way, we are probably quite informal" (Beta)

High articulation

Secondly, we observed that five serial acquirers (*Gamma*, *Delta*, *Epsilon*, *Theta* and *Kappa*) opt for a formalized review process during and after the acquisition.

Firstly, except *Epsilon*, these companies are all large, regarding revenue for 2014 and had substantial resources compared to the other firms. Secondly, all companies were established between 1995 - 2007, and three of them before 1995. Lastly, most of the serial acquirers with an acquisition function had high articulation.

Our data reveal that four out of the five serial acquirers with more than 10 BNOK in revenue had established a formal articulation process.

Formal evaluations and discussions took the form of both lessons learned, review and workshops, in which team members or teams could take part in the debate. *Gamma* was one of the large serial acquirers that facilitated both (See Table 5.1 *Gamma*).

The representative from *Gamma* stated that *workshops* often were facilitated as an activity to prepare and plan for the following process. The planning was conducted by for example filling out an excel plan together, which would give an overview of the integration period and would give room for experience articulation. On the other side, some serial acquirers facilitated a *lesson learned* process after the acquisition. *Kappa* called this a *post-investment review* (See Table 5.1 *Kappa*). There their team or several teams, would discuss experiences and go through the process.

Out of seven companies established before 2008, five had focused on a formal articulation process. *Delta*, an example of a company established before 1995, emphasized how a control group would supervise and help acquisition manager, who would come and present the project's progress for the management (See Table 5.1 *Delta*).

Lastly, regarding the acquisition function, there are two issues worth noticing. Firstly, most of the companies that had an acquisition function also had a formal process. Of eight serial acquirers that had an acquisition function, five had a formal one. More significantly, both of the serial acquirers that had a team as an acquisition function had a formal process.

To sum up, we observed that five serial acquires had an informal, while five had established a formal articulation process. There are three major differences similarities worth noticing. Firstly, the data indicates that firms with higher revenue, in general, had a better articulation process. Secondly, *Alpha* and *Zeta*, which both did not have an acquisition function, had a lower articulation process. Of serial acquirers that had an acquisition function, only some of the acquirers with a person as a function had an informal process. Thirdly, a less developed articulation process was more prevalent amongst the young than the old firms.

Sharing

Coordinating sharing of experiences and knowledge stood out as an important way of learning from the acquisition process. Out of ten serial acquirers, nine were actively using sharing to improve their acquisition process. Of the nine companies that actively shared, we found three (*Alpha*, *Beta*, and *Delta*) that

mainly conducted sharing through speech, conversations or discussions. The remaining six companies had established routines for sharing, both orally and written. We regarded this as a higher level of sharing.

Sharing happened across departments, between teams, between inexperienced and experienced employees and from the border of the firm. The acquisition function arranged for sharing between those who were very experienced and inexperienced people, in all cases.

Below, we will first present some findings of the company that did not share. Secondly, we will outline the differences between the serial acquirers that had some knowledge sharing and high knowledge sharing.

Low Sharing

One out of ten serial acquirers had not established any sharing mechanism. *Zeta* was the only company that did not facilitate knowledge sharing deliberately (See quotes below and Table 5.2 *Zeta*).

There were three subjects with this serial acquirer that we would like to point out. Firstly, *Zeta* argued that their subsidiaries, which were kept quite autonomous, did not have any cooperation. The mother company made this decision because it wanted to create competition between the subunits. Also, whenever the company decided to go ahead with an acquisition, the project was delegated, and the unit would handle the deal in their way. This decision meant that little was shared between the organizational units. An example of this is from our interview with *Zeta*:

"No, we do not have one way to integrate. We do it in different ways. It depends on what kind of sub-units it will belong to. If it is a unit that goes from W to X, then we do it the way subunit Y does it, if it will belong to Y. But if it belongs to unit Z, then we do it the Z way." *Zeta*

Secondly, the serial acquirer was one of two companies that did not have any acquisition function. The interviewee was rightfully responsible for business development and took charge of many of the acquisitions. However, he did not participate in all acquisitions that were done by the subsidiaries. For *Zeta*, no one could or should accumulate the experiences on a higher level. The mother

company would thus neither accumulate experience in the mother company, nor coordinate knowledge between the subunits (See *Zeta* quote above).

Lastly, *Zeta* was the only company that did not regard acquisitions as an important part of their strategy. Rather they would avoid acquiring if they could. This perception was in contrast with the other companies that were very focused on growing (*Zeta* also cared about growing) and saw acquisitions as a very effective way of achieving that goal. *Zeta*, on the other hand, commented;

“Well, we have growth as an objective, to start somewhere (...), but it's not an acquisition strategy, because we navigate in different markets, and we have different approaches towards different customers and different channels (...). We do not have a strategy that says we have to own suppliers. We do not really want to own them - it originates from our desire to serve customers better, on those categories that are important to the customers (...), and then the question is, how do we do that? Do we have to own it ourselves? And then making an acquisition became an alternative. The strategy was not to buy; the strategy was to take a firm grip around each of our focus categories.”(Zeta)

We found that nine serial acquirers were involved in sharing of both tacit and codified knowledge. Out of nine, three serial acquirers had only established meetings or discussions that gave the opportunity for oral sharing, while six also facilitated sharing of codified knowledge.

In specific, we found that all the serial acquirers that arranged for sharing of codified materials had an acquisition function while tacit knowledge sharing also existed for *Alpha*, which happens did not have an acquisition function. The general notion was that serial acquirers that share codified materials also share knowledge orally, while those who only shared knowledge through speech did not necessarily share codified materials.

Some Sharing

Meetings were a typical way to share knowledge. There were three serial acquirers (*Alpha*, *Beta*, and *Delta*) who only used meetings as a way of sharing knowledge. Despite that these three serial acquirers were relatively different in size, age, and revenue; there were two similarities worth noticing. Two companies

were established after 2007, and none had a high number of acquisitions since 2013.

Meetings could both be formal and informal. The M&A function from *Beta* pointed how they would arrange meetings very informally (See *Beta* in Table 3.2 table). They were very informal and would arrange for meetings when he or others needed information about a particular issue.

Other serial acquirers had more formal and structured meetings to facilitate knowledge sharing. These could be frequent or infrequent meetings, to help and advice. *Delta's* acquisition team and the leader had several meetings with an executive group. These meetings were not only an arena in which the leader could articulate and reflect upon his/her decisions but also a place where other leaders could share their experiences and experiences.

“Like the leaders in Delta, they were in a control group, which works like a control organ for the project and guarantees for the progress of the project. They have frequent meetings in which all project leaders report about the status of the project. (Delta)

High Sharing

A second way serial acquirers would share knowledge was by transferring codified materials.

There were six (*Gamma, Epsilon, Eta, Theta, Iota, Kappa*), out of nine companies that shared codified materials within the firm. Of these, three companies were had more than 10 BNOK in revenue, two between 1 – 10 BNOK and one less than 1 BNOK. Thus half of the companies were large in terms revenue. Also, three of the four largest serial acquirers shared this way. The only exception was *Zeta*, which did not share. For example, *Theta* had just finished a major acquisition. In regards to this, they had created a lot of documentation, which they now shared with others in the company (See Table 5.2 *Theta*).

A second finding was that six out of eight of the serial acquirers that had an acquisition function shared codified knowledge. These companies had a structured routine for sharing knowledge across the organization. The serial acquirers that shared codified knowledge also shared tacit knowledge through meetings, discussions or workshops.

Sharing of internal documents was closely related to what we wrote in the part about codification. By sharing all documents in an internal and open database, all parts in the team and the organization could quickly benefit from experiences from the recent acquisition.

In many cases, serial acquirers would also benefit from documents owned by other companies as consulting companies. In some cases, the knowledge shared would be new to the serial acquisition company.

In *Iota*, the M&A responsible would lean on both the mother company, which had experiences from several acquisitions and consulting companies, by gathering codified materials (see Table 5.2 *Iota*). Although these documents were not the companies *Iota*'s experiences, access worked as an essential supplement to their learning process.

Table 5.2
Establishment of Sharing

Low/No Sharing	High Sharing
<p>"We have war between the subunits... in other words, there is no cooperation between K, L, or M or N (...) and that is the philosophy" (Zeta)</p>	<p style="text-align: center;">Oral sharing</p> <p>"We got all our meetings on Skype for business or Link." (Alpha)</p> <p>"We talk a lot together and are around each other on a daily basis. So it's not difficult to get together for a meeting. In that way, we are quite informal" (Beta)</p> <p>"In these workshops that we have straight after closing and given information to the employees; we have an integration workshop where we fill out this excel sheet. You sit in each work streams and discuss what you need to get done in these 100 days" (Gamma)</p> <p>"So typically those two positions are involved in all acquisition. So in that sense, there is some knowledge transferred. And then, even though it takes some time between each acquisition in each business area, we try to pull on those resources, which have earlier experiences and knows what is going on" (Delta)</p> <p>"We have a meeting every Friday, in which we update each other on all new investments we are working with and existing companies, so everyone is oriented at all times" (Epsilon)</p> <p>"To transfer capabilities and include key personnel, that was important to us. To be aware of that (....). It is, of course, a lot of competencies that can be used. Both physically, but also in meetings, to get tips and advice." (Theta)</p>
	<p style="text-align: center;">Transfer of codified knowledge</p> <p>"and that document is a living document which you can adjust" (Gamma)</p> <p>"We try to change all the time, and try to develop ourselves. If we have had a bad experience and we experience that we could do this better, then it is critical that we are open and honest with ourselves (...). We do what we can to share, learn and develop ourselves" (Epsilon)</p> <p>"we have systems in which we share all work that is done. So an integration project involves a lot of written materials, like project mandates, action plans, analysis, evaluations and things like that. And that is available for everyone" (Eta)</p> <p>"So obviously we have made a lot of documentation on company X now, which is nice to use for others" (Theta)</p> <p>"Three people have been through an endless amount of acquisitions – they have all the contracts ready. They have all the models available, so they just send them to me" (Iota)</p> <p>"and at least someone from my team, M&A, is there to support them. So, especially during the planning phase, we are there and say; "This is how you should structure it, the integration team. And this is the plan that often works", and then we have a discussion with them" (Kappa)</p>

Table 7 - Establishment of Sharing

In sum, we unveiled that nine out ten companies had deliberately established sharing as a mechanism to enable acquisition learning. The serial acquire *Zeta*, which did not share acquisition knowledge, differed from the other firms in three notables. Firstly, *Zeta* was very clear about facilitating competition between its sub-units. Secondly, the serial acquirer did not have an acquisition function, which eight out of the nine remaining firms had. Lastly, *Zeta* did not view

acquisitions as a vital part of their strategy. Rather, acquiring was something they would want to avoid.

Amongst the serial acquirers that did share knowledge, there were two categories; those that facilitated only oral knowledge sharing, and those that also facilitated knowledge sharing of codified materials.

Two out of three of the serial acquirers that only facilitated oral knowledge sharing were established after 2007, while all of them had a less than six acquisitions since 2013. Amongst the companies that also facilitated sharing of explicit know, three of the companies had more than 10 BNOK in revenue and all of them had established an acquisition function.

Codification

In addition to articulation, we identified that several serial acquirers used codification to learn actively and coordinate the knowledge to the right people in their organization.

We observed that serial acquirers prioritized codification very differently. From the interviews, we found that three firms had not implemented codification as a learning mechanism (*Beta, Zeta, and Iota*). Two serial acquirers codified parts of their process (*Alpha and Delta*), while the rest had strict processes for what they would codify and where they would store the codified information (*Gamma, Epsilon, Eta, Theta and Kappa*).

Low Codification

Three serial acquirers (*Beta, Zeta, and Iota*) explicitly specified that they had not been codifying during their acquisitions. Despite this, there are some distinctions we would like to specify. Both *Iota* and *Beta* had some codified material that was available and could be valuable during the acquisition process. *Iota* had the ability to draw codified knowledge from its owners and consulting firm. These materials would, according to *Iota*, be adjusted and used in the future. On the other side, *Beta* had the advantage that their business activities would also be used during an acquisition process. However, the acquisition function had been switched in 2014, and the new responsible was not in possession of any codified material from the prior acquisitions (See Table 5.3 *Beta* and *Iota*).

What stood out as unique was *Zeta*, which emphasized the need for flexibility and the costs of building a codified system.

“There is no doubt that there is a lot of learning by doing that (about codification), but no, we are not that into building a database of experiences, to put it like that. But we should have done it, but then we had to hire more people, and we don't want that.” (Zeta)

When specifically asked if *Zeta* had any codified material from earlier acquisitions, the answer was “*No, no.*”

Despite these distinctions and in fact, the much dissimilarity between the companies, they have one trait in common. All of the companies had made less than three acquisitions since 2013. Leaving *Zeta* out of the comparison gives another observation. The data shows that both *Beta* and *Iota* were established after 2007. This finding means that only one company created after 2007 had a deliberate coding process.

High Codification

Data extracted from the interviews show that seven serial acquirers (*Alpha, Gamma, Delta, Epsilon, Eta, Theta, and Kappa*) were actively codifying their experiences with the intent of using it in the future. However, regarding the emphasis on codification, there was a difference between the companies. While five (*Gamma, Epsilon, Eta, Theta, Kappa*) serial acquirers were excellent at codifying, two (*Alpha, Delta*) had only partially implemented the mechanism. Amongst the serial acquirers that were codifying, two had centralized their codification efforts while three had scattered codified material.

In this part, we will first present the serial acquirers that partially codified. Secondly, we unveil the results of the companies that codified. These had either centralized or scattered codification efforts, which was presented accordingly.

Alpha and *Delta* specified that they were only partially codifying. *Delta* had folders in which they would store relevant data from each acquisition. There were also some documents that were meant for reuse like blueprints and models. Nevertheless, their comment to whether they codified information was; “*To some degree*” (*Alpha*).

Based on the secondary-data there are no variables that stand out. However, by adding the results with the part mentioned above about the serial acquirers that did not acquire, there are two findings.

Firstly, in regards to the number of acquisitions since 2013, five of the seven companies that less than six acquisitions had not yet engaged in codification activities. Secondly, looking at the companies established after 2007, none of them had fully started to use codification as a deliberate learning mechanism.

Five companies were spending many resources on codifying. Serial acquirers that undoubtedly did codify were *Gamma*, *Epsilon*, *Eta*, *Theta*, and *Kappa*. In this group, there was an overrepresentation of firms that have revenue above 10 BNOK. Similar to the observations from articulation, none of these companies were established after 2007. Also, all of these companies have an acquisition function.

The serial acquirers that codified information stored this in two ways. Either knowledge was centralized with the acquisition function, or it was scattered around in the different the company, in various teams.

Centralized

Two of the five serial acquirers that codified, namely *Gamma* and *Kappa*, focused on concentrating their codified materials. Centralized codified material was stored within a team, with a particular person or within one document limited to a specific number of users. It did not seem accessible by a larger number of employees from different positions. Several of the serial acquirers, especially larger companies, had stored information within their team, in an excel-sheet or similar. For example, the legal responsible from *Gamma* told that they kept an enormous excel sheet that contained all processes that should be handled during an acquisition. This sheet was adjusted as they improved processes and actions (See Table 5.3 *Gamma*).

In regards to companies that centralized their codified material, there were two notable observations.

Firstly, both of them had revenue above 10 BNOK in 2014. Thus two of three serial acquirers that had more than 10 BNOK in income and codified chose to centralize the knowledge.

We also observed that *Gamma's* and *Kappa's* documents were stored with the M&A function, which would initiate the acquisition and have the overview of the process. Also, both *Gamma* and *Kappa* had a team as an acquisition function.

As a side note, in general, when asked about where the expertise on M&As was centered in the organization, several serial acquirers answered that most of the knowledge was stored in the M&A function.

Scattered

There was also a second way of storing material. *Epsilon*, *Eta*, and *Theta* had scattered their codified documents across the organization. This solution meant that teams and individuals classified and stored knowledge in multiple documents that were spread across the organization e.g. through intranet systems or private network system. In some companies, records were accessible to anyone.

Our data reveal that most companies have a scattered codification approach. The companies had all established an acquisition function and had a person who acted as that function. As earlier noticed, none of the companies have been created after 2007.

Table 5.3
Establishment of Codification

Low/No codification	Some codification	High Codification
<p>"Interviewee: But, we do not have any handbook for integration. (.....). Interviewer: But the guy who left. Did he leave something, or did you just have to start from scratch? Informant: Well, now I have worked with acquisitions earlier, so I base my job on recent experiences, but surely everyone has a different approach in regards of valuation and those things."(Beta) "There is no doubt that there is much learning by doing that (about codification), but no, we are not that into building a database of experiences, to put it like that. But we should have done it, but then we had to hire more people and we don't want that" (Zeta) "It's difficult to say who there have been changes from transaction to transaction, and the reason for this is; it was not documented"(Lota)</p>	<p>"To some degree. Candidates are different, but the method is the same."(Alpha) "To some extent. I'm sure that is something we could improve, but we do have an internal folder in which we document the whole process"(Delta)</p>	<p>".. we create the integration process on the back of a huge excel sheet, which explains all the work streams for the first 100 days (...). Some are standardized, and some have to be adjusted to each acquisition (...). This is a document that has been built along the way and is based on experiences, which one has or learn from each time. Also, that document is a living document." (Gamma) "But we have this short-list, which we keep centrally (...). So we have, not a manual but a document, which explains what parts of the company that has to take part in an acquisition and what mandate they should have" (Kappa) "We always make comprehensive documentation within an acquisition. (...). In that package, we include everything from market to company and management to the process, so it is documented very well, absolutely everything" (Epsilon) ".. we have systems in which we share all work that is done. An integration project has a lot of written material such as project mandates, action plans, analysis, evaluation and things like that. So that is available to everyone" (Eta) "So obviously we have made much documentation on company X now, which is nice to use for others. Also, then we have a best practice guide on the acquisition, for example. So we have done that. In many ways, we have several things that can be used."(Theta)</p>

Table 8 - Establishment of Codification

Overall, we have four notable observations. A majority of the serial acquirers that we spoke to had some codification process. The business that did not have a

codification process had less than three acquisitions last three years. Also, two out of three of the companies that did not codify were established after 2007. The last company established after 2007 was only partially codifying. Amongst the companies that did codify, there was an overrepresentation of large companies. In total, four out of five large companies codified and three of them did it carefully. Lastly, we saw that all the companies that put effort into codifying had an acquisition function.

Internalization

Finally, we observed that there were some internalization efforts amongst the serial acquirers.

Out of ten interviewed, we found that five serial acquirers (*Alpha, Beta, Zeta, Eta, and Iota*) had not yet, facilitated activities to improve internalization of knowledge. In comparison, five firms (*Gamma, Delta, Epsilon, Theta, and Kappa*) were deliberately focusing on internalizing experiences and knowledge within their organizations. We observed that these companies were facilitating mentoring and workshop activities. During mentoring and workshops activities both articulation and sharing of knowledge would happen. Of those five, two serial acquirers (*Delta and Kappa*) only did mentoring, while (*Gamma, Epsilon, and Theta*) also had workshops.

In the subsequent part, we will first present some examples and make some comparisons between the serial acquirers that did not activate an internalization mechanism. Subsequently, we will present the different internalization activities initiated by those that did and presented some similarities between the companies.

Low Internalization

There were five serial acquirers (*Alpha, Beta, Zeta, Eta and Iota*) had low or none internalization of the acquisition knowledge that they had gained by creating activities as arranging workshops, mentorships, workshops.

There were some similarities between the serial acquirers that did not have an internalization mechanism. The first finding is in regards to company revenue in 2014. Secondly, data show some clear differences between serial acquirers and their age. Third, most of the firms that did not have internalization had performed less than six acquisitions since 2013.

Lastly, there were some significant differences between the companies that had established an acquisition function and the companies that had not. Also, there seemed to be differences between the companies that had a person as an acquisition function and the once that had a team. Furthermore, we present the findings sequentially.

Firstly, data showed that regarding revenue size, more small serial acquirers had not established an internalization mechanism. All four firms had revenue below 10 BNOK in 2014. Only one of the serial acquirers that had between 1 – 10 BNOK revenue had established internalization as a deliberate learning mechanism.

In regards to firm age, none of three serial acquirers that were created after 2007 (*Alpha*, *Beta*, and *Iota*) had internalization as a deliberate learning mechanism. The remaining two were established both before 1995 and after 1994.

Out of five serial acquirers that had not established internalization as a learning mechanism, four (*Alpha*, *Beta*, *Zeta*, *Iota*) had either a low or a medium number of acquisitions since 2013. For example, *Beta* commented that they did not have any good routines for evaluating and internalizing the knowledge in the firm.

“We do not really have a strict evaluation system, no we don't” (Beta)

Lastly, no data showed that either of the two serial acquirers (*Alpha* and *Zeta*) that did not have an acquisition function had established any internalization mechanism.

High Internalization

We found that five serial acquirers (*Gamma*, *Delta*, *Epsilon*, *Theta*, and *Kappa*) had deliberately established the learning mechanism internalization. An important observation was that all of these companies had established an acquisition function. It was also interesting to notice that four out of five had more than 10 BNOK in revenue. Lastly, in comparison to the serial acquirers that had not yet established any internalization mechanism, none of these companies were created after 2007.

We found that the serial acquirers used mainly two ways to internalize their knowledge, namely mentoring and workshops. Below, we first present the findings in regards to the two internalization processes.

Mentoring

We identified that two serial acquirers (*Delta and Kappa*) only arranged for mentors or mentoring groups, and three companies (*Gamma, Epsilon, Theta*) had mentors in addition to workshops. Mentors could either be people who had worked with a specific work stream (IT), with a certain part of the process (integration) or be someone who had been working with the current acquisition at an earlier stage (one in the pre-acquisition team gives advice for the post-acquisition team). We found that there were two kinds of mentors; team mentors and single mentors.

Single mentors were individuals who had gone through one or several integration processes and who could help out in for example a new integration leader when needed. In that way, a serial acquirer could avoid large miss-steps that had happened during an earlier acquisition. Both companies had both single and team members. *Epsilon, Theta, and Kappa* were three serial acquirers that used single mentors to make sure knowledge was transferred from one individual to another. For example, *Theta* commented that they could use experienced personnel by arranging meetings;

*So we have some people with experience whom we can use in the concern (...),
And there is of course much competence that can be used. Both physical, but also
in meetings for tips and advice. (Theta)*

We also found that three serial acquirers had teams that would follow up on the process. Mentoring teams could be both teams that did not work directly on the acquisition and teams that did.

Teams that did not work directly on the project could be boards, owners or management teams. They were highly qualified and would often have a say in the deal. For example, did the integration manager for a large global company “*report directly to the group management*” (*Kappa*).

Other mentoring teams did work with the acquisition themselves. A reoccurring issue was that the M&A-function would teach managers what was usually done, or what processes that worked well in a previous acquisition, but let the manager control the part of the project on their own (See *Kappa* in Table 3.4).

Except Epsilon, all the serial acquirers that used mentors had a team function. In turn, this finding means that all companies that had team mentoring efforts had more than 10 BNOK in revenue.

Workshops

The second internalization method that teams opt for during or before an acquisition process was workshops. In total, three serial acquirers had acquisition workshops (*Gamma*, *Epsilon*, and *Theta*). We made two important observations in regards to workshops.

Firstly, *Gamma* and *Theta* had workshops to prepare team members for what they would be doing and when. For example, all work streams could come together to discuss where and what they would be doing in the different stages of an integration process. *Gamma* had a vast and ready excel sheet for the first 100 days, in which the participants would fill in actions and goals. This way it was also easy to coordinate experiences and competences from different teams to solve coordination issues during the integration phase (See Table 5.4 *Kappa*). *Theta* experienced that by not involving all relevant parties early enough, problems could arise during the acquisition (See Table 5.4 *Theta*). When one of the serial acquirers was challenged on the downside by not involving people in the planning process, he specifically pointed out the balance between including resources and leaving them out.

Secondly, workshops were frequently kept by all of the three companies to review their position and progress.

Table 5.4
Establishment of Internalization

Low/No Internalization	High Internalization
<p><i>"But we do not really have a fixed evaluation system; we do not have that" (Beta)</i></p> <p><i>"But our ability to actually use experiences from the latter project in the new project, that is not sufficient. In that area, we do have a potential. But we are getting better. So we have the opportunity to get better at it. But in real, the days passes fast, and everyone does their part." (Eta)</i></p> <p><i>We did not find any internalization efforts from Alpha, Zeta, or Iota</i></p>	<p><i>"and then from closing and out, they take over 100% of the integration, of course with support from the M&A team" (Gamma)</i></p> <p><i>"In these workshops that we have straight after closing and given information to the employees; we have an integration workshop where we fill out this excel sheet. You sit in each work streams and discuss what you need to get done in these 100 days" (Gamma)</i></p> <p><i>"Like the management in Delta, they took part in a control group, which participate as a board for the project and guarantees for the progress. They have meetings frequently, in which the project leader reports project status to the control group." (Delta)</i></p> <p><i>"So we build an industrial network, which consists of people who have been working within the industry for many years, and use them to evaluate a possible acquisition as an advisor or sparring partner" (Epsilon)</i></p> <p><i>"So we have a similar review of our portfolio, every week, a thorough review every month and even a more comprehensive review every quarter. We also have a review every 2nd year on all levels" (Epsilon)</i></p> <p><i>"So there will always be a control group and a project owner. So they have competence in Theta too, support functions" (Theta)</i></p> <p><i>"The downside? That's an excellent point (....) We see that they have many who feel they haven't been involved enough. They don't have sufficient knowledge. The danger is that we who have been working on this case now, we are one year ahead. We have discussed models, plans. So I feel that they haven't been sufficiently included. They don't get the models adequately... so that's a disadvantage" (Theta)</i></p> <p><i>"When we have a new integration, we try to find an integration manager who has done it before. That's often difficult. But at least some of the people in the team have been through the process before. And at least someone from my team!... Someone who can support them. So in the planning phase, we are there and say "This is how you should structure it. This should be the integration team. And this is the plan that often works", then we discuss with them" (Kappa)</i></p>

Table 9 - Establishment of Internalization

In summary, we found that six out of ten serial acquirers had deliberately established activities that can be identified as internalization mechanisms. There are four findings worth mentioning. (1) There were fewer serial acquirers with less than 10 BNOK that had established internalization as a learning mechanism. (2) Companies that did not have an acquisition function did not internalize experiences. (3) None of the three companies established after 2007 had established internalization processes. (4) Lastly, all the companies that had a team as an acquisition function had an internalization mechanism.

4.4 A learning model

In total, we have identified three overarching themes related to serial acquirers learning behavior. In this part, we present how these themes are related to one another.

Relationship between Learning Motivation, Learning Ability, and Deliberate Learning Mechanisms

Our data suggests potential links between the serial acquirers *Learning Motivation, Learning Ability* and *Deliberate Learning Mechanisms*. We use *Zeta* and *Epsilon*, which stand out as clear contradictions of each other, to exemplify our findings.

The serial acquirer *Zeta* had a moderate view on the value of deliberate learning mechanisms. To *Zeta*, there would be some advantages learning from the acquisitions, however, the belief was those downsides would overcome the upsides (*Belief in learning benefits*). Since all acquisitions were different, *Zeta* had doubts about whether the company needed to learn from their acquisitions. Because they promoted tough competition between the subsidiaries, they did not want to create cooperation. In fact, *Zeta* would rather avoid acquiring (*Firm needs*). In total, *Zeta* had little motivation towards spending time on acquisition learning (*Learning Motivation*).

Zeta had high revenue, many employees, which made it possible to invest in acquisition learning (*Available resources*). However, *Zeta* had created team structures or acquisition processes that made it easier to engage in learning activities (*Acquisition team characteristics*). Still, because *Zeta* was not motivated for acquisition learning, this did not matter that their learning ability was moderated by the lack of structure and a centralized acquisition function (*Learning ability*).

In the end, *Zeta* only spent time on updating their superiors and presenting the acquisition projects (*Articulation*). The company did not facilitate sharing of knowledge between their subsidiaries (*Sharing*), little or no time was spent on documenting experience (*Codification*), and the company did not spend time on acquisition workshops, training programs or mentoring (*Internalization*).

The serial acquirer *Epsilon* believed strongly in the advantages of learning from past acquisition mistakes and that improving the acquisition process would benefit future business (*Belief in learning benefits*). *Epsilon's* business model relied highly on the ability to identify acquisition opportunities, analyze future potential and negotiation and investment agreement. Thus getting better at acquiring was in line with their main value creating method and strategy (*Firm needs*). High beliefs in the value of learning from their acquisitions and the corporate needs established a high degree of motivation to learn about acquisitions (*Learning motivation*).

Compared to the other companies, *Epsilon* did not have many employees. However, nearly all of *Epsilon's* employees worked with acquisitions. In fact, *Epsilon's* business can be described as a large M&A team, organized into different industries. They also had significant capital to invest in learning (*Available resources*). Through the last years, the company had built clear processes, team

structures, and rules for how they should deal with acquisitions (*Acquisition Team Characteristics*). In total, *Epsilon* could easily spend resources on learning activities – or increase the use if wanted (*Learning ability*).

Epsilon engaged in all kinds of learning activities. The teams had frequent meetings in which they would update each other on progress (*Articulation*). The different teams often came together to give each other advice, and the leaders promoted learning across the whole organization (*Sharing*). *Epsilon* also commented that they codified everything, so they could share, use it for reviews or a later case (*Codification*). Young employees worked closely with partners and were included in every detail of the acquisition process. Workshops and acquisition reviews were also used to increase and internalize experience (*Internalization*).

The development of deliberate learning mechanisms

Our data suggests a potential development of usage of deliberate learning mechanisms in the acquisition process. As acquirers get better at acquiring, learn more, and make acquiring a part of their overall strategy, they also spend more time and resources, creating systems and activities that can capture and store the accumulated knowledge. The company *Zeta* did not spend much time on learning activities except communicating progress upwards in the system (*Articulation*). *Beta* was a company with a small headquarters. They could easily get together and discuss experiences from other acquisitions (*Sharing*). The serial acquirer *Eta* was one that took sharing further and created a database that would store all documents related to the acquisition process (*Codification*). Finally, some of the serial acquirers like *Gamma* had mentors and created workshops that would enhance the skills and knowledge of the employees who worked on the acquisitions (*Internalization*).

It is an indication that the serial acquirers prioritize the grade of deliberate learning mechanisms, but that it is in the same order; *Articulation*, *Sharing*, *Codification*, *Internalization*.

Learning motivation and the effect on the establishment of deliberate learning mechanisms

Alpha, *Beta*, and *Zeta* had low motivation toward focusing on deliberate learning mechanisms. They saw a moderate advantage of spending more time on learning activities. Although they agreed that learning could be beneficial, the

disadvantages of cost and time would outweigh the advantages. At the same time, their way of doing business, they believed that their strategy or their business structure would not benefit as much from spending more time on learning.

Gamma, Epsilon, Theta and Kappa saw clear advantages spending time on learning activities. They regarded the learning process as valuable both for their ongoing acquisitions and future acquisitions, which would support their corporate strategy. Although they knew that the costs of learning could be high, the benefits often outweighed the disadvantages. Hence, they were motivated to spend resources on acquisition learning.

According to learning literature, motivation to learn is positively correlated with learning (Colquitt and Simmering 1998, Chang, Gong, and Peng 2012). Many serial acquirers may not have been deliberately aware that they had a significant amount of learning activities. Rather, they searched for methods to take control over current or future acquisitions, which led them to a process of learning. This process could, for example, include creating blueprints or manuals (Zollo and Singh 2004).

Proposition 1: Learning motivation positively affects the deliberate learning mechanisms.

Learning ability and its impact on the establishment of deliberate learning mechanisms

Beta and *Iota* told that they did not have sufficient resources to handle too many learning activities. They only had one person who was responsible for the acquisition (although several would be involved during an acquisition), and spending time on learning felt somewhat a waste of already scarce resources. Both companies were relatively young, and they both commented that they had to spend time establishing processes and structure. *Eta* was a serial acquirer that was involved in several learning activities. However, they also felt that scarce resources affected their ability to learn.

Gamma, Thea, and Kappa were all large international companies that had a permanent team or put together a large team for each acquisition. Although all of them commented that resources were an issue, they clearly had more resources than some of the smaller firms. *Epsilon* was in comparison a small company, but their resources and acquisition structure were far more extensive than for many of the other serial acquirers.

Prior research on knowledge has shown that employees ability (Minbaeva et al. 2003), and a person's opportunity to perform is positively correlated with knowledge transfer (Blumberg and Pringle 1982, Chang, Gong, and Peng 2012). We found indications that the serial acquirers *learning ability* constituted of the employees' opportunity and ability to learn from past acquisitions. Similar to Reinholt, Pedersen, and Foss (2011), who found that knowledge-sharing ability amplifies the individual's motivation, which in turns is positive for knowledge sharing, we propose that acquirers learning ability strengthen serial acquirers deliberate learning mechanisms.

Proposition 2: The positive effect of learning motivation on the establishment of deliberate learning mechanisms is strengthened by the serial acquirer's learning ability.

Absorptive capacity and its influence on articulation, sharing, codification and internalization

We found that all serial acquirers had some activities that gave the acquisition responsible the opportunity to reflect upon the acquisition process (articulation). Secondly, the data show that nine out of ten serial acquirers shared acquisition knowledge-related information internally in the organization (sharing). Thirdly, seven out of ten of the organizations had used to codify materials, create blueprints and manuals to store knowledge (codification). Lastly, six of the ten serial acquirers used training, reviews, and mentors to strength the acquisition knowledge within the organization (internalization).

Researchers have argued that *articulation* is a learning mechanism that happens through speech, like a collective discussion or debriefing sessions (Zollo and Winter 2002). The amount of effort that is put into articulation can be low, by *sharing* knowledge through a short meeting (Cummings 2004), or extensive, in which substantially *codified* material can be created (Heimeriks, Schijven, and Gates 2012). While the others are focused on the sender of the knowledge, *internalization* focuses on training the receiver, by having mentors, workshops or training activities (Kale and Singh 2007). Minbaeva et al. (2003) suggest that absorptive capacity, regarding ability and motivation, is needed to facilitate knowledge transfer. Based on this research, we suggest the following.

Proposition 3: Articulation demands a low level of absorptive capacity

Proposition 4: Sharing demands a medium level of absorptive capacity

Proposition 5: Codification demands a high level of absorptive capacity

Proposition 6: Internalization demands a very high level of absorptive capacity

Figure 2. Propositions model

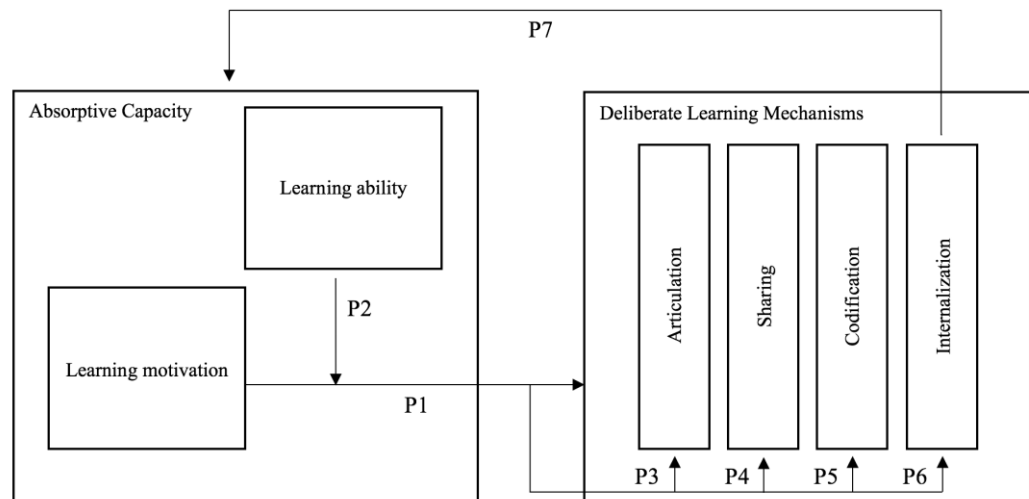


Figure 2. - Propositions model

The reinforcing effect of internalization efforts on the absorptive capacity

Six out of ten serial acquirers had one or several activities that can be described as internalization. We found that serial acquirers mainly had mentoring, workshops or both. According to Kale and Singh (2007), internalization is primarily focused on the receiver of the knowledge. In this case, the receiver and sender go hand in hand, working to improve acquisition performance. The serial acquirer will benefit from having high disseminative and absorptive capacity (Minbaeva et al. 2003). We found that serial acquirers who engaged in internalization saw the benefits by having acquisition learning, which according to our findings is proposed positive for learning motivation. For example, *Gamma* wanted to create more specialized units that could be trained to make acquisitions. Also, internalization will reinforce the knowledge base, which increases the learning ability (Cohen and Levinthal 1990).

When firms invest in training, they directly invest in absorptive capacity (Minbaeva et al. 2003, Cohen and Levinthal 1990)

Proposition 7: Internalization efforts positively reinforce the serial acquirer's absorptive capacity.

5.0 Discussion

In this study, we set out to discover what affects serial acquirers' deliberate learning mechanisms. In specific, we make an attempt to contribute and increase the understanding of the deliberate learning mechanisms, which are important for the building of an M&A capability. Our findings suggest that there are differences between serial acquirers and their efforts to achieve, enhance and retain knowledge gained from acquiring and that a serial acquirer's motivation for learning and its learning ability are predictors for a serial acquirer engagement in learning activities.

In this section of the master thesis, we will review these findings and discuss them in light of existing literature. We start out by discussing the serial acquirer's learning motivation. Sequentially, we will discuss firms' *ability*, which strengthens the positive effect *motivation* has on the deliberate learning mechanisms. Furthermore, we will discuss theoretical and managerial implications.

5.1 The implications of learning motivation

Our multiple exploratory case study shows that serial acquirers acknowledge and handle acquisition learning differently. Those that managed to (1) recognize the value of learning from their acquisition and (2) considered it an important part of their strategy, tended to have more deliberate learning activities as a mean to improve their acquisition.

(1) Researchers have found that deliberate learning mechanisms are positive for the learning process (Lichtenthaler and Lichtenthaler 2009), and building a capability, which subsequently will improve M&A performance (Barkema and Schijven 2008, Kale and Singh 2007, Trichterborn, Knyphausen-Aufseß, and Schweizer 2015, Zollo and Singh 2004). However, deliberate learning mechanisms should be balanced (Heimeriks, Schijven, and Gates 2012) as overgeneralization can lead to lead to lower performance (Haleblian and Finkelstein 1999). This balance was also stated by the serial acquirers interviewed to this paper. Despite the need to learn, they moderated their urge to implement new learning activities uncritically, as the cost might triumph the costs.

(2) Regarding firm needs, two serial acquirers that stood out from the general trend were *Epsilon* and *Zeta*. *Epsilon* had established all four of the deliberate learning mechanisms. On the contrary, *Zeta* barely spent any time on learning activities. The two serial acquirers had a very different intentions and motivations for acquiring. While *Epsilon* had acquisition knowledge as one of their highest priorities, *Zeta* regarded acquisitions as something they would like to avoid.

Laamanen and Keil (2008), Chatterjee (2009), and Trichterborn, Knyphausen-Aufseß, and Schweizer (2015) all ultimately discuss the need to prioritize acquisitions by establishing factors and mechanisms that help serial acquirers achieve high acquisition performance. The establishment of deliberate learning mechanisms has proven to be a positive for the building acquisition capabilities (Zollo and Singh 2004, Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). In the knowledge literature, researchers have found that motivation (Minbaeva et al. 2003, Chang, Gong, and Peng 2012) is an important element that affects knowledge sharing.

Similar to the literature we find indications that serial acquirers priority of learning from their acquisitions hinges upon their perception that acquisition learning is valuable to them, and whether it is a significant mean to fulfill their firms' strategy.

5.2 The implications of firm ability

Firm resources and size

The cases draw attention to the contextual factor of company size and their resources. Measured by revenue (three small, three medium, four large), data reveals that there were more cases where large serial acquirers had high deliberate learning mechanisms, compared to small serial acquirers.

Under the assumption that learning is positive for acquisition capability building and acquisition performance, these findings are in line with the serial acquisition literature (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015, Laamanen and Keil 2008). Laamanen and Keil (2008) found that acquirer's size reduces the variability in acquisition performance. Likewise, we find that large serial acquirers had more developed deliberate learning mechanisms. We argue that this could be for two reasons.

Firstly, similar to Laamanen and Keil (2008), the large serial acquirers are more likely to have managerial, and financial resources to engage in more complex activities that can support their acquisition learning. Secondly, as the knowledge pool in the organization increases there is a higher need to coordinate, organize and structure the knowledge (Kogut and Zander 1996).

There were two companies that were exceptions in the data material. The serial acquirers *Epsilon* and *Zeta* were both unique exceptions from the trend. The large firm *Zeta* barely focused on learning, while the small firm *Epsilon* had well-established routines and spent much time on building its knowledge base. We argue that the serial acquires first need the motivation to learn. Having adequate per se does not mean the serial acquirer will spend time on learning.

Acquisition team characteristics Function and Team structure

In our findings, we drew attention to the serial acquirer's acquisition function and team structure. While eight of the firms had established an acquisition function, either as an individual or a team, we did not observe any acquisition function in *Alpha* and *Zeta*.

Although there is not a one-to-one correlation between the establishment of an acquisition function and the establishment of deliberate learning mechanisms, the pattern seems clear. Serial acquirers that had an acquisition function also had more developed deliberate learning mechanisms. This finding is in line with previous literature which has shown that the establishment of an acquisition function is positively related to a firm's M&A learning processes (articulation, codification, sharing, internalization) and the building of an M&A capability (Kale and Singh 2007, Trichterborn, Knyphausen-Aufseß, and Schweizer).

We extended this researcher by dividing serial acquirers that had teams and individuals as a function. The companies that had a team acquisition functions had better deliberate learning mechanisms, compared to serial acquirers that had a single employee who dealt with the acquisitions. This finding could indicate that teams are more focused on using deliberate learning mechanisms. Secondly, it can imply that serial acquirers, which already have dedicated many resources to solve a task, are more determined to improve and learn from that task. Thirdly, it is likely to assume that a team would have more capacity and resources to go ahead

and establish these working mechanisms. Lastly, it might be that a single individual chooses to rely more on tacit knowledge as he or she does coordinates the acquisition personally and do not need to share the information with anyone in the very near future.

Firm age – structure and processes

Our analysis has drawn attention to the serial acquirer's age and the number of acquisitions accomplished that last three years.

First, the cases draw attention to the context of firm age. Younger firms had established significantly fewer deliberate learning mechanisms than the older firms. In our view, there could be two explanations for this.

One is related to the relationship between age and size. Drawing on evolutionary theory, we know that firm size, growth, and age are three correlated aspects of firm theory (Evans 1987). In this paper, the company size and age is highly correlated. Thus, a reason why young serial acquirers did not have highly developed deliberate learning mechanisms can be related to their size, rather than age itself.

The other reason is related to firm capabilities. Contrary to the size argument we argue that firm age matter. Building acquisition capabilities is seen as central to achieve acquisition performance (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015). However, it takes time for companies to build capabilities (Kale and Singh 2007). In addition to acquisition capabilities, firms have to create other capabilities related to technology, sales and similar (Teece, Pisano, and Shuen 1997). The management has to choose what processes and mechanisms to establish first. Depending on how much a firm rely on acquisitions and the extent to which they acquire, it is likely to believe that building an acquisition capability will come secondary to building the capabilities needed for daily management and firm development. Thus, young serial acquirers will be, compared to old companies, less likely to prioritize learning and building an acquisition capability. In sum, it seems reasonable to assume that young firms give less priority to the establishment of deliberate learning mechanisms than older firms.

Secondly, the number of acquisitions done the last three years stood out as a variable affecting the level of learning. Our data shows that serial acquirers, which

had a large number of acquisitions within the previous three years, had more and improved deliberate learning mechanisms established. Intuitively, this can seem like a reasonable correlation. As serial acquirers decide to dedicate more resources and time to acquisitions, they are more likely to spend time on learning activities so that their company can improve. However, earlier researchers have found that a high acquisition rate is negatively related to acquirer performance (Laamanen and Keil 2008). Serial acquirers that build acquisition capabilities requires sufficient time to make sense of their experiences (Zollo and Winter 2002).

Despite these inconsistent results, we believe that both Laamanen and Keil (2008) and our finding can be justified. Based on past literature and our data, we suggest that; as the acquisition rate increases the acquirer will, due to over-standardization (Haleblian and Finkelstein 1999) and lack of time to make sense of earlier acquisitions (Laamanen and Keil 2008), decrease acquisition performance. To improve performance, serial acquirers need acquisition clarity (Chatterjee 2009) and an acquisition capability (Laamanen and Keil 2008). As a response, serial acquirers will spend more time on learning and as such strengthen their deliberate learning mechanisms.

There are two logical reasons for doing this. Firstly, by creating processes and mechanisms that can, in an easy and sufficient way, structure and coordinate the many different experiences gained, the serial acquirer can easier tackle some acquisitions (Grant 1996, Laamanen and Keil 2008). Secondly, the cost of building an acquisition capability can be high, and for single acquisitions, may be simply not optimal (Laamanen and Keil 2008). Nevertheless, as the rate of acquisitions increase the need and value to build an acquisition capability increases. The acquisition capability can be constructed by improving the deliberate learning mechanisms (Zollo and Singh 2004, Trichterborn, Knyphausen-Aufseß, and Schweizer).

5.3 Research implications

Theoretical implications

In this paper, we extend the literature on organizational learning by addressing the black box of the establishment of deliberate learning mechanisms amongst serial acquirers. We believe our findings have at least three interesting implications for concerning learning factors, acquisition function, and the deliberate learning mechanisms.

First, we extend Laamanen and Keil (2008) and Chatterjee (2009) argument about building serial acquisition programs. In order to become good at acquiring a firm need to acknowledge acquisitions as an important part of their strategy. Otherwise, the cost of getting good at acquisition might triumph the advantages of learning.

Second, absorptive capacity, which constitutes of the elements *motivation* and *ability*, is a possible predictor for serial acquirer's deliberate learning mechanisms. This is especially observable for *Zeta* and *Epsilon*, which acts, based on their characteristics, differently than the other serial acquirers. This finding is in line with research on knowledge, which found that absorptive capacity is positively related to knowledge transfer (Minbaeva et al. 2003, Minbaeva 2007, Chang, Gong, and Peng 2012, Reinholt, Pedersen, and Foss 2011). However, different from Reinholt, Pedersen, and Foss (2011), who argue that ability has a positive effect on the relationship between motivation and knowledge sharing, we find that their abilities strengthen the positive effect serial acquirer's motivation has on deliberate learning. In specific, factors as size and resources, firm age and the number of acquisitions within the last three years, affect a serial acquirers' ability to establish deliberate learning activities, although needed. It is partly in line with Laamanen and Keil (2008), who propose that acquisition rate and size matters for the acquirer performance. We found that younger, smaller serial acquirers had less deliberate learning mechanisms established than the larger and experience once. We also suggest that the acquisition function and the type of acquisition function matter for how serial acquirers learn. Our findings are in line with the acquisition Trichterborn, Knyphausen-Aufseß, and Schweizer (2015) and alliance Kale and Singh (2007) literature, who found that the M&A function improves the development of an M&A capability. We extend this view by suggesting that also the composition of the acquisition function has an impact on the establishment of deliberate learning mechanisms, and thus an impact on the creation of an acquisition capability.

Third, we extend the knowledge of deliberate learning mechanisms by suggesting an order for which deliberate learning activities are prioritized. Zollo and Winter (2002) state that codification demands a higher level of cognition effort and that it is impossible to achieve sharing and codification without articulation. It can also be argued that it is hard to do internalization without sharing (Kale and Singh 2007). However, we have seen no attempts to try and identify acquirer's

involvement in each of the deliberate learning mechanisms. We also suggest that internalization (training, workshops, mentoring) has a positive effect on the strengthening of the firms' absorptive capacity. This finding is in line with the knowledge-sharing research (Minbaeva et al. 2003).

Managerial implications

In total, management teams and firm leaders should especially pay attention to three insights that this paper provides.

First, leaders have to make sure that they as early as possible, identify the need for acquiring as a part of their business strategy. In a case where a firm only wishes to acquire one firm, the necessity of acquisition learning might be redundant. However, in a case where they might acquire 2-3 or more, improving the deliberate learning mechanisms and creating an acquisition function is likely to improve the acquisition performance (Trichterborn, Knyphausen-Aufseß, and Schweizer 2015) and acquisition program (Laamanen and Keil 2008). It is necessary that leaders communicate the need for learning from their acquisitions at an early stage.

Second, leaders that wish to prioritize acquisitions should assure sufficient resources to the acquisition function - such as time, resources, money. We found that teams provided with enough resources such as time and personnel had also established more deliberate learning mechanisms than others. Large firms with much recourse also had more developed deliberate learning mechanisms.

Third, leaders should encourage the M&A function into focus on learning mechanisms that enhance learning and build an acquisition capability. Creating an acquisition function often showed not to be sufficiently enough for improving the deliberate learning mechanisms. Serial acquirers that had board or management teams who could supervise or take part in the processes as articulation or internalization also had more learning mechanisms established.

6.0 Conclusion

This paper contributes to the serial acquisition and learning literature. It contributes to the serial acquisition literature by showing what affects how serial acquirers engage in deliberate learning activities related to articulation, sharing, codification and internalization. It combines the research on knowledge sharing (Minbaeva et al. 2003) and acquisition capability building (Trichterborn,

Knyphausen-Aufseß, and Schweizer 2015, Zollo and Singh 2004) and identifies firm motivation and ability as two elements within absorptive capacity that affect serial acquirer's deliberate learning mechanisms.

Firm *motivation* comprises of the firms' perception of learning activities, and the companies need to gather knowledge on how to perform acquisitions. Firm *ability* comprises of the resources available to the firm and the structure and processes that can enable and easy the learning process. By using an exploratory approach, we conceptualize the relationship in a model and create seven propositions. The findings are in line with research on knowledge, which find that the absorptive capacity is positive for knowledge sharing (Minbaeva et al. 2003, Minbaeva 2007, Reinholt, Pedersen, and Foss 2011, Chang, Gong, and Peng 2012). The most important finding is that *motivation* and *ability* seem to be important underlying predictors for serial acquirers' deliberate learning mechanisms. This is especially evident from two of the serial acquirers - *Zeta* and *Epsilon*. We found that while articulation and sharing demands a low and medium high motivation and ability, codification and internalization demands that serial acquirers are highly motivated and able to engage in these related activities. Also, internalization makes the serial acquirers more aware of the need to spend time on learning.

7.0 Limitations & Future Research

As with any research, there are some limitations to our study. Firstly, our exploratory approach may have limited our data collection. At the very beginning of this thesis, we were only limited by the idea of investigating a topic related to learning and serial acquirers. As such, this may have limited the amount of data extracted from each interview. Therefore, we encourage future researchers to take a more deliberate approach on elements that affect serial acquirers deliberate learning mechanisms.

Secondly, due to our qualitative approach, the conclusion does not provide a statistically significant result. Also, the qualitative nature of the approach may have skewed our findings in one direction or the other. As such, we encourage researchers to test our model based on a quantitative approach.

Lastly, we conducted only one interview from one person in each of the serial acquirers. This choice might have limited our view of how learning happened in the companies. None of the serial acquirers had only one employee complete the acquisition. This may have limited our data. We believe that future researchers

could solve this in two ways. One way would be to observe the team, their acquisition process, and that way conclude on their way of learning. Another way would be to talk with other acquisition team members. They might have a different perception of their learning methods.

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Appendix 1

<i>English</i>	INTERVIEW GUIDE	<i>Norwegian</i>
<ol style="list-style-type: none"> 1. Describe your role in the organization 2. Describe the last 5 years' acquisitions <ol style="list-style-type: none"> a. How many acquisitions has this company done in the last 5 years? b. What is the strategic rationale behind each of them? c. How do they fit with the strategy of the company? d. What has been your role in the processes? 3. These next questions refer to the last acquisition you made that you were involved in. <ol style="list-style-type: none"> a. Could you characterize the target? (organization, products, strategy, identity, culture) b. How did you identify the target? <ol style="list-style-type: none"> i. Who was involved in the process? ii. What was the relationships with the target prior to the deal? iii. How was this deal different than previous deals? c. Describe the due-diligence process <ol style="list-style-type: none"> i. Who was involved? ii. What were challenges? iii. How was this due dil process different than previous deals? d. Describe the negotiation process <ol style="list-style-type: none"> i. Who was involved? ii. What were challenges? iii. How was this negotiation process different from previous? 4. Announcement of the deal <ol style="list-style-type: none"> a. How was the deal announced? b. At what time was the deal announced to the employees? c. What were employee reactions? d. What were the reactions of the target firm employees? e. What was different from previous announcements? 5. The next questions refer to the phase after the deal was announced, the post-acquisition integration phase <ol style="list-style-type: none"> a. Could you walk us through the integration process, what happened after the announcement of the deal? b. Describe the decisions process that led to the type of integration for this acquisition (how much and how fast the targets were 	<ol style="list-style-type: none"> 1) Beskriv din rolle i organisasjonen 2) Beskriv oppkjøpene de siste 5 årene <ol style="list-style-type: none"> a) Hvor mange oppkjøp har selskapet gjort i løper av de siste 5 årene? b) Hva er det strategiske rasjonale bak hver av dem? c) Hvordan passer oppkjøpene med strategien til selskapet? d) Hva har vært din rolle i prosessene? 3) De neste spørsmålene refererer til det siste oppkjøpet dere gjorde der du selv var involvert. <ol style="list-style-type: none"> a) Kan du karakterisere målet? (organisasjon, produkter, strategi, identitet, kultur) b) Hvordan identifiserte dere rett firma? <ol style="list-style-type: none"> i) Hvem var involvert i prosessen? ii) Hva var relasjonene til det oppkjøpte selskapet før avtalen? iii) Hvordan var dette oppkjøpet annerledes enn tidligere oppkjøp? c) Beskriv due-diligence prosess <ol style="list-style-type: none"> i) Hvem var involvert? ii) Hva var utfordringene? iii) Hvordan var denne due diligence-prosessen annerledes fra tidligere oppkjøp? d) Beskriv forhandlingsprosessen <ol style="list-style-type: none"> i) Hvem var involvert? ii) Hva var utfordringene? iii) Hvordan var denne forhandlingsprosessen forskjellig fra tidligere oppkjøp? 4) Kunngjøring av avtalen? <ol style="list-style-type: none"> a) Hvordan ble avtalen offentliggjort? b) På hvilket tidspunkt ble avtalen kunngjort for de ansatte? c) Hva var deres ansattes reaksjoner? d) Hva var reaksjonene til det de ansatte i det oppkjøpte selskapet? e) Hva var annerledes fra tidligere oppkjøp? 5) De neste spørsmålene refererer til fasen etter at avtalen ble annonsert, også beskrevet som integrasjonsfasen. <ol style="list-style-type: none"> a) Kan du lede oss gjennom integrasjonsprosessen, hva som skjedde etter kunngjøringen av avtalen? b) Beskriv beslutningsprosessen som førte til deres valg av integrasjonstype for dette kjøpet (hvor mye og hvor fort selskapene ble integrert) 	

<p>integrated)</p> <ul style="list-style-type: none"> c. Who was involved and how (at what stages)? d. What were the main challenges in this integration process? e. What were the main conflicts in the integration process, and when did they occur? f. How was this integration process different than previous integration processes? <p>6. These next questions refer to the outcomes of the deal:</p> <ul style="list-style-type: none"> a. How much of technology, procedures, processes etc. from the target can you see in the joined company today? b. What was the turnover of employees from the target company? c. To what extent did target managers gain management positions in the new company? <p>7. These next questions deal with how you document acquisition experience and learning from the deals</p> <ul style="list-style-type: none"> a. How did you draw on past acquisition experience in the focal deal? b. How do you make sure you document experiences? <p><i>What have you learned from your previous acquisitions?</i></p>	<ul style="list-style-type: none"> c) Hvem var involvert og hvordan (på hvilke deler)? d) Hva var de største utfordringene i denne integreringsprosessen? e) Hva var de største konfliktene i integrasjonsprosessen, og på hvilket tidspunkt oppsto de? f) Hvordan var denne integrasjonsprosessen annerledes fra tidligere oppkjøp? <p>6) Disse neste spørsmålene refererer til resultatene av oppkjøpet:</p> <ul style="list-style-type: none"> a) Hvor mye av teknologi, prosedyrer, prosesser etc. fra målet kan du se i det samlede selskapet i dag? b) Hva var turnoveren på ansatte fra det oppkjøpte selskapet? c) I hvilken grad har ledere fra det oppkjøpte selskapet fått lederstillinger i det nye selskapet? <p>7) De neste spørsmålene handler om hvordan dere dokumenterte oppkjøpserfaring og –læring under og etter prosessen.</p> <ul style="list-style-type: none"> a) Hvordan trakk dere på tidligere oppkjøpserfaring under den siste avtalen? b) Hvordan sørger dere for å dokumentere erfaringer? <p><i>Hva har dere lært fra deres tidligere oppkjøp?</i></p>
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1. Introduction

1.1 Background

For more than a century, mergers and acquisitions (M&A) has been a strategic alternative in competing markets. By the time the financial crisis hit in 2009, the number of M&As hit a record high. Despite an immense level of acquisitions and a comparable level of research on this area, the challenges in serial acquisitions, such as learning have not been addressed fully. Only some authors have deliberately discussed and called out for further research on serial acquisitions (Chatterjee 2009, Haleblian et al. 2009, Laamanen and Keil 2008).

No one longer doubts that acquisitions often fail (Graebner, Eisenhardt, and Roundy). During the last years, it has been rather popular to investigate the underlying mechanisms that can affect the outcome of a deal. Several mechanisms such as speed (Angwin 2004), autonomy (Haspeslagh and Jemison 1991), culture fit (Olie 1990) are regarded important. However, there are still deviations to what extent the mechanisms should be weighted (Bauer and Matzler 2014). Thus, companies have to learn to balance their implementation strategies depending on the target.

An underlying assumption in life is that practice “makes perfect”, or at least some improvement. Learning is viewed as an essential part of a firm’s everyday life. Surprisingly, some have found that by each acquisition the success rate decreases (Al Rahahleh and Wei 2012), hence practice “makes worse”. Others point out that in the best case the performance is U-shaped, implying that the effect of the experience is substantial enough to prove trustworthiness only after a certain amount of acquisitions (Haleblian and Finkelstein 1999). If this is correct companies should be better off by not acquiring at all, unless they make it into a part of their strategy. Haleblian and Finkelstein (1999) theorize that this might be the result of generalization, and that firms need several cases in order to understand the deals and underlying factors for success. The underlying question is why do not firms get better at acquiring after the first acquisition? Maybe firms should improve their learning routines?

In merger and acquisitions, a designated team is often assembled to guide the process. This team is responsible for either the pre-acquisition or post-acquisition,

or both. The integration process is crucial to the success of an acquisition (Ranft and Lord 2002), but only about 20% of serial-acquirers have an post integration team and not more than half have a dedicated M&A team (Guerra 2015).

In addition to this, acquirers need efficient learning tools that can help them understand the forthcoming deals. In learning theory, deliberate learning mechanisms such as articulation, codification, sharing and internalization are important to create, obtain and store experiences (Kale and Singh 2007). For serial acquirers, these mechanisms are crucial in order to learn and succeed with future acquisitions. However, we know little about to what extent firms deliberately control their acquisition learning behavior. Guerra (2015) states that only 55% of serial acquirers document and develop learnings, and only 43% train their staff in acquisition related processes. While some companies systematically use learning intentionally, other companies are not aware of the learning potential.

1.2 Purpose

Owing to the fact that the management literature urgently seeks more knowledge of how serial acquires integration team learn to manage acquisitions; we intend to identify the learning habits of the Norwegian serial acquirer's integration teams.

As aforementioned, there is a lack of research on serial acquires. Several researchers have presented the need for further investigation on how they are handling the acquisition process (Laamanen and Keil 2008, Haleblan et al. 2009, Guerra 2015, Colman 2013).

Although learning to some extent can be found in every company, the approach to in which they gain experience and store this for future challenges is very different. How companies learn is very different and the process is found to be very complex (Meschi and Métais 2013). It is why it is crucial to unfold further.

Lastly, groups and teams have been understudied in the perspective of management research, but teams play an important part of the organizational life. For example did Nadolska and Barkema (2014) find that heterogeneous acquisition teams benefit more from acquisition experience than homogenous teams, and that they are more successful with the acquisition. Also others have focused on acquisition teams (Zollo and Singh 2004) and expatriates (Hébert, Very, and Beamish 2005), but none with the intention to identify how and to what extent serial acquirers apply different deliberate learning mechanisms.

Due to these holes in management research, we seek, in this thesis, to further unfold the learning mechanisms executed by serial acquirers.

1.3 Research question

As our approach in the study is qualitative, it is not beneficial to draw hypotheses. However, a study without any guidelines and questions can lead to an overwhelming amount of data and unclear findings (Bryman and Bell 2015, 79 - 84). Without a question, it can be difficult to present some consistent findings. Research questions should be clear, researchable, linked and neither too broad nor too narrow (Bryman and Bell 2015, 82 - 83).

The main questions driving us are:

What kind of deliberate learning mechanisms do serial acquirers use to enhance their knowledge of acquisition integration?

How do serial acquires' integration team differ in usage of deliberate learning mechanisms in order to advance future acquisition integrations?

In order to answer these questions we intend to draw upon the questions from our interview answers. The questions can be found in Appendix 1.

2. Literature review

In this part we will outline three main subjects that will be in the center of this paper; *serial acquirers*, *learning* and *teams*. These parts will present what we already know in these areas and how it matters for our research.

2.1 Serial Acquisitions

Since Schipper and Thompson (1983) explored the advantages of announcing acquisition programs, the focus on serial acquisitions and acquisition programs have been sparse.

Researchers have mainly explored merger and acquisitions (M&A) as non-reoccurring events. However, there is an increasing interest for investigating serial acquirers and acquisition programs (Aktas, de Bodt, and Roll 2009, Chatterjee 2009, Haleblan and Finkelstein 1999, Haleblan et al. 2009, Henningsson 2015, Laamanen and Keil 2008, Smit and Moraitis 2010a, Nadolska and Barkema

2014). A reason for this might be the increasing acquiring activity and that several companies such as Cisco, Vodafone and Google have started acquisition programs (Brueller and Capron 2010, Smit and Moraitis 2010b, Graebner, Eisenhardt, and Roundy 2010). Most of this research assumes that companies do acquisition to obtain certain resources, more particularly knowledge and capabilities (McEvily and Marcus 2005, Ranft and Lord 2000, 2002).

However, looking at each acquisition separately might not reveal the underlying and long-term goals for the acquiring company. Laamanen and Keil (2008) advocated three research streams that explain what capabilities acquirers seek to obtain.

One stream focuses on capability development *through* acquisitions (Ahuja and Katila 2001, Puranam, Singh, and Chaudhuri 2009, Ranft and Lord 2002). Although several of these articles do not directly look at serial acquirers, they look at acquiring as a mean to obtain new capabilities and knowledge. It is in this area that most of the research has been done.

Another stream looks at how acquirers develop *capabilities to carry out individual acquisitions*. While Al Rahahleh and Wei (2012) found a declining pattern for the success of acquirers, Haleblian and Finkelstein (1999) found a U-shaped relationship between numbers of acquisitions and acquisition performance (Finkelstein and Haleblian 2002). This indicates that companies learn from their acquisitions, and use this knowledge to generalize future once, which in turn lowers the success of the acquisitions. It is acknowledge that not all acquisitions are the same and it matters (Bower 2001). As companies acquire more, they learn to discriminate or change the way of they handle an acquisition, and thus improve performance rate. It is emphasized that companies need to perform at least eight acquisitions to get a broad enough perspective, to grasp the advantages from an acquisition. While this might seem much, CEO Steinar Sønsteby in the serial acquiring technology company in Norway Atea pointed out that he thought it would be more (Colman 2013).

Lastly, Laamanen and Keil (2008) present a third layer of acquisition capabilities: *the capability to manage acquisition programs*. By this, they suggest that the success of acquisition programs not only is dependent on an acquirer's ability to acquire a firm *per se*, but also to handle the program itself. In this case, acquisitions that earlier seen as unsuccessful might have been valuable, as they

have contributed to valuable and sustained learning of how to control the acquisition program (Chatterjee 2009, Hutzschenreuter and Kleindienst 2006).

We know much about acquisitions, but there is still a lot to learn. Especially should there be more focus on how serial acquirers learn. Little is known in this area, from each integration process, and how learning procedures differ from each other (Colman 2013).

Some, like Zollo, Leshchinskii, and De (2012) have found that serial acquirers do learn from their previous acquisitions, but just in a complex way. Puranam and Srikanth (2007) found that experienced acquirers are better at mitigating the disruptive consequences when integrating, but they do not present the reason 'why' or 'how' these companies act to obtain these capabilities.

It is not the experience accumulation per se that drives the long term performance, but the ability to use deliberate learning processes such as articulation or codification. In addition, those companies that acquire similar firms, in which allow for some generalization, is most promising (Kengelbach et al. 2012). However, how should the company act when it is an acquisition that they are not familiar with? According to Colman (2013) integrated the technology company Atea each acquisition by changing the team. In that way, they were able to take advantage of different capabilities obtain inside their company. However, this is just one example.

What remains unsolved is whether all serial acquirers do this and why some might be better than others at building these learning capabilities? Is there a difference to what extent the usage of deliberate learning mechanisms? These questions of how serial acquirers learn from their acquisitions is undoubtedly relevant to unravel the key capabilities that are necessary to succeed with integration of both a single acquisition and an acquisition program, which is what we will outline in this thesis.

2.2 Learning

The concept of learning is ubiquitous as learning is coin in several perspectives. With the premise of learning, defined as observable changes in behavior based on experience (Argote and Miron-Spektor 2011). Therefore, by acquisitions and implementation strategy can be seen as a function of organizational learning, as

rate of performance is determinant of implementation success or acquisition transition (Edmondson et al. 2003). Learning in serial acquisitions often encompass many ligaments as each focuses different aspects of knowledge. Additionally experience is the outcome of prolonged learning (Zollo and Winter 2002). In perspective experience provides information that enhances a better linkage between actions and outcomes (Bingham et al. 2014, Zollo and Winter 2002).

Learning is a dyadic process, as learning is both individual and group in information process (Huber 1991). The ligament of individual learning incorporates two levels or perspective, operational- and conceptual learning (Kim 1998). Operational learning is procedure process, a completion of a singular task, in other words single loop learning. Conceptual learning is the conception of a specialist approach, where frameworks are developed and challenged in the subject of learning (Kim 1998).

Interesting notion occurs in the subject of “Individual-Organization Learning Dilemma”, as it appears paradoxical by acknowledging learning is based by individual, and organizations learn through the experience and actions of the individual, hence the paradox what is to make of organizational and learning (Kim 1998). Nevertheless, learning itself remains the same, in a collective or organizational perspective it adheres to the capacity to take effective action, that is when individual learning incorporates onto organization, as it aggregates the action from the basis of individual learning (Vera and Crossan 2003).

As such, learning in serial acquisitions is embedded in the organizations for which their members (employees) and tools (either tacit or explicit) that contemplate the organizations goal and intention when acquiring firms, through the information or capability process by acquisition learning (McGrath and Argote 2001) (McGrath 1991).

Acquisition learning as aforementioned may present a dyadic relationship, as firms learn from acquisitions to either enhance short term goals or long term survival (Vermeulen and Barkema 2001). Capabilities have the possibility to improve and achieve a higher-order status than the previous zero-order or undermining operating routines (Winter 2003). Revisit dynamic capability as “the capacity of an organization to purposefully create, extend, or modify its resource

base” (Helfat and Peteraf 2003). Continuing, much like capabilities, learning is a form of capability that is achievable through codification (Kogut and Zander 1992, Stephenson and Weil 1992). The elementary of the two orders causes an inertia, due to the fact it is a dual process, and to eliminate inertia, higher-order (dynamization) reveals the blind spots in codification (Schreyögg and Kliesch-Eberl 2007). In other words, codification cannot reveal all knowledge as the limitation of each acquisition is different from the previous, therefore creates a negative effect or more commonly inertia (Heimeriks, Schijven, and Gates 2012).

Nevertheless, inertia in codification is solved through dynamization, furthermore, the group dynamics of integration, functions as a team absorptive capacity, for which the organizations are able to recognize the value of external information, then assimilate it, and apply it to develop a synergic transition (Cohen and Levinthal 1990). Nevertheless, the function of learning from the premise of either the group or team are divided into three groups: internal learning, vicarious learning activities and contextual learning (Bresman 2010). Concurrently these are functions of how learning is achievable in a group setting, as it illustrates how learning is achievable or observable, and the method of learning in achieved or perceived. For simplicity, internal learning functions as a support module, in the context of reflecting and experimentation facilitating performance effects in learning. Vicarious learning, known as learning through behavior, in this context vicarious functions as to gather external, industry, consulting and past performance information. Lastly, contextual learning is the benchmarking of ideas and methods, which are done by competing firms, by scanning and collecting information based on either similar projects or industry (Bresman 2010). These are methods developed in interpreting the group learning activities and neither of the three methods functions as singular analysis for a team to enhance learning, rather a combination of the three (Hansen 1999, Bresman 2010).

2.3 Team learning

During the 90s research on team (or group; often used interchangeably (Cohen and Bailey 1997)) learning increased dramatically (Argote 2012, 117, Edmondson, Dillon, and Roloff 2007, Kush, Williamson, and Argote 2012). There might be several reasons for this. Firstly, teams are increasingly being used in organizations, especially on a executive level in order to answer to complex

internal and external demands (Ancona and Nadler 1989). Secondly, teams have many of the same processes as in full size organizations, such as coordination and communication, and by learning how these work in a team, it is easier to understand organizational mechanisms. The team research inflicts both the management and the psychology domain (Argote 2012). But despite an earlier interest for this field, unsatisfyingly little has happened during the last 5-10 years that enhance our understanding of teams, their ability to learn and how this is important to organizations.

The influential paper on teams Cohen and Bailey (1997) defined a team in an organizational setting as *“a collection of individuals who are interdependent in their tasks, who share responsibility for outcomes, who see themselves and who are seen by others as an intact social entity embedded in one or more larger social systems (for example business unit or the corporation), and who manages their relationships across organizational boundaries”*. There are several types of teams. Cohen and Bailey (1997) identified work, parallel, project and management teams as groups that exist in modern organizations, in which top management teams have gotten most attention (Bantel and Jackson 1989, Hambrick, Cho, and Chen 1996). Akin to organizational learning, team learning is a result of accumulated experience. The members learn who knows what and together they develop routines and coordination skills (Argote 2012, 116, Argote and Miron-Spektor 2011). Kush, Williamson, and Argote (2012) define team learning as *“a change in a group’s knowledge that occurs as the group gains experience”*.

The team learning research advocated can be sorted into three distinct areas (Edmondson, Dillon, and Roloff 2007). One area is motivated by the question *“At what rate do groups improve their efficiency”*. Several group studies have investigated the “learning curve” at a group level, in which codification is used as a dominant independent variable. For example did Darr, Argote, and Epple (1995) find that costs improved significantly with experience across pizza stores for franchisers, and Pisano, Bohmer, and Edmondson (2001) investigated surgery departments at several hospitals and confirmed that experience is a significant predictor for learning and that the “learning curve” varies significantly across organizations. However, a reason for not measuring performance with learning as

a variable is that learning can occur without any changes in performance (Wilson, Goodman, and Cronin 2007). For example, a team working on a software product can experience decline in sales because of certain features, but later never given the opportunity to use the knowledge gained. Conversely can a group's performance improve without any learning taking place (Argote 2012, 116).

Another area of conceptualization is team learning as a process. These studies typically build on constructs and theories from the organizational learning theory and investigate real workgroups. Many of these studies focus on how groups and their learning is affected by managers (Edmondson 1996) and contextual influences such as climate (Edmondson 1999), shared goals (Ely and Thomas 2001) and identity (Gibson and Vermeulen 2003). Often an input-process-output (IPO) model is used, in which input is the context and construction of the team (a process), in which mediates the learning, and output such as quality, innovation or performance (Ilgen et al. 2005).

Lastly, some researchers have investigated what Edmondson, Dillon, and Roloff (2007) define as "Task Mastery". This area within team learning focuses on the coordination of task knowledge and how team members learn to accomplish interdependent and novel tasks. This can be associated to a value shop creation logic (Stabell and Fjeldstad 1998). Central in this research is encoding, storing and retrieving information in teams and how teams become masters at working together. This research is to an extensive degree lab experiments that often seek answers to the importance of knowing who knows what in a team, types of transactive memory system (TMS) and the development of the TMS (Edmondson, Dillon, and Roloff 2007, Lewis 2004, Wegner 1987). It is in this field that this thesis will make its main contribution.

In the research on serial acquires, the focus on integration team learning has gotten limited attention. There are studies that focus on the impact of acquisition teams and how they facilitate learning (Zollo and Singh 2004). There are also studies that look at the need for diversity in teams to improve learning (Nadolska and Barkema 2014).

In addition a small joint study between Deloitte and The University of St. Gallen claims that M&As are common and that integration teams are rare. Many of the M&A teams are seen as a valuable career step and many of these teams vary in depth and breadth (responsibility and the degree of heterogeneity) (Guerra 2015).

To create a fruitful learning team Wilson, Goodman, and Cronin (2007) propose that the processes inherent in team learning are *sharing*, *storage* and *retrieval*.

The importance of *sharing* in regards to learning is highly emphasized by many scholars (Argote 2012, 119, Brooks 1994). In order for learning to take place within a team, individual members of the team would have to share the knowledge that they gain. If they each were to learn something but not share it further, it would not influence the group; learning would only take place at an individual level.

Learning in groups does not happen solely through sharing (Argote 2012, 119), it is concurrently with storage and retrieval. Efficient storing of the knowledge is critical in order to draw upon previous experiences. We divide storage into two forms; *tacit knowledge* and *codified knowledge*.

An organizational management perspective reveals some effort to understand the need for codified and stored knowledge in both acquisition (Zollo and Singh 2004) and alliance literature (Kale and Singh 2007).

Knowledge codification, which is seen as a higher order effort to understand implications of internal routines, has revolutionized the literature on organizational learning (Zollo and Winter 2002). The ability to codify and store learning in written tools, such as blueprints, manuals, spreadsheets or project management systems is recognized as an important antecedent to acquisition performance for integration teams (Zollo and Singh 2004). But codification has also been pointed out as a double-edged sword. If too many rules are made and everything codified it leaves little room for improvisation. This can hamper a future acquisition learning process. In order to successfully build capabilities zero-order (operational) routines should be developed alongside with higher-order routines (Heimeriks, Schijven, and Gates 2012).

An important part of research focusing on teams' tacit knowledge is TMS (Edmondson, Dillon, and Roloff 2007, Wilson, Goodman, and Cronin 2007) in which group members know who knows what. Edmondson et al. (2003) discuss how improvements rely on tacit (know-how) knowledge structured in a group.

As knowledge is stored within the group, several other processes may or may not take place within the team, namely; *generating*, *evaluating* (Zollo and Singh 2004), and *combining knowledge* (Argote 2012, 119). In the management learning

literature these mechanisms are understood as *knowledge articulation*, “a process through which implicit knowledge is articulated through collective discussions, debriefing sessions and performance evaluation processes” (Zollo and Winter 2002). Members share their knowledge within the team. This mechanism is consistent with the *tacit knowledge transfer*, which positively relates to the performance of the integration of acquisitions (Heimeriks, Schijven, and Gates 2012). Sharing and transfer can lead others to mention new knowledge that positively contributes to the discussion as learning. By evaluating and combining knew knowledge, the team can collectively create and store more knowledge than for a single individual alone (Argote 2012, 121).

Thus both codification of knowledge and tacit knowledge sharing is important for building capabilities for an integration team in an acquisition process. But does serial acquirers actively proceed to follow these deliberate learning techniques? It is critical that the team responsible for acquisitions learn from their mistakes and build capabilities that can be used in future acquisitions. This is something we will unfold in this thesis.

3. Methodology

This part constitute of the methodological aspects intended for this thesis. In summary, 30 Norwegian serial acquirers will be selected for a qualitative comparative design study. The main source of data will be semi-structured interviews conducted in addition to possible important documents.

3.1 Choice of research objects

In this thesis 30 randomly selected firms from a number of Norwegian serial acquirers have been found and will be the main source of data. The objects will represent a variety of industries in the Norwegian market. We intend to investigate the learning process of the groups that perform the integration of the selected acquisition. It is dependent on each company to whether their team consists of members that are internal, external, leaders, workers or other.

3.2 Research Strategy

From a business research perspective, it is quite common to differentiate between qualitative research and quantitative research (Bryman and Bell 2015).

There are several main reasons for using a quantitative strategy. Firstly, including a greater number of subjects can allow a broader study with more accurate and objective results. Second, using standard variables and numbers allow others to replicate or compare across categories. Lastly, by doing quantitative research personal biases can be avoided during the conducting and analyzing process. Despite this, challenges such as artificial sense of accuracy and precision, structural bias and false representation, loss of human feelings and limitation to measurable numbers can make findings flaws and useless.

Qualitative research in contrast provides depth and detail into human attitudes, feelings and behaviors. It is easier to capture opinions and behavior in groups and the qualitative nature allows for the possibility to open up interpretation and create new topic areas not previously considered. The challenge following this strategy includes great chance of subjective interpretations and bias. In addition, qualitative research is difficult and in some cases impossible to replicate. It is also a challenge that problems are difficult to generalize and despite good ways of recording data lack of transparency can cast doubts about the findings (Bryman and Bell 2015).

In this thesis, we seek to understand the storing process that teams responsible for conducting the integration of acquisitions practice in order to learn. Based upon the abovementioned strategies, we consider it most relevant and advantageous to proceed with a qualitative strategy. As several companies may interpret and approach the learning process differently, it is most beneficial to investigate a smaller number of companies and interpret semi-structured interviews.

3.3 Research Design

Research design often tends to be mixed with research method. However, the distinction between the two is rather important. Whilst research method is a technique for collecting data, research design can be described as a framework and a plan for collecting and analyzing data (Bryman and Bell 2015, 41). For this study we intend to adopt a comparative approach to identify different learning methods, more in specific deliberate learning practices that are used by integration teams.

This study does not necessarily stand out with a clear design path. However, a comparative approach has the ability to allow for characteristic differences

between two or more cases. It is to some extent a hybrid between the quantitative cross-sectional design and the qualitative case study (Bryman and Bell 2015, 64 - 67). We intend to identify patterns of association between the teams at the last acquisition integrated. In addition, we propose to detect the underlying reason for storing experience, and thus several variables must be structured and compared. Our aim is to capture the different or similar deliberate learning methods that each serial acquirer has, and use this to interpret why that is and explain why it matters.

3.4 Methods

In the process of qualitative research, the next steps after finding a sufficient strategy and design, is to decide on a method, collect relevant data, interpret the data collected, conceptualize the findings and present the findings.

Data collection

In the process of data collection we intend to perform semi-structured interviews for a selected number of Norwegian serial acquirers, either by phone or in person, dependent on location of the firms. This will be our primary source of data. The reason for not performing a survey is that surveys are limited to the questions formulated in advance. We expect that some of the answers in regards to storing experiences in a group can be both latent and hard to extract from a survey format. In addition semi-structured interviews allows for some flexibility. It is the intention that most of the survey can be straight forward, but with room for follow-up questions and a weight on the areas that seem most relevant. By doing these oral interviews we aim to get a better holistic impression of the deliberate learning methods applied by the company.

In total, we aim at interviewing minimum 15 different serial acquirers (between 15 – 20) and perform a 10 – 20 min interview for each of them. The interviews will be executed by phone or in person, based on the interview guide in Appendix 1 (Bryman and Bell 2015, 206 - 209). The structure and construction of the interviews will follow Bryman and Bell (2015) framework and we intend to include questions that give us a broader perspective of the firm, in addition to direct, follow-up and probing questions.

To ensure the highest quality of this thesis, we intend to collect documents or other written materials. These documents can describe or somehow enhance the understanding for usage of deliberate learning mechanisms during the integration

process by the serial acquirers.

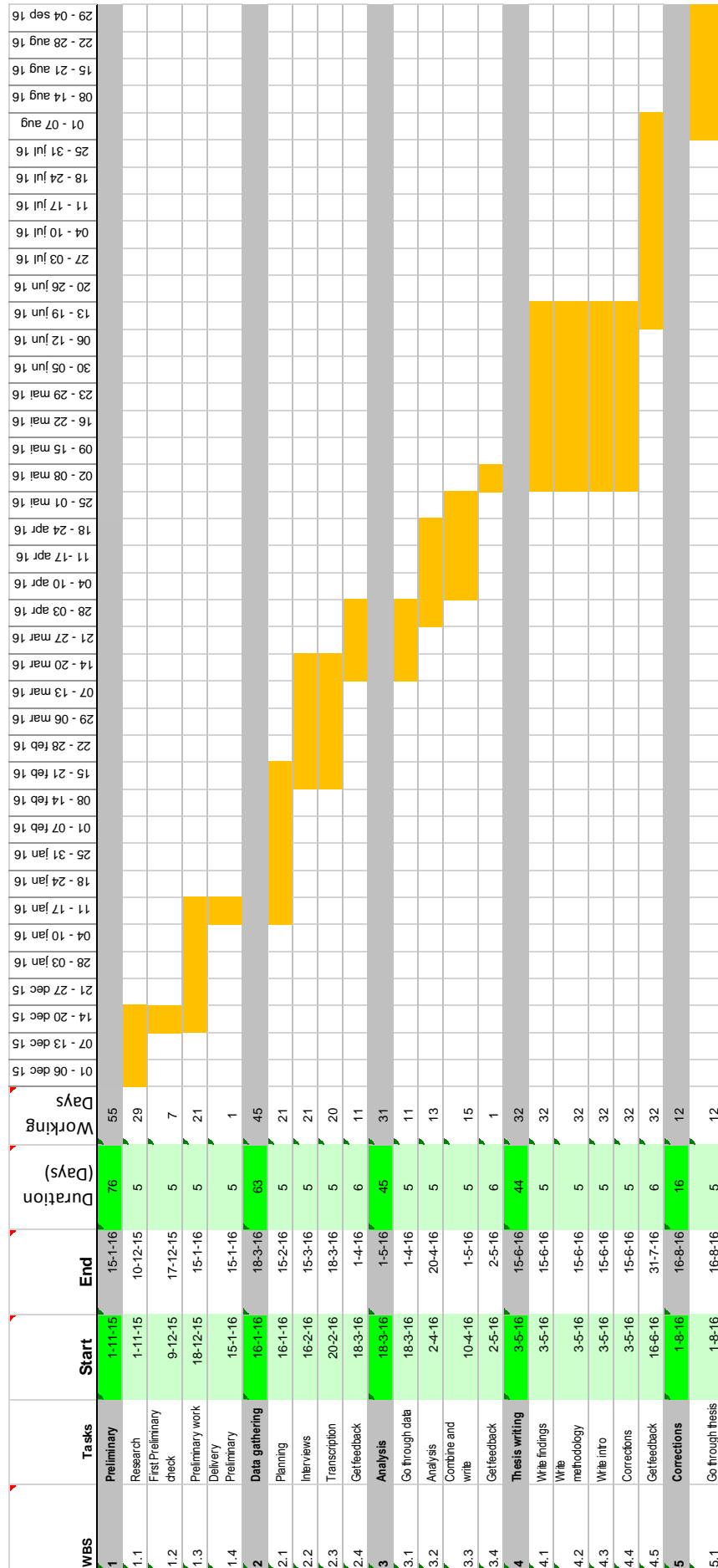
Data Analysis

Transcribing and analyzing the interviews will be a large part of the thesis work. To ensure a strong foundation for our qualitative analysis we intend to follow 12 recommended steps (Patton 1990, 523). Furthermore, the thesis will be analyzed through content analysis, using an inductive analytical approach. In this part, coding is a crucial segment in the process of doing content analysis (Bryman and Bell 2015, 299). Our main objective is to identify patterns of learning mechanisms among the firms. These findings will further be explored and interpreted.

Research Design Criteria

To ensure that this research achieves highest possible level we evaluate possible validity issues regarding the chosen method. Validity can be described as “*the integrity of the conclusions that are generated from a piece of research*” (Bryman and Bell 2015). First, the *internal validity*, which is mainly concerned with the issue of causality, is important to gain *credibility*. Through a close cooperation with our professors, careful selection of firms to interview, and a selection of quality guidelines we intend to ensure the credibility criteria. Second, *external validity* is mainly concerned with the issue of *transferability*. As pointed out by Bryman and Bell (2015, 398), qualitative research is concerned with the thick lines and richness of details in a culture, not an empirical or to what extent the findings are transferable. It is our objective to shed light on different learning mechanisms and the level of learning for serial acquirers, not to confirm empirically prove or disprove a hypothesis. Thirdly, as advised to assure dependability, a parallel to reliability in quantitative methods, we intend to keep an ‘auditing’ approach and keep complete records of all the phases in the process. Lastly, despite our effort to ensure complete objectivity it is regarded as impossible in qualitative research. We intend to make sure that this thesis is written in a credible manner in order to establish confirmability.

4. Time line



5. Appendixes

Appendix 1

Interview guide

1. Describe your role in the organization
2. Describe the last 5 years' acquisitions
 - a. How many acquisitions has this company done in the last 5 years
 - b. What is the strategic rationale behind each of them?
 - c. How do they fit with the strategy of the company?
 - d. What has been your role in the processes?
3. These next questions refer to the last acquisition you made that you were involved in.
 - a. Could you characterize the target? (organization, products, strategy, identity, culture)
 - b. How did you identify the target?
 - i. Who was involved in the process?
 - ii. What was the relationships with the target prior to the deal?
 - iii. How was this deal different than previous deals?
 - c. Describe the due-diligence process
 - i. Who was involved
 - ii. What were challenges?
 - iii. How was this due dil process different than previous deals?
 - d. Describe the negotiation process
 - i. Who was involved?
 - ii. What were challenges?
 - iii. How was this negotiation process different from previous?
4. Announcement of the deal
 - a. How was the deal announced?
 - b. At what time was the deal announced to the employees?
 - c. What were employee reactions?
 - d. What were the reactions of the target firm employees?
 - e. What was different from previous announcements?
5. The next questions refer to the phase after the deal was announced, the post-acquisition integration phase
 - a. Could you walk us through the integration process, what happened after the announcement of the deal?
 - b. Describe the decisions process that led to the type of integration for this acquisition (how much and how fast the targets were integrated)
 - c. Who was involved and how (at what stages)?
 - d. What were the main challenges in this integration process?
 - e. What were the main conflicts in the integration process, and when did they occur?

- f. How was this integration process different than previous integration processes?
6. These next questions refer to the outcomes of the deal:
 - a. How much of technology, procedures, processes etc. from the target can you see in the joined company today?
 - b. What was the turnover of employees from the target company?
 - c. To what extent did target managers gain management positions in the new company?
 7. These next questions deal with how you document acquisition experience and learning from the deals
 - a. How did you draw on past acquisition experience in the focal deal?
 - b. How do you make sure you document experiences?
 - c. What *have you learned from your previous acquisitions*?

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