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Do serial acquirers perform better than first-time acquirers?
– A study in the perspective of Norwegian acquirers

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Abstract

Using a sample of 26 Norwegian merger and acquisition (M&A) transactions, we empirically investigate if serial acquirers perform better than first-time acquirers, focusing on learning and post-merger integration (PMI) problems. We perform factor analysis to develop five hypotheses regarding the firms' strategic position, operational integration, organizational culture, integration processes, and the overall outcome. The results show that serial acquirers (experienced) generally perceive their performance as more successful than first-time acquirers (inexperienced) on the topics and issues researched. We argue that learning and experience from previous M&A deals increase the success rate of integration outcome compared to first-time acquirers. Lastly, we discuss our findings, limitations, and suggest paths for future research.

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1.0 Introduction

1.1 Background

Mergers and acquisitions¹ (M&As) have never been as popular as they are now. In 2018, about 49 000 transactions went through worldwide, with a total value of USD 3.8 trillion (Institute for Mergers, Acquisitions and Alliances (IMAA), 2019). M&As are a method for firms to expand, consolidate, and obtain capabilities. The M&A subject has also caught the attention to scholars who have studied the phenomenon from different angles, and a reason for the increased interest on M&A research among scholars is the inconsistent results from past research, especially the results regarding the performance of acquisitions in general (Meglio & Risberg, 2010). Several factors have been suggested by scholars to explain performance in M&As, such as experience, and relatedness (Richard, Devinney, Yip, & Johnson, 2009). Despite the increase in M&As, the majority of these are unsuccessful or underperform (Zaheer, Castañer, & Souder, 2013). These failures have been attributed by scholars to factors such as lack of planning and implementation management (Cartwright & Cooper, 1992), operational disruptions (Paruchuri, Nerkar, & Hambrick, 2006), and cultural differences (Buono & Bowditch, 1989).

In our master thesis, we will do a descriptive study of serial acquirers and first-time acquirers – studying post-acquisition integration outcomes² and if M&A experience affects these outcomes. We define serial acquirers as firms who have gone through with at least two acquisitions the past five years prior to the acquisition we study. First-time acquirers are firms who have maximum one acquisition within the same window. Serial acquirers have gained increased interest among scholars as a subject of research in the past years, but is still a relatively unexplored phenomenon, although they account for almost 25% of all M&As (Kengelbach & Roos, 2011). Since research on serial acquirers is relatively new, scholars are striving to find a standard method of gauging integration success and performance. There has been overwhelming evidence from finance that serial acquirers perform poorly, and that they are not able to gain abnormal returns from their deals (Meschi & Métais, 2013;

¹ The terms “merger” and “acquisition” will be used interchangeably.

² The terms “post-acquisition integration” and “integration outcome” will be used interchangeably.

Actas, de Bodt, & Roll, 2009; Hayward, 2002). On the other hand, some studies show that serial acquirers have shown signs of performing better than other firms (Zollo & Singh, 2004), especially when they have formed and refined integration routines (Chatterjee, 2009), while other studies indicate that acquirer's abnormal returns decline from deal to deal in acquisition programs (Actas, de Bodt, & Roll, 2011). Several scholars agree that integration is of major importance for the success of an acquisition (Pablo, 1994). They argue that value creation can be obtained through a two-phase process in which the interaction between human and task integration processes determine the extent of effectiveness to the integration (Birkinshaw, Bresman, & Hakanson, 2000).

1.2 Research Question

Since a number of academic research and empirical studies show that the value creation and synergies from M&As do not achieve the expected results, and failure rates are high (Meglio & Risberg, 2010; Brouthers, Van Hastenburg, & van den Ven, 1998), many scholars conduct research with a goal to identify underlying reasons for this. Schweiger and Weber (1989) argue that some of these reasons are lack of strategic fit between the acquiring and target firm, deal prices, and implementation issues (Colman & Lunnan, 2013; Schweiger & Weber, 1989). Larsson and Finkelstein (1999) suggest that post-acquisition integration is an important determinant to realize synergies. Other scholars' postulate that strategic fit is necessary to obtain synergies, although others claim that it is the subsequent integration process that creates the organizational fit and thus also the synergies (Datta & Grant, 1990; Haspeslagh & Jemison, 1991). Harrison, Hitt, Hoskisson, and Ireland (1991) suggest that synergies are obtained by augmented operational efficiency and skill or capability transfer. Synergies that emerge without previous knowledge or planning are the so-called serendipitous value (Graebner, 2004). One can assume that serial acquirers are better at extracting knowledge (learning) from acquisition experience than others, but it is not clear in what they excel in (Colman & Lunnan, 2013). It is our intention to research whether experienced acquirers gain a better integration outcome than first-time acquirers. We define integration outcome as the acquiring firm's top management's perception of the post-acquisition integration. Thus, the data we use are perceptual measures. In our thesis, we will compare first-time acquirers and serial acquirers to study integration outcome and

if previous M&A experience affects these outcomes. Therefore, our research question is:

“Are there differences for first-time acquirers and serial acquirers regarding integration outcome?”

As the academic literature suggests, and empirical evidence supports, the inconsistent results of M&As show that these deals and transactions are sophisticated and complex. Research in this field shows divergent results, and there is no common strategy that fits for all. Meglio and Risberg (2010) argue that the inconsistent results arise from different research methods in which performance measures are embedded and that the various definitions of performance are making it hard to talk about M&A performance in general since each study is searching for correlations between different types of variables. However, cross-sectional research is useful to systematically detect patterns of association surrounding an organizational phenomenon (Bryman & Bell, 2015; Meglio & Risberg, 2010), and this is what we intend to do in this study. Despite the high failure rates of M&As, there are few signs that this growth strategy will disappear in the near future. Therefore, we think it is important to study the effects of previous acquisition experience on future acquisition deals - to gain a better understanding of aspects that may influence the acquisition outcome and provide knowledge that can support future deals and hopefully decrease the failure rates. We hope our findings can contribute to the existing literature on serial acquisitions and their integration outcomes compared to first-time acquirers.

This paper proceeds as follows. First, we will review existing relevant literature on M&As; the literature on serial acquisitions, and the literature on post-acquisition integration processes. Second, we outline our hypotheses. Third, we will present our research design and methods. Fourth, we conduct analysis and present the results. Fifth, we discuss our findings in light of academic literature and empirical studies. Finally, we provide a conclusion, including limitations and suggestions for future research.

2.0 Literature Review

The following literature review aims to provide a theoretical background for our research question: *“Are there differences for first-time acquirers and serial acquirers regarding integration outcome?”*.

In this section, we review three main topics that are central throughout our thesis. First, we look at how previous studies have defined M&As with special attention to serial acquirers and first-time acquirers. We outline the M&A rationale from multiple perspectives and present literature on integration programs. Second, we outline literature on post-acquisition integration processes, in particular, strategic management perspectives, and sociocultural perspectives. Strategic perspectives entail the ways in which firms are aligned and resources are combined to foster value creation (Graebner, Heimeriks, Huy, & Vaara, 2017). Sociocultural perspectives include aspects such as culture and identity in integration settings. Lastly, we look at the literature on how learning and experience from previous acquisitions may affect the integration outcome. We have chosen to include these topics in the literature review because they highlight different elements that are generally relevant in integration studies, and specifically relevant for our study. This literature review will present what we already know in the mentioned areas from academic literature and empirical studies. We have looked at research published over the past 36 years, from 1981 to 2017.

2.1 Mergers and Acquisitions

2.1.1 Definitions of M&As

Mergers are defined as a complete unification of two (or more) organizations into a single organization, combining debt and equity (Hitt, King, Krishnan, Makri, Schijven, Shimizu, & Zhu, 2012). This implies a merger of structures, systems, and processes (Caiazza & Volpe, 2015). Acquisitions involve the purchase of one organization by another - either in a friendly or a hostile manner (Borys & Jemison, 1989; Hitt et al., 2012). The transactions and agreements happen at a national and international level, as well as cross-border M&As (Reis, Pereira de Oliveira Carvalho, & Ferreira, 2015).

2.1.2 Serial Acquirers and First-Time Acquirers

The literature uses different definitions on serial acquirers and serial acquisitions - from general scoping to requiring a certain number of acquisitions within a predetermined time interval. Laamanen and Keil (2008) define serial acquirers as firms that grow through “series of mutually interrelated acquisitions aimed at specific targets”. While Ismail (2008) only requires more than one acquisition over a 20-year period, Kengelback, Klemmer, Schwetzler, & Sperling (2012) define serial acquirers to be firms that have made at least two acquisitions in the previous three years. Billet and Qian (2008) use the term high-order deal and requires a minimum of two public acquisitions within a five-year period, while Fuller, Netter, & Stegemoller (2002) studied multiple acquirers that acquired five or more firms within a three-year period. First-time acquirers, or single acquirers, are defined as firms that made no more than one acquisition over a certain time period (Kengelback et al, 2012).

2.1.3 M&A Rationale

The motives to engage in M&As reflect the willingness from managers to getting access to certain assets and capabilities from the target firms in order to create value, generate synergies and augment the firm performance (Reis et al., 2015). This could be sales relationships, product-related and product innovation technologies, market and customers knowledge (Ranft & Lord, 2000), or a strategic move to eliminate competitors. Haspeslagh and Jemison (1991) identified four major research streams in the M&A literature. Each of them has different theoretical roots and objective function. The capital market school, or financial economic perspective, focuses on wealth creation for shareholders by increasing scale, efficiency, and market power. The strategic management perspective is concerned with wealth creation at the individual level of the company, where the gains are through integration and development of capabilities or extension of scope in terms of geography, products or markets. The organizational behaviour perspective is focused on the behavioural implications of acquisitions, the effects in employee satisfaction, and effective integration. The M&A process perspective centre their attention on the actions of the manager to guide the post-acquisition integration process (Birkinshaw et al.,

2000; Reis et al., 2015). The perspectives are not mutually exclusive, but scholars tend to follow a single perspective (Larsson & Finkelstein, 1999; Reis et al., 2015).

Scholars have argued that interaction, communication, alignment, and standardization are necessities for synergy realization between the acquiring firm and the target firm (Graebner et al., 2017; Larsson & Finkelstein, 1999). To achieve synergies, some scholars postulate that strategic fit is necessary, although others claim that it is the subsequent integration process that creates the organizational fit and thus also the synergies (Datta & Grant, 1990; Haspeslagh & Jemison, 1991). Therefore, the acquiring firm managers are often expected to make plans on how to integrate the target firm (Pablo, 1994). Although plans are made, the integration phase is where most acquisitions fail (Haspeslagh & Jemison, 1991; Larsson & Finkelstein, 1999). Possible reasons for these failures can be cultural clashes, external environmental conditions, poor communication, and poor planning (Bryson, 2003; Cartwright & Cooper, 1996; Schuler & Jackson, 2001). Weber, Shenkar, & Raveh (1996) explain that combining teams can be difficult, and the issues can be greater when the team members come from diverse cultures.

2.1.4 Acquisition and Integration Programs

According to Colman and Lunnan (2013), serial acquirers have the strategy of continuously acquiring resources, integrating and capturing synergies, and growing where the larger size empowers them with negotiating power. Serial acquirers require a specific capability internalized in the firm in order to identify, negotiate, and integrate targets. This often results in the development of acquisition program capabilities (Laamanen & Keil, 2008), and the advantages of announcing acquisition programs have been explored by Schipper and Thompson (1983). Although many serial acquirers engage in acquisition programs, it is not something all serial acquirers explicitly have. Laamanen & Keil (2008) were unable to link acquisition frequency with explicitly defined programs but argue that serial acquirers that systematically develop acquisition experience and capacity tend to outperform acquirers that carry out acquisitions more opportunistically. Acquisition programs enable acquiring firms to develop routines of how many targets they can acquire per year, decide the timing of the acquisitions, and which firms they should acquire. The program introduced by Laamanen and Keil (2008) builds on the

capability framework from Teece, Pisano, and Shuen (1997). A serial acquirer can thus evaluate targets and see which level of integration fits the best for the different targets (Pablo, 1994).

Zollo and Singh (2004) claim that acquirers can learn and improve performance by creating organizational capabilities such as the serial acquirer programs. Moreover, a connection between learning and acquisition outcome has been identified, stating that acquisitions previously regarded as unsuccessful might be valuable as they have contributed to the learning of how to control and manage the acquisition program (Chatterjee 2009; Hutzschenreuter & Kleindienst 2006). The success of acquisition programs does not depend solely on the acquiring firm's M&A abilities, but as important is the ability to handle the program itself. It is important to note that it is not the accumulation of experience that drives long-term performance, but it is the ability to transform the experience into deliberate learning processes such as articulation or codification (Kengelbach et al., 2012). On the contrary, Heimeriks, Schijven, & Gates (2012) found that adaptation of routines may be prevented by codification since it has a slowdown effect. There have been studies claiming that serial acquirers are not able to gain abnormal returns from their purchases (Meschi & Métais, 2013; Actas et al., 2009; Hayward, 2002) and that old or new acquisition experiences do not have any effect on performance (Meschi & Métais, 2013). Furthermore, when the integration is suboptimal, multiple acquisitions can decrease performance, as several suboptimal integrations add on to each other (Barkema & Schijven, 2008b), and Zollo (2009) found a negative correlation between performance and prior experience. This negative effect increases as experience is accumulated but is significantly reduced when acquisition experience is articulated and codified, and the experience becomes more heterogeneous (Zollo, 2009). Recent studies show that serial acquirers do not gain abnormal returns in acquisition programs (Actas et al., 2011).

2.2 Post-Merger Integration Processes

2.2.1 Different perspectives on Post-Merger Integration

Post-merger integration (PMI) plays a significant role in M&A success and has therefore received a substantial amount of attention from scholars (Birkinshaw et al., 2000). PMI has been conceptualized and measured in multiple ways, i.e. by

looking into human resource issues, changes in communication (Nahavandi & Malekzadeh, 1988; Shimizu, Hitt, Vaidyanath, & Pisano, 2004) and the integration level required to create synergies (Pablo, 1994). Other scholars have conceptualized PMI as an outcome in which the acquirer and acquired practices are standardized (Vaara, Sarala, Stahl, & Björkman, 2012). Moreover, PMI has been studied in both the M&A process perspective and the organizational behaviour perspective. The two streams recognize the importance of integration for the acquisition success but differ in the objective of the integration process (Birkinshaw et al., 2000; Pablo, 1994). Birkinshaw et al. (2000) propose integration as a multifaceted process and show how human integration and task integration processes interact to foster value creation. To a large degree, these two integration processes can be understood separately, and an excessive emphasis on one of them can impact the acquisition outcome. Graebner et al. (2017, p. 2) highlight strategic integration and social and cultural integration as two important characteristics of PMI, and summarize PMI as “the multifaceted, dynamic process through which the acquirer and acquired firm or their components are combined to form a new organization”.

2.2.2 Strategic Management Perspective

Strategic perspectives on integration focus on the method in which the acquirer and the target firms are coordinated and aligned, and how their resources are combined to create value (Graebner et al., 2017). The strategic perspectives can further be divided into different categories like interaction and communication, alignment and standardization, structural integration, and autonomy.

Increased **interaction and communication** enhance synergy realization, knowledge transfer, and economic value creation (Graebner et al., 2017). Larsson and Finkelstein (1999) found a positive correlation in the measure of integration and "synergy realization", a measure showing post-merger benefits in an array of areas like production and purchasing. Moreover, they also found that similarity and complementarity between the merging firms predicted a higher degree of integration. Bresman, Birkinshaw, and Nobel (1999), however, emphasized post-merger communication between the research and development (R&D) departments as the frequency of contact between them face-to-face and by electronic communication. The communication efforts between the R&D departments were

found to be positively associated with tacit knowledge transfer. Reus and Lamont (2009) found a similar positive correlation.

It has long been considered that **relatedness** is a source of synergy in acquisitions, and both similarity and complementarity are dimensions of relatedness in acquisitions (Zaheer et al., 2013). Graebner et al. (2017) found that research on relatedness and standardization have varied but indicates mostly positive effects on performance outcomes. According to Resource-Based View (RBV), a firm is a bundle of resources where value is represented by its distinctive capabilities (Very, Lubatkin, Calori, & Veiga, 1997), thus arguing that in M&As the complementary resource profiles in the acquiring firm and target firm create synergies (Capron, 1999). Scholars suggest that making acquisitions in related businesses seem to generate better performance compared to acquisitions in unrelated businesses (Bruton, Oviatt, & White, 1994; Finkelstein & Haleblian, 2002) because the integration of complementary activities leads to synergies (Reis et al., 2015). Additionally, industry-specific knowledge can enable the acquiring firm to make contingent decisions throughout the acquisition process (Haleblian & Finkelstein, 1999; Hayward, 2002; Zollo & Singh, 2004). Bauer and Matzler (2014) found that strategic complementarity is positively related to the degree of integration. However, some studies show no relationship between performance and relatedness (Lubatkin, 1987; Singh & Montgomery, 1987), while Palich, Cardinal, & Miller (2000) suggest a curvilinear effect when moderate levels of diversification lead to higher performance.

Relatedness can also be explained by the degree of integration. Cording, Christmann, & King (2008) described integration depth as the degree in which human resource management (HRM), marketing, production, and other strategically important systems were "integrated or combined as a result of the acquisition". They found that a higher degree of integration had a positive relation to knowledge transfer between similar units from each of the merged firms. Some scholars have also measured to what extent the procedures, systems, and products were centralized or aligned, finding a positive relationship between this and performance of the M&A (Zollo & Singh, 2004; Zollo & Reuer, 2010; Zollo, 2009).

Academic literature on **structural integration** focuses on target firms which are folded into an existing unit of the acquiring firm, and the effects for structural integration on performance outcomes are mixed (Graebner et al., 2017). Firstly, Puranam, Singh, & Zollo (2006) researched the impact structural integration has on the innovate productivity of the merged firm. In addition, Puranam and Srikanth (2007) say that structural integration increases the influence on the target firm's existing knowledge and decrease the influence it has on innovative capabilities. However, other scholars found that structural integration harmed patenting activity (Paruchuri et al., 2006; Kapoor & Lim, 2007). Lastly, Puranam, Singh, and Chaudhuri (2009) found that structural integration is more likely if the acquisition is motivated by obtaining technology rather than products.

Research shows that **autonomy** has mixed effects on performance outcomes (Graebner et al., 2017). Zaheer et al. (2013) argued that structural integration and autonomy are two distinct dimensions of PMI, rather than opposites. Furthermore, Larsson and Lubatkin (2001) found a positive but statistically insignificant correlation between autonomy removal and social control. On the one hand, Reus, Lamont, and Ellis (2016), found that autonomy is positively correlated to functional integration. On the other hand, Sarala and Vaara (2010) showed a negative relationship between autonomy and operational integration effort.

2.2.3 Sociocultural perspective

In what way **cultural differences** affect performance is carefully examined (Chatterjee, Lubatkin, Schweiger, & Weber, 1992; Greenwood, Hinings, & Brown, 1994; Sarala, Junni, Cooper, & Tarba, 2016; Stahl & Voigt, 2008). Vaara, Junni, Sarala, Ehrnrooth, & Koveshnikov (2014) found that managers attributed cultural differences as the main reason for low PMI performance, showing that managers perception of cultural effects on PMI may be biased. Bauer and Matzler (2014) found that cultural similarity is negatively related to the degree of integration. Nahavandi and Malekzadeh (1988) suggest that the similarity of preferred modes of acculturation between the merging firms affect post-merger outcomes. Four modes of acculturation were identified, namely assimilation, separation, integration, and deculturation. It is expected that acculturative stress decreases

when the acquiring firm and the target firm have their acculturative mode aligned (Graebner et al., 2017).

The literature on **identity** in PMI has been growing simultaneously as the literature on cultural differences. Identity and identity-building refer to the “shared sense by organizational members of who they are as a group”, while identification refers to “the process by which actors associate themselves with the organization's identity” (Graebner et al., 2017). Van Knippenberg, Van Knippenberg, Monden, and Lima (2002) linked identification to the actual or perceived dominance by either of the merged firms. They found that the identifications of pre- and post-merger firms were positively correlated to members of dominance, as opposed to dominated organizations. Colman and Lunnan (2011), building on Graebner (2004), found that identity threat triggered actions among target firm leaders, speaking up to ensure their knowledge and technology were acknowledged by the acquiring firm.

2.3 Learning in PMI

This section focuses on how PMI performance may be influenced by a firm's experience and learning extracted from previous M&As.

Experiential learning refers to a firm's ability to learn how to manage acquisitions through experience. However, there are several inconclusive evidences on the linkage between experience and performance (Barkema & Schijven, 2008a). The body of literature contains both positive (Pennings, Barkema, & Douma, 1994; Reus et al., 2016), negative (Ellis, Reus, Lamont, & Ranft, 2011), U-shaped (Haleblian and Finkelstein, 1999) and inverted U-shaped (Barkema & Shijven, 2008b) relationships between acquisition performance and former experience.

Although Ismail and Abdallah (2013) found that returns for the acquiring firm are unaffected by prior experience, they found that acquiring firms draw inferences from their prior M&A experience, i.e. designing payment methods, and deciding the organizational form of the target firm. Other scholars have studied how timing (Hayward, 2002), firm size (Laamanen & Keil, 2008), activity load (Castellaneta & Zollo, 2015), and age (Al-Laham, Schweizer, & Amburgey, 2010) influence the experience-performance relationship.

Another group of studies examines the effect of **deliberate learning** on acquisition performance, where deliberate learnings are viewed as knowledge codification and articulation. Zollo and Winter (2002) argue that codification and articulation influence performance and Zollo and Singh (2004) found that those who codify knowledge outperform those who do not. However, Heimeriks et al. (2012) argue that codification causes inertial forces that hinder the adaptation of routines. Haleblian & Finkelstein (1999) argued that taking a set of routines, developed from acquisition experience, from one industry to another may have negative effects on M&A performance since it would be equivalent to transferring old lessons to new settings where they do not apply (Hitt et al., 2012). Moreover, firms which primarily are involved in same-industry acquisitions may face a competency trap since their exploitation expertise is limited (Hayward, 2002). Zollo (2009) found that the acquiring firm's perception of past performance is inversely correlated to performance in the focal acquisition.

A last group of studies examines whether **experience spillovers** from other corporate development activities enhance acquisition performance (Porrini, 2004). In 2010, Zollo & Reuer suggested a U-shaped relationship between experience and M&A performance. They found that depending on the degree of congruence between the firms, experience spillover would differ (Zollo & Reuer, 2010). Haleblian and Finkelstein (1999) found a U-shaped relationship between the number of acquisitions and performance, indicating that firms learn and use the knowledge to generalize PMI processes, which in turn decreases the success rate. Conversely, other scholars found no significant effect of experience on M&A performance (Bruton et al., 1994; Hayward, 2002).

A conclusion from our literature review is that while prior research has focused on the performance of acquisitions in general (showing mixed results), the field of serial acquisitions remains novel and relatively unexplored - especially studies that compare the integration outcome for first-time acquirers with serial acquirers. The integration strategies of acquisitions do not always lead to the desired outcome, and there is no common strategy that fits for all. Nevertheless, the amount of research on serial acquisitions is increasing, and with our study, we hope to contribute to

filling the gap of knowledge about serial acquisitions and their integration outcomes compared to first-time acquirers.

3.0 Hypotheses

Do serial acquirers perform better than first-time acquirers? The academic literature and empirical studies show mixed results of M&A experience on integration outcome. We define serial acquirers (M&A experience) as firms who have executed and finished two or more acquisitions within the past five years prior to the acquisition accounted for in our survey. First-time acquirers are defined as firms who have done no more than one acquisition within the same window.

Strategic Position

Firms that carry out acquisitions often do this to create value, generate synergies, and enlarge firm performance. Wealth creation at the individual level of the firm is the root of the strategic management perspective on M&As (Reis et al., 2015). The strategic advantages can be achieved through integration of resources to generate economies of scale and scope as well as extended access to products and markets (Reis et al., 2015; Capron, 1999). Moreover, the acquiring firm can arguably build a competitive advantage with the extension of scope in terms of geography, products, and markets (Barney, 1991; Haspeslagh & Jemison, 1991). Furthermore, research shows that while resource relatedness is a source of synergy in acquisitions, interaction and communication will enhance the synergy realization (Graebner et al., 2017; Zaheer et al., 2013).

It is reasonable to assume that firms learn from their experiences, and knowledge in managing the abovementioned advantages (i.e. value creation, synergy realization, integration) may well play a part in improving the firm's strategic position. We believe that serial acquirers are better equipped for acquiring and retaining knowledge compared to first-time acquirers because it intuitively makes sense that firms will use relevant experiences gained from previous ones in the processes of assessing and carry out a new acquisition. Many serial acquirers codify knowledge to structure and develop acquisition programs that are created with the

objective of more successful integration of target firms and to capture synergies (Zollo & Singh, 2004; Laamanen & Keil, 2008). It is our belief that learning from acquisition experiences improve the strategic position to acquirers.

For strategic position, we include different items that together define the strategic position of the post-acquisition integration process (e.g. access to new markets, technology, knowledge, improved competitiveness, and the discovery of new strategies). Thus, when studying the strategic position of acquirers, we argue that:

Hypothesis 1: M&A experience significantly advances the acquirer's strategic position.

Operational Integration

When a target firm is folded into the acquiring firm, a key area of interest is whether the coordination benefits of operational integration counterbalance the disruption to the target firm. Integration of this sort may include sales relationships, product-related and product innovation technologies, and market and customers knowledge (Ranft & Lord, 2000). The decision of integration is influenced by similarities and complementarities (source of synergy in acquisitions which in turn may improve performance) between the firms, and by the acquirer's motive for the deal (Graebner et al., 2017; Zaheer et al., 2013). This is reflected in research where scholars argue that operational integration is more likely if the acquisition motive is to obtain technology rather than products (Puranam et al., 2009).

Scholars have found both positive (Reus et al., 2016) and negative (Sarala & Vaara, 2010) relationships between autonomy and operational integration. Weber et al. (1996) found that greater autonomy led to less cooperation. Intuitively, this suggests that in order to leverage from cooperation (e.g. interaction and communication), integration is key.

Puranam et al. (2006) found that integration interrupted the initial introduction of the first post-acquisition product, but it had no significant effect on the following product launches. It is reasonable to believe that learning is one of the explanations

for this result. We assume that acquirers learn from operational integration, e.g. by creating organizational capabilities (Zollo & Singh, 2004) and by deliberate learning such as codification and articulation (Graebner et al., 2017), and it is not unlikely to think that it does not apply for serial acquirers too.

For operational integration, we include operational day-to-day aspects of the firm (e.g. improved product quality, production flexibility, creation of new products, cost reduction, and cross-sale mechanisms). Thus, when studying operational integration, we argue that:

Hypothesis 2: Serial acquirers experience a higher degree of operational integration success than first-time acquirers.

Organizational Culture

Sociocultural integration includes the human, social, and cultural aspects of integration (Graebner et al., 2017), and Cartwright & Schoenberg (2006) argue that post-acquisition conflicts may be avoided due to cultural fit (e.g. shared values and beliefs) between the acquiring firm and the target firm. This is corresponding to the findings of Vaara et al. (2014) who pointed at cultural differences as the main reason for poor integration performance. Both acquiring firms and target firms should expect some degree of change in cultures and practices during and after the integration process. The characteristics of both firms influence which mode of acculturation will be triggered, and if both firms agree on the preferred acculturative mode, the adjustment will become a smoother process (Nahavandi & Malekzadeh, 1988). It is our belief that smoother processes may be hampered by individuals who strongly identify with the premerger firm because they will feel threatened by the merger (Van Knippenberg & Van Leeuwen, 2001).

Cultural integration can take place through convergence (both acquiring firm and target firm become more similar based on current cultural dimensions) or through crossvergence (new cultural dimensions are created) (Sarala & Vaara, 2010). This allows for a shared social platform for both knowledge transfer (Sarala et al., 2016) and learning. We believe that firms with experience in either or both integration

methods will learn and subsequently perform better than those who only go through with one deal. Additionally, we argue that while cultural fit may limit the exploration expertise (leading to a competency trap) (Hayward, 2002), alignment in acculturative modes is important. We expect serial acquirers to benefit from this through both experiential learning (learning from experience) and deliberate learning (learning in acquisitions).

For organizational culture, we include human, social, and cultural aspects of integration (e.g. turnover of key personnel, employee satisfaction, their feeling of identity, and their perceived affiliation to the new organization). With culture, we mean the beliefs and assumptions shared by members of a firm (Nahavandi & Malekzadeh, 1988), and we expect to find a positive relation between culture and integration outcome for serial acquirers. Thus, when studying culture, we argue that:

Hypothesis 3: Serial acquirers have a more successful integration of culture than first-time acquirers.

Integration Processes

Many M&A deals fail due to ineffective management of the acquisition process (Buono & Bowditch, 1989), and therefore research should emphasise the full process and not just on fragments of the process (e.g. just the drivers of a deal) (Haspeslagh & Jemison, 1991). This contains the stages of idea, acquisition justification, acquisition integration, and results (Haspeslagh & Jemison, 1991). Within these stages are included, but not limited to, the drivers, the transaction itself, and the results of the acquisition.

Serial acquirers gain experience from previous acquisitions, and these capabilities can be further developed in forthcoming acquisitions (e.g. in acquisition programs). Also, they may have attained experience with what is the right integration strategy for them (Pablo, 1994). Cording et al. (2008) argue that the degree of integration has a positive relation to knowledge transfer, while Bauer and Matzler (2014) found that strategic alignment is positively related to the degree of integration.

Although the continuous changes an acquisition entails can lead the firm to become “saturated” (e.g. change of structure, responsibility and authority) and create conflicts among the employees in the acquiring firm (Colman & Lunnan, 2013), we believe that the learning effect will counterbalance this asymmetry. For integration processes, we focus on the degree and speed of integration.

With degree and speed, we mean the correct degree and speed of integration for each acquisition as perceived by the firm – which may not necessarily equal full and/or fast integration. Based on the assumption that acquirers learn from previous deals, we predict that prior M&A experience increases the degree and speed of integration. Thus, when studying integration processes, we argue that:

Hypothesis 4: Integration processes are more successful when the acquiring firm has M&A experience.

Overall Outcome

Strategic-, organizational-, and cultural fit, as well as integration processes are all part of the overall outcome of the acquisition. We study the overall outcome of the post-acquisition integration processes as perceived by the acquiring firm. Like the aforementioned hypothesis, the assumption that firms learn over time, and from their own experiences, also applies here. We predict that serial acquirers rate their own performance superior to first-time acquirers. Thus, when studying the overall outcome, we argue that:

Hypothesis 5: Serial acquirers perceive their acquisitions as more successful than first-time acquirers.

4.0 Methodology

4.1 Research Design

The research design gives us a framework for collecting and analysing data. Bryman and Bell (2015) outline five research designs, (1) experimental and related

designs, (2) cross-sectional design, (3) longitudinal design, (4) case study design, and (5) comparative design. Many scholars distinguish between quantitative and qualitative designs, or a mixed method approach, where techniques from both schools are used. Quantitative research is deductive, testing theories, and incorporates practices and norms of the natural scientific model and positivism. Its perspective of social reality is from external, objective reality. On the other hand, qualitative research is inductive and aims to generate theory. It rejects the practices and norms of the natural scientific model, of positivism, and looks at how individuals interpret their reality (Bryman & Bell, 2015).

In our thesis, we have chosen a descriptive design to be realized in the context of quantitative research. Descriptive research is often used when conducting surveys and can be referred to as quantitative, qualitative, or as a mix (Center for Innovation in Research and Teaching (CIRT), 2019). Although we make use of quantitative research methods, it is worth noting that our data are perceptual measures, meaning that the survey respondents may give biased answers as we ask for their subjective perception of the acquisition outcome in most questions. Hence, we retain a focus on the subjective opinions of the respondents, but the comparison remains of qualitative character. The main goal of our thesis is to measure what impact M&A experience has on the different aspects of the integration processes that our hypotheses are built on. The following section explains how we did our data collection.

4.2 Data Collection

To collect data for our master thesis, we have been allowed access to several surveys constructed by Paulina Junni, who has a research project on post-acquisition integration of Norwegian acquisition between 2009 and 2017. We have both worked as research assistants for Junni, and our main task was to distribute the surveys to relevant respondents. When distributing the surveys, we experienced low interest for participation in the study. Common responses include “I do not have time”, “I am not interested”, and “I do not answer online surveys due to security reasons”. In the beginning, we asked by email for the online surveys to be answered, attaching a cover letter that explained the reasons for the research, why it is important, and why the recipient had been chosen. In order to increase the

willingness to participate, we accommodated different answering mediums, namely phone and Skype, as well as physically meeting the respondents and performing the survey as an interview. In the interviews that were conducted by phone and in person, the same questions as in the online survey were asked. We spent approximately 30 minutes on average when conducting the survey by phone (phone interviews), and even longer for the interviews in person.

One of the surveys focus on the outcomes of the integration processes, and this is the main contributor to our data. We experienced low response rates on this survey, and suspect this to be due to the survey's considerable size. Our response rate is 20% and this was measured by following the formula given by Bryman & Bell (2015, p. 199):

$$\frac{\text{number of usable questionnaires}}{\text{total sample} - \text{unsuitable or uncontactable member of the sample}} \times 100$$

Scholars and the academic literature on survey research have yet to agree on a universally acknowledged measure to describe an ideal (or minimally acceptable) survey response rate (Saldivar, 2012). Nonetheless, we recognize that our response rate is considered low (Bryman & Bell, 2015; Saldivar, 2012; Sax, Gilmartin, & Bryant, 2003).

In this survey, there were several questions regarding topics not applicable for our thesis, and we experienced missing data (e.g. incomplete answers to the questions). As a result of the missingness, it seemed appropriate to shorten the survey and anonymize it (Appendix 5). This measure to improve the response rate gave us more respondents willing to participate, answering questions only relevant for our scope. The new survey was conducted using Qualtrics and was distributed by an anonymized URL. The advantages of the self-completion survey include easier and quicker to administer, convenience for respondents, absence of interviewer effects (e.g. ethnicity, gender, and social background of interviewers), and no interviewer variability (questions being asked in a different order or different ways) (Bryman & Bell, 2015).

After the process of collecting responses, the data set was cleaned for missing values. In the end, we had 26 respondents of which 13 have previous M&A

experience and 13 have no experience. We define M&A experience as having executed and finished two or more acquisitions within the past five years prior to the acquisition accounted for in our survey. The deals were all done between 2009 and 2017. Our aim was to collect considerably more data; however, because of time restrictions and lack of enthusiasm from respondents to participate, this was not realistic. The small sample size is problematic, and the fact that our data is based on the respondents' perception makes external validation questionable (Bryman & Bell, 2015). One way to increase the validity of our research is through triangulation. Eight of the respondents we reached out to were not willing to answer the survey, but they provided us with their thoughts and experiences of post-acquisition integration in general. We used these sources to check against our hypotheses. Overall, the majority reported that experience is positively related to integration outcome but emphasize that it depends on several other factors such as acquisition motive and the industry in which they operate within. With regards to internal validity and reliability, several analytical measures have been conducted. The following sections will clarify our findings and conclude its relevance.

4.3 Our Variables

The characteristics of our collected data are centred around different integration aspects and these act as the basis for our predictions. The first part of the survey consists of questions that give numerical values, and the last part is designed such that the respondents rate different aspects of the integration outcome and process on a numerical scale from 1 to 7. Questions about net revenue, number of previous acquisitions, number of employees, and deal value give numerical answers. From the question about the number of previous acquisitions, we have created our independent variable "experience". The independent variable is constructed as a dummy variable, where 0 equals no experience, and 1 equals experience. Furthermore, the survey consists of four main questions on the integration. These main questions are divided into several sub-questions which are evaluated on a scale from 1 to 7, and the values indicate how the respondents perceive the outcome of the post-merger integration processes. We define values 1-3 as low, values 4-5 as mediocre, and values 6-7 as high. In total, there are 56 scale-based questions in our survey, testing the outcome of integration processes comprehensively.

5.0 Results

5.1 Factor Analysis

Since the number of variables exceeds the number of observations in our data set, we chose to conduct a factor analysis using the principal component method (varimax). The principal component method is an exploratory factor analysis (EFA), which means that it is modelled to identify the relationship between items (our survey questions), and from this, it generates new components. The factor analysis divides our high number of scale-variables (56 variables) into 13 new components³. Our revised survey (shortened and anonymized) is designed to cover the same topics⁴ as discussed in the hypotheses (Strategic Position, Operational Integration, Organizational Culture, Integration Processes, and Overall Outcome), and the 13 new variables describe the categories in which our hypotheses are based on. The labelling of these 13 variables is based on our subjective interpretation of their loadings and is named in order to describe their content. The 13 new variables explain 91,77% of the total variance, and of that Overall Outcome I, Operational Integration I and Organizational Culture I explain 55% of the variance (See Appendix 1 and 2). Variance is explained as the sum of squared distances of the data value from the mean value (UCLA Institute for Digital Research & Education, 2019). The factor analysis was conducted with varimax rotation and set to give a rotated component matrix. In order to label the new components, we analysed the factor loading of each variable within each component, using only variables with a loading > 0.300 . As illustrated in Table 1, the theme is given by the highest factor loadings within each component, and some components describe the same topic in different terms (e.g. the topic Strategic Position is explained by Strategic Position I, II, III, and Extra).

³ We use the term “categorical variables” for these 13 variables.

⁴ We use the term “topic” as a general description for our five hypotheses.

Overall Outcome I	Organizational Culture I	Strategic Position I	Integration Processes I	Operational Integration I
Q8_financial.goal_result	Q7_strat.formulation_degree	Q7_logistics_speed	Q7_finance_speed	Q5_prod.portf.impr_trg
Q8_exp.synergies_res	Q6_cult.affiliation_trg	Q7_finance_speed	Q7_sales.marketing_speed	Q5_flex.production_trg
Q7_sales.marketing_degree	Q6_cult.identity_trg	Q7_strat.formulation_speed	Q7_production_degree	Q5_flex.production_acq
Q6_cult.affiliation_acq	Q6_cult.connection_trg	Q7_sales.marketing_speed	Q7_RnD_speed	Q5_prod.portf.impr_acq
Q8_tot.satisfied_res	Q6_cult.satisf_trg	Q6_cult.contribute_acq	Q7_RnD_degree	Q5_new.markets_acq
Q7_adm.managment_degree	Q5_new.markets_trg	Q7_production_speed	Q5_cross.sale_trg	Operational Integration II
Q8_impr.comp_res	Q5_prod.portf.impr_trg	Q7_RnD_speed	Q8_disc.new.strat_res	Q5_flex.production_trg
Q6_cult.satisf_acq	Q8_disc.new.tech_res	Q7_RnD_degree	Q5_cross.sale_acq	Q5_new.tech_acq
Q8_strat.goal_result	Q8_disc.new.knowl_res	Q6_cult.affiliation_trg	Q5_new.tech_acq	Q8_loss.keyperson.acq_res
Q7_adm.management_speed	Q5_new.gen.prod_trg	Q6_cult.identity_trg	Q8_loss.keyperson.acq_res	Q5_impr.market.positn_acq
Q7_finance_degree	Q5_impr.qualityprod_trg	Q6_cult.connection_trg	Q8_loss.keyperson.trg_res	Operational Integration III
Q7_supplier.relationships_degree	Q6_cult.contribute_trg	Q6_cult.satisf_trg	Integration Processes II	Q5_cost.red_trg
Q7_logistics_degree	Q8_disc.best.pract_res	Q8_disc.new.tech_res	Q7_finance_degree	Q8_loss.keyperson.trg_res
Q7_supplier.relationships_speed	Q5_new.gen.prod_acq	Q5_impr.market.positn_trg	Q7_production_degree	
Q7_logistics_speed	Q5_flex.production_trg	Q8_disc.new.strat_res	Q5_new.tech_trg	
Q7_strat.formulation_degree	Q5_new.tech_trg	Q5_cross.sale_acq		
Q7_finance_speed	Q5_impr.market.positn_trg	Q5_impr.qualityprod_acq		
Q7_strat.formulation_speed	Q5_cross.sale_trg	Q5_cost.red_acq		
Q7_sales.marketing_speed	Q8_disc.new.strat_res	Q5_flex.production_acq		
Q6_cult.identity_acq	Q5_cross.sale_acq	Q5_cost.red_trg		
Q6_cult.contribute_acq	Q5_cost.red_trg	Q5_impr.market.positn_acq		
Q6_cult.connection_acq	Q8_loss.keyperson.trg_res	Strategic Position II		
Q7_production_degree	Organizational Culture II	Q8_strat.goal_result		
Q7_production_speed	Q6_cult.contribute_acq	Q6_cult.identity_acq		
Q7_RnD_speed	Q7_RnD_speed	Q6_cult.connection_acq		
Q7_RnD_degree	Q7_RnD_degree	Q7_production_degree		
Q6_cult.affiliation_trg	Q6_cult.affiliation_trg	Q7_production_speed		
Q6_cult.identity_trg	Q6_cult.satisf_trg	Q5_new.gen.prod_acq		
Q6_cult.connection_trg	Q8_disc.new.knowl_res	Q5_impr.market.positn_trg		
Q6_cult.satisf_trg	Q5_new.gen.prod_trg	Q5_cross.sale_trg		
Q6_cult.contribute_trg	Q5_impr.qualityprod_trg	Q8_disc.new.strat_res		
Q8_disc.best.pract_res	Q6_cult.contribute_trg	Q5_cross.sale_acq		
Q5_cost.red_acq	Q8_disc.best.pract_res	Q5_impr.qualityprod_acq		
Q5_cost.red_trg	Q5_flex.production_trg	Q5_flex.production_acq		
Q5_impr.market.positn_acq	Q5_new.tech_trg	Q5_new.tech_acq		
Overall Outcome II		Strategic Position III		
Q7_strat.formulation_speed		Q7_supplier.relationships_degree		
Q5_new.gen.prod_trg		Q5_new.markets_trg		
Q8_loss.keyperson.trg_res		Strategic Position Extra		
		Q8_disc.new.strat_res		

a. All items has an factor loading > 0.300

Table 1: Variable Composition

The next step of our analysis was to compute new variables based on the factor analysis output and further assess the reliability of these variables. When computing the new variables, we did it first as the mean value of the respective values from the variables indicated for each component in the factor analysis (i.e. for component 12; $(var\ 1 + var\ 2 + var\ 3)/3 = \sum_{i=1}^3 var(n)/3$). Thereafter, we attempted the same procedure only with the output given in standardized values (z-variables). However, the output of our analysis was not significantly different when using z-variables, so we chose to carry on with the absolute mean values in the following reliability analysis, t-test analysis, and logistic regression analysis.

5.2 Reliability Analysis

The variables were tested for their reliability using Cronbach's Alpha. A Cronbach's Alpha higher than or equal to 0.7 is considered desirable for the internal consistency of a scale (Tavakol & Dennick, 2011). As described in Table 2, our Cronbach's Alphas (ranging from 0.885 to 0.916) are higher than 0.700, indicating that our data is reliable. The satisfying level of Cronbach's Alpha confirms that the conceptualization of our new variables is relevant and can be used.

5.3 Descriptive Statistics

The following descriptive statistics summarize the content of our variables. The reliability is explained by Cronbach's Alpha, and the discriminant validity of our data is explained through Average Variances Extracted (AVE).

Variable	Mean	Std	Variance	Median	Mode	AVE	Cronbach's Alpha
Overall Outcome I	4.35	1.40	1.97	4.69	4.22	0.456	0.893
Org. Culture I	3.86	1.33	1.78	4.00	3.77	0.363	0.886
Strategic Position I	4.01	1.17	1.36	4.19	3.43	0.190	0.886
Strategic Position II	4.18	0.95	0.91	4.06	3.47	0.193	0.889
Org. Culture II	3.87	1.25	1.56	4.07	4.07	0.165	0.885
Integration Processes I	3.45	1.16	1.35	3.73	3.18	0.151	0.888
Operational Integration I	4.07	1.31	1.72	4.30	4.60	0.250	0.901
Operational Integration II	3.46	1.12	1.25	3.00	3.00	0.174	0.894
Overall Outcome II	3.27	1.38	1.89	3.00	3.00	0.150	0.894
Strategic Position III	4.62	1.54	2.39	4.00	4.00	0.146	0.892
Operational Integration III	2.77	1.66	2.77	2.75	1.50	0.171	0.896
Integration Processes II	4.56	1.31	1.71	4.50	4.33	0.112	0.894
Strategic Position IIII	3.85	2.20	4.86	4.00	4.00	0.111	0.916

Table 2: Descriptive Statistics

a. Multiple modes exist. The smallest value is shown here.

As mentioned, we only include items with a factor loading > 0.300 in our factor analysis. The recommended level of AVE is 0.500 (Bagozzi & Yi, 1988; Fornell & Larcker, 1981) - a level that our variables are not able to reach (our AVEs range from 0.111 to 0.456), thus resulting in low validity. The AVE scores can be improved by changing the threshold for factor loadings, e.g. from 0.300 to 0.500. Moreover, based on our factor analysis, we see that the cumulative variance explained by our 13 variables is 91.77%.

The mean values in our data set range from 2.77 to 4.62 (out of 7), whereas the total mean of all variables is 3.87. The variances in our data range from 0.91 to 4.86, and the average variance is 1.96. However, the variance of Strategic Position III is considerably higher than the rest (4.86), so when eliminating this measure, the average variance equals 1.72. The standard deviation ranges from 0.95 to 2.20, giving an average standard deviation of 1.37. In addition to this, the average median is 3.87, with distinct values ranging from 2.75 to 4.69. Lastly, the mode values range from 1.50 to 4.60 (with average 3.58). It is worth mentioning that the variable “Operational Integration III” has both the lowest mean and mode values. This might be a result of several respondents answering that the loss of key personnel is low: “Operational Integration III” only consists of two questions, and the low scores on one of these questions have a dominant effect on the mean and mode value.

5.4 T-test

Before analysing the output of the t-test, it is useful to know how the different variables correlate. Therefore, we chose to run a bivariate correlation model in SPSS. The output of this gives us knowledge about the strength and direction of the linear relationship between the two variables by using the Pearson Correlation. After the correlations are accounted for, we will provide an analysis comparing the t-test results from first-time acquirers and serial acquirers.

5.4.1 Correlation

The full correlation matrix can be seen in Appendix 3. In the correlation matrix, all 13 variables accounted for above has been tested, but for each categorical variable (Strategic Position, Operational Integration, Organizational Culture, Integration Processes, and Overall Outcome), only the main variable will be examined in this section (Strategic Position I, Operational Integration I, Organizational Culture I, Integration Processes I, and Overall Outcome I).

		Overall Outcome I	Operational Integration I	Org. Culture I	Strategic Position I	Integration Processes I
Overall Outcome I	Pearson Correlation	1	-0.012	0.345	.899**	.736**
	Sig. (2-tailed)		0.953	0.085	0.000	0.000
	N	26	26	26	26	26
Operational Integration I	Pearson Correlation	-0.012	1	.505**	0.256	0.324
	Sig. (2-tailed)	0.953		0.009	0.207	0.106
	N	26	26	26	26	26
Org. Culture I	Pearson Correlation	0.345	.505**	1	.643**	.536**
	Sig. (2-tailed)	0.085	0.009		0.000	0.005
	N	26	26	26	26	26
Strategic Position I	Pearson Correlation	.899**	0.256	.643**	1	.827**
	Sig. (2-tailed)	0.000	0.207	0.000		0.000
	N	26	26	26	26	26
Integration Processes I	Pearson Correlation	.736**	0.324	.536**	.827**	1
	Sig. (2-tailed)	0.000	0.106	0.005	0.000	
	N	26	26	26	26	26

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3: Correlations

There are mixed correlations between the main variables in our data set. Overall Outcome I has a strong positive correlation with both Strategic Position I ($r(25)=.899, p<.01, \text{two-tailed}$) and Integration Processes I ($r(25)=.736, p<.01, \text{two-tailed}$), indicating that they have a positive effect on the perceived outcome of the integration. These results are statistically significant with $p\leq.01$ for both variables. However, there is a non-significant finding ($r(25) = -.012$ at $p= .953, \text{two-tailed}$) for the almost non-existing correlation between Overall Outcome I and Operational Integration I.

To summarize, we observe that the strongest significant positive correlations are between Overall Outcome and Strategic Position and Integration Processes. Operational Integration seems to be less correlated with both Strategic Position and Overall Outcome of the integration processes. Organizational Culture is positively correlated with Strategic Position and Integration Processes.

5.4.2 T-test results

An Independent Samples t-test was conducted in order to compare the means of our variables between first-time acquirers (inexperienced) and serial acquirers (experienced), and thereafter to test our hypotheses for each categorical variable.

First, we will assess the differences between experienced and inexperienced acquirers based on group statistics, then we will explain the outcome of each hypothesis based on the Independent Samples t-test.

Dummy .experience		N	Mean	Std. Deviation	Std. Error Mean
Overall Outcome I	Inexperienced	13	4.20	1.31	0.36
	Experienced	13	4.50	1.53	0.42
Operational Integration I	Inexperienced	13	3.82	1.47	0.41
	Experienced	13	4.32	1.13	0.31
Org. Culture I	Inexperienced	13	3.77	1.08	0.30
	Experienced	13	3.95	1.59	0.44
Strategic Position I	Inexperienced	13	3.86	1.09	0.30
	Experienced	13	4.16	1.27	0.35
Integration Processes I	Inexperienced	13	3.30	1.04	0.29
	Experienced	13	3.59	1.30	0.36

Table 4: Group Statistics

From the table above, we see that the average mean of every category is higher for experienced acquirers than inexperienced acquirers. This gives us an indication that serial acquirers perceive their integration outcome as better than first-time acquirers in every aspect (Strategic Position, Operational Integration, Organizational Culture, Integration Processes, and Overall Outcome). Serial acquirers rate their overall outcome (M=4.499, SD=1.528) the highest, then operational integration (M=4.323, SD=1.127), and they rate their integration processes the lowest (M=3.594, SD=1.297). See Appendix 4 for total overview of group statistics.

Furthermore, we have chosen to test our hypotheses accordingly to the categorization of our variables. In other words, to test Hypothesis 1 (H1), we investigate Strategic Position I, II, III, and Extra. To test Hypothesis 2 (H2), we investigate Operational Integration I, II, and III, and for Hypothesis 3 (H3), Organizational Culture I and II are considered. Hypothesis 4 (H4) is tested based on Integration Processes I and II, and lastly, Hypothesis 5 (H5) is tested with Overall Outcome I and II.

		Equality of Variances				t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Overall Outcome I	Equal variances assumed	0.03	0.86	-0.53	24.00	0.60	-0.30	0.56	-1.45	0.86
	Equal variances not assumed			-0.53	23.48					
Operational Integration I	Equal variances assumed	2.03	0.17	-0.99	24.00	0.33	-0.51	0.51	-1.57	0.55
	Equal variances not assumed			-0.99	22.48					
Org. Culture I	Equal variances assumed	1.80	0.19	-0.35	24.00	0.73	-0.19	0.53	-1.29	0.91
	Equal variances not assumed			-0.35	21.11					
Strategic Position I	Equal variances assumed	0.14	0.71	-0.64	24.00	0.53	-0.30	0.46	-1.25	0.66
	Equal variances not assumed			-0.64	23.47					
Strategic Position II	Equal variances assumed	0.01	0.92	-2.09	24.00	0.05	-0.73	0.35	-1.46	-0.01
	Equal variances not assumed			-2.09	23.85					
Org. Culture II	Equal variances assumed	1.05	0.32	0.22	24.00	0.83	0.11	0.50	-0.92	1.14
	Equal variances not assumed			0.22	22.70					
Integration Processes I	Equal variances assumed	0.36	0.55	-0.64	24.00	0.53	-0.29	0.46	-1.25	0.66
	Equal variances not assumed			-0.64	22.96					
Operational Integration II	Equal variances assumed	0.06	0.81	-1.15	24.00	0.26	-0.50	0.44	-1.40	0.40
	Equal variances not assumed			-1.15	23.97					
Overall Outcome II	Equal variances assumed	5.53	0.03	-0.05	24.00	0.96	-0.03	0.55	-1.16	1.11
	Equal variances not assumed			-0.05	18.75					
Strategic Position III	Equal variances assumed	0.03	0.88	-0.25	24.00	0.81	-0.15	0.62	-1.43	1.12
	Equal variances not assumed			-0.25	23.97					
Operational Integration III	Equal variances assumed	0.79	0.38	-0.82	24.00	0.42	-0.54	0.66	-1.89	0.82
	Equal variances not assumed			-0.82	23.50					
Integration Processes II	Equal variances assumed	0.33	0.57	-0.29	24.00	0.77	-0.15	0.52	-1.23	0.93
	Equal variances not assumed			-0.29	23.92					
Strategic Position Extra	Equal variances assumed	0.00	0.96	0.17	24.00	0.86	0.15	0.88	-1.67	1.97
	Equal variances not assumed			0.17	24.00					

Table 5: Independent Samples Test

For H1, it appears that Strategic Position I ($t(24)=-0.64$, $p=0.528$), Strategic Position II ($t(24)=-2.09$, $p=0.048$), Strategic Position III ($t(24)=-0.25$, $p=0.805$), and Strategic Position Extra ($t(24)=0.18$, $p=0.863$) gives the indication that H1 can be rejected as the results are non-significant. In other words, we cannot tell if M&A experience variances significantly advances the acquirer’s strategic position. However, the mean differences have a negative direction, which indicates that serial acquirers perceive their strategic integration as more successful than single acquirers.

Next, H2 includes Operational Integration I ($t(24)=-0.99$, $p=0.333$), Operational Integration II ($t(24)=-1.15$, $p=0.263$), and Operational Integration III ($t(24)=-0.82$, $p=0.420$) which can be rejected due to statistical non-significant results. It means that we cannot tell whether or not serial acquirers experience a higher degree of operational integration success than first-time acquirers. However, the mean differences have a negative direction. The mean value of experienced acquirers

indicates that serial acquirers perceive their operational integration as more successful compared to first-time acquirers.

Moreover, H3 covers Organizational Culture, and it appears that Organizational Culture I ($t(24)=-0.36$ $p=0.726$) and Organizational Culture II ($t(24)=0.22$ $p=0.828$) give reason to reject H3 as the findings are non-significant. However, the mean values indicate that serial acquirers perceive a (slightly) higher degree of cultural integration than first-time acquirers. The directions of mean differences are both positive (Organizational Culture I) and negative (Organizational Culture II).

Furthermore, with H4 it is clear that Integration Processes I ($t(24)=-0.64$ $p=0.531$) and Integration Processes II ($t(24)=-0.29$ $p=0.771$) reveal that M&A experience cannot explain the degree and speed of integration because of non-significant findings. However, there is a negative direction of mean differences, which indicates that serial acquirers perceive more successful degree and speed of integration than first-time acquirers (i.e. higher mean values).

Lastly, H5 tests Overall Outcome, which also appears to have non-significant findings, and must, therefore, be rejected. Overall Outcome I ($t(24)=-0.53$, $p=0.600$) and Overall Outcome II ($t(24)=-0.05$, $p=0.963$) both have higher mean values for experienced acquirers and negative direction of mean differences.

To summarize the t-test results, we have seen high p-values for every variable tested, which has led to non-significant predictions ($p>.05$). It is therefore important that these findings only can be interpreted as indications along with the mean differences, and not as generalizable statements. We have used logistic regression to gain a better understanding of how M&A experience impacts each categorical variable.

5.5 Logistic Regression

In order to better understand how M&A experience and the categorical variables are tied together, we can analyse in which direction the regression coefficient (B) moves. In other words, whether it is positive or negative. Due to our small sample

size, we have received statistical insignificant/non-significant output. Therefore, we want to emphasize that the regression output solely gives us insight into the direction of the relationship between experience and the different categorical variables, and not any insights on the magnitude of the relationship. As illustrated below, the independent variable “Experience” is decoded into the following:

<u>Original Value</u>	<u>Internal Value</u>
Inexperienced	0
Experienced	1

Table 6: Dependent Variable Encoding

In the following analysis, we cover only the output of the main categorical variables (Strategic Position I, Operational Integration I, Organizational Culture I, Integration Processes I, and Overall Outcome I) given from the equation in Step 1. In Step 1, we run the logistic regression with the values of experienced acquirers only (1=experienced). In Step 0, we run the logistics regression with the values of inexperienced acquirers. However, all the variables are listed in Table 7.

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1 ^a	Overall Outcome I	4.93	5.43	0.82	1.00	0.36	139.00	0.00	5878558.95
	Operational Integration I	-1.43	1.72	0.70	1.00	0.40	0.24	0.01	6.92
	Org. Culture I	8.08	5.72	1.99	1.00	0.16	3225.31	0.04	239811464.75
	Strategic Position I	-6.43	7.72	0.69	1.00	0.40	0.00	0.00	5992.68
	Strategic Position II	4.78	4.44	1.16	1.00	0.28	118.66	0.02	713059.14
	Org. Culture II	-5.14	3.87	1.77	1.00	0.18	0.01	0.00	11.47
	Integration Processes I	0.64	2.05	0.10	1.00	0.76	1.89	0.03	104.16
	Operational Integration II	1.37	2.29	0.36	1.00	0.55	3.92	0.04	347.06
	Overall Outcome II	-0.41	1.40	0.09	1.00	0.77	0.66	0.04	10.31
	Strategic Position III	-0.67	0.98	0.47	1.00	0.49	0.51	0.07	3.49
	Operational Integration III	-1.24	0.97	1.62	1.00	0.20	0.29	0.04	1.95
	Integration Processes II	-2.07	2.14	0.94	1.00	0.33	0.13	0.00	8.39
	Strategic Position Extra	-1.18	0.78	2.27	1.00	0.13	0.31	0.07	1.43
	Constant	-6.12	4.32	2.00	1.00	0.16	0.00		

a. Variable(s) entered on step 1: Overall Outcome I, Operational Integration I, Org. Culture I, Strategic Position I, Strategic Position II, Org. Culture II, Integration Processes I, Operational Integration II, Overall Outcome II, Strategic Position III, Operational Integration III, Integration Processes II, Strategic Position Extra.

Table 7: Variables in the Equation

It appears that for experienced acquirers, Overall Outcome insignificantly positively increases as experience increases ($B=+4.93$, $p=0.36$). Organizational Culture is insignificantly positively increasing as experience increases ($B=+8.08$, $p=0.16$). However, Operational Integration has an insignificantly negatively effect of increased experience ($B=-1.43$, $p=0.40$), and so does Strategic Position ($B=-6.428$, $p=0.41$). This implies that experience positively affects both cultural and overall outcome, but it is negatively affecting Operational Integration and Strategic Position.

6.0 Discussion

The objective of this thesis has been to research whether experienced acquirers perform better than first-time acquirers and if M&A experience matters. In particular, we have focused on the integration outcome for these deals. For this purpose, we have collected data on these topics using a quantitative approach. Based on this, we have developed five hypotheses on Strategic Position, Operational Integration, Organizational Culture, Integration Processes, and Overall Outcome. Our 13 variables collectively explain over 91% of the total variance, and we argue this level to be satisfactory. Hair, Black, Babin, & Anderson (2014, p. 107) show that for social sciences the total variance explained should be at least 60%.

We have argued that although the findings to our results are insignificant, it seems that M&A experience might enhance the integration outcome. We found that the average mean values for serial acquirers are higher than for first-time acquirers with regard to Overall Outcome, and also Strategic Position, Operational Integration, Organizational Culture, and Integration Processes. This is in line with the findings of several other scholars who found a positive relationship between experience and performance (Chatterjee, 2009; Zollo & Singh, 2004; Pennings et al., 1994). Laamanen and Keil (2008) argued that serial acquirers often develop acquisition program capabilities to improve their post-acquisition performance. The advantages of such programs might be part of the reason why experienced acquirers perceived their integration outcome as better than first-time acquirers. Moreover, it has also

been argued that the ability to transform experience into deliberate learning processes drives long-term performance (Kengelbach et al., 2012).

Just like Larsson and Finkelstein (1999), we discovered a positive correlation between the measure of integration (Integration Processes) and “synergy realization” (Overall Outcome I & II). Similarly, there is evidence that higher degree of integration has a positive relation to knowledge transfer between the firms (Cording et al., 2008), and that strategic complementarity is positively related to the degree of integration (Bauer & Matzler, 2014).

We found a (somewhat) negative correlation between Operational Integration and Overall Outcome, and our hypothesis on Operational Integration was rejected due to non-significant statistics. Based on the logistic regression, it appears that Operational Integration has a negative relationship with experience. Graebner et al. (2017) identified mixed relationships between experience and structural integration (the equivalent of Operational Integration in our study), whereas several other scholars found that structural integration harmed patenting activity (Paruchari et al., 2006; Kapoor and Lim, 2007).

In our analysis, Organizational Culture had a positive correlation to Overall Outcome, Strategic Position, Operational Integration, and Integration Processes. Serial acquirers perceive their cultural integration superior to that of first-time acquirers, yet due to non-significant statistics, the hypothesis on culture was rejected. The logistic regression indicates that culture is positively (Organizational Culture I) and negatively (Organizational Culture II) influenced by experience. Unlike Bauer and Matzler (2014), who found that cultural similarity is negatively related to the degree of integration, we found that Integration Processes is positively correlated to Organizational Culture. Other scholars found identity to have an impact on integration outcome, such as Colman and Lunnan (2011) who found that identity threat triggered actions among target firm leaders to speaking up to ensure their knowledge and technology being acknowledged by the other firm. We found a similar correlation between culture and operational integration.

7.0 Conclusion

We contribute to the existing literature on serial acquisitions and their integration outcomes compared to first-time acquirers. We argue that serial acquirers perform better regarding integration outcome compared to first-time acquirers on the areas of strategic position, operational integration, organizational culture, integration processes, and overall integration.

Our study takes a broad stand in the fact that we do not account for context-specificities, e.g. differences in industries, firm size, organizational structure, listed or private firms, and the like. This approach makes sure that we avoid conducting research in silos of specialization that may narrow the relevance of our study. We have attempted to bring together various perspectives on PMI in this thesis, which Graebner et al. (2017) also highlight as important in order to better understand “the contradictions, paradoxes and dilemmas characterizing PMI decision-making and the organizational dynamics involved”.

Limitations and Future Research

The respondents to our survey have been people holding top management positions in the acquiring firms, e.g. CEOs, COOs, CFOs. Their perception of the integration outcomes may differ from the opinion of regular employees, which in turn can skew the results and not be representative of the firm as a whole. Since the interviewed subjects were to a large extent self-selected/voluntary, this might also skew the results. Furthermore, it may be unwise to rely on a single respondent to represent a firm (Bryman & Bell, 2015). Also, the M&A research is overrepresented with studies using top managers as respondents (managerial bias) (Meglio & Risberg, 2010). Therefore, to mitigate these effects, we suggest the participation of other actors to get their point of view, specifically employees from different levels of the firm, e.g. the role of middle management, in future studies.

Since we have only measured the effect of experience on our different topics, there might be an omitted variable bias. We do not know whether or not there are other variables left outside our study that affect our topics. Therefore, we think it would be interesting and useful for scholars to study how other occurrences or concepts

affect the overall outcome, strategic position, operational integration, organizational culture and the integration processes for serial acquirers compared to first-time acquirers.

The M&A deals that form the basis for our data set was collected from the Norwegian Competition Authority's list "Fusjoner og Oppkjøp" (approved M&A deals under the Norwegian Competition Act §16). Since not all deals need approval from the Competition Authority, this list does not represent all deals carried through in Norway (Konkurransetilsynet, 2019). Therefore, our study may lack smaller firms (measured in terms of annual turnover), and we do not know if our results would have turned out differently with them included. For future research, we suggest that both smaller and larger firms are included in the data set. It is also interesting to study whether or not firm size matters on the integration outcome (Laamanen & Keil (2008) studied how firm size influence the experience-performance relationship).

Perceptual measures can bring with it the potential for inaccuracy and bias, and it may be asymmetrically related to whether people will over- or underestimate the success or failure of integration (Ailawadi, Dant, & Grewal, 2013). Furthermore, previous research believes that cross-sectional correlation testing studies, contrary to longitudinal studies, provide a limited understanding of M&A processes and their outcomes (Meglio & Risberg, 2010). Due to the fact that longitudinal studies take time, this has not been realistic for us to execute. To obtain a better and broader understanding of what it is that affects integration outcomes, we suggest for future studies to try a process-oriented longitudinal study where scholars go into the field and do observation as well as interviews over time as the main source for data collection. In line with Meglio & Risberg (2010), we believe this will expand our understanding of M&A performance and integration processes. Another method is to mix quantitative and qualitative data to build stronger inferences, where the goal is to combine the generalizability of survey findings with the depth of the qualitative data. A mixed method like this can offer potential for exploring new aspects (Meglio & Risberg, 2010).

We have conducted the research from the perspective of Norwegian acquirers only, and all target firms have also been Norwegian registered firms. By including

multinational enterprises (MNEs) and cross-national acquisitions in the data set, it could be interesting for future research to study if and to what degree national cultural differences may affect the integration outcomes, and if it may influence subsequent PMI performance. This would contribute to the divergent literature on the impact of national cultural differences on PMI (Calori, Lubatkin, & Very, 1994; Chakrabarti, Gupta-Mukherjee, & Jayaraman, 2009; Lubatkin, Calori, Very, & Veiga, 1998; Morosini, Shane, & Singh, 1998; Weber et al., 1996).

Lastly, due to our small sample size, the conclusion does not provide statistically significant results. It has given us output with high variance and categorical variables with low validity. For future quantitative research, we encourage researchers to replicate our study, but to use a larger data set to reduce the issues regarding non-significant statistics.

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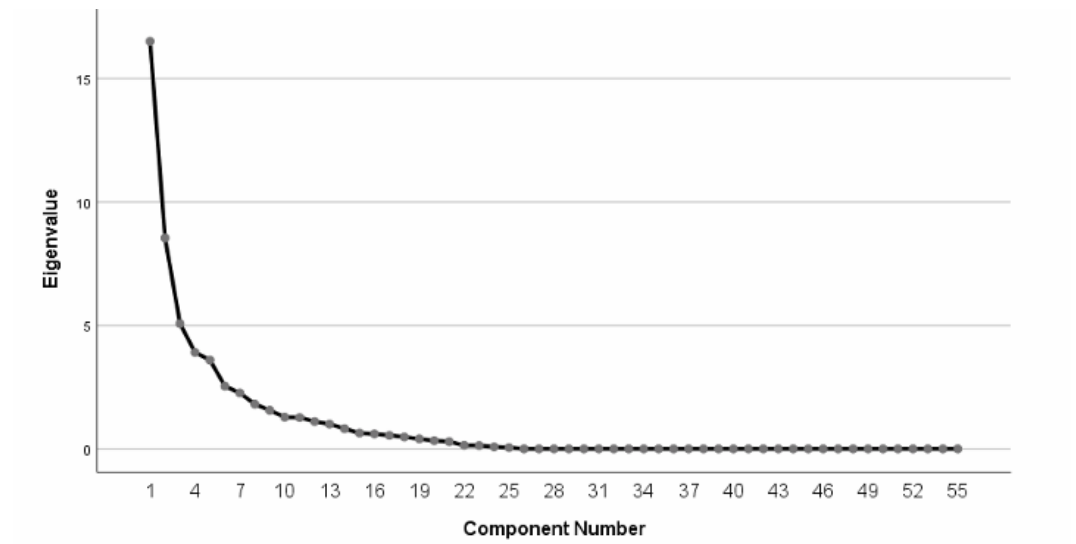
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Appendices

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	16.51	30.02	30.02	16.51	30.02	30.02
2	8.54	15.53	45.55	8.54	15.53	45.55
3	5.07	9.23	54.77	5.07	9.23	54.77
4	3.91	7.11	61.88	3.91	7.11	61.88
5	3.60	6.54	68.42	3.60	6.54	68.42
6	2.54	4.62	73.04	2.54	4.62	73.04
7	2.26	4.12	77.16	2.26	4.12	77.16
8	1.81	3.29	80.45	1.81	3.29	80.45
9	1.56	2.84	83.30	1.56	2.84	83.30
10	1.28	2.33	85.63	1.28	2.33	85.63
11	1.27	2.31	87.94	1.27	2.31	87.94
12	1.11	2.02	89.95	1.11	2.02	89.95
13	1.00	1.82	91.77	1.00	1.82	91.77

Component	Label
1	Overall Outcome I
2	Operational Integration I
3	Organizational Culture I
4	Strategic Position I
5	Strategic Position II
6	Organizational Culture II
7	Integration Processes I
8	Operational Integration II
9	Overall Outcome II
10	Strategic Position III
11	Operational Integration III
12	Integration Processes II
13	Strategic Position III

Appendix 1: Total Variance Explained



Appendix 2: Scree Plot

		Overall Outcome I	Operational Integration I	Org. Culture I	Strategic Position I	Strategic Position II	Org. Culture II	Integration Processes I	Operational Integration II	Overall Outcome II	Strategic Position III	Operational Integration III	Integration Processes II	Strategic Position Extra
Overall Outcome I	Pearson Correlation	1	-0.012	0.345	.899**	.569**	.531**	.736**	0.300	.479*	.575**	0.360	.593**	0.166
	Sig. (2-tailed)		0.953	0.085	0.000	0.002	0.005	0.000	0.136	0.013	0.002	0.071	0.001	0.417
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Operational Integration I	Pearson Correlation	-0.012	1	.505**	0.256	.666**	.410*	0.324	.575**	0.211	0.289	0.254	.389*	0.112
	Sig. (2-tailed)	0.953		0.009	0.207	0.000	0.038	0.106	0.002	0.300	0.153	0.211	0.050	0.586
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Org. Culture I	Pearson Correlation	0.345	.505**	1	.643**	.602**	.923**	.536**	.459*	.562**	.562**	.569**	.453*	.545**
	Sig. (2-tailed)	0.085	0.009		0.000	0.001	0.000	0.005	0.018	0.003	0.003	0.002	0.020	0.004
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Strategic Position I	Pearson Correlation	.899**	0.256	.643**	1	.722**	.768**	.827**	.460*	.575**	.587**	.520**	.571**	0.291
	Sig. (2-tailed)	0.000	0.207	0.000		0.000	0.000	0.000	0.018	0.002	0.002	0.007	0.002	0.150
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Strategic Position II	Pearson Correlation	.569**	.666**	.602**	.722**	1	.592**	.723**	.703**	.399*	.535**	.569**	.600**	0.348
	Sig. (2-tailed)	0.002	0.000	0.001	0.000		0.001	0.000	0.000	0.043	0.005	0.002	0.001	0.081
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Org. Culture II	Pearson Correlation	.531**	.410*	.923**	.768**	.592**	1	.686**	.504**	.557**	.593**	.501**	.623**	.410*
	Sig. (2-tailed)	0.005	0.038	0.000	0.000	0.001		0.000	0.009	0.003	0.001	0.009	0.001	0.038
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Integration Processes I	Pearson Correlation	.736**	0.324	.536**	.827**	.723**	.686**	1	.645**	.586**	.557**	.467*	.688**	0.188
	Sig. (2-tailed)	0.000	0.106	0.005	0.000	0.000	0.000		0.000	0.002	0.003	0.016	0.000	0.357
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Operational Integration II	Pearson Correlation	0.300	.575**	.459*	.460*	.703**	.504**	.645**	1	0.323	0.280	.535**	.604**	0.123
	Sig. (2-tailed)	0.136	0.002	0.018	0.018	0.000	0.009	0.000		0.108	0.166	0.005	0.001	0.549
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Overall Outcome II	Pearson Correlation	.479*	0.211	.562**	.575**	.399*	.557**	.586**	0.323	1	.609**	.477*	0.236	0.287
	Sig. (2-tailed)	0.013	0.300	0.003	0.002	0.043	0.003	0.002	0.108		0.001	0.014	0.247	0.155
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Strategic Position III	Pearson Correlation	.575**	0.289	.562**	.587**	.535**	.593**	.557**	0.280	.609**	1	0.291	.576**	0.258
	Sig. (2-tailed)	0.002	0.153	0.003	0.002	0.005	0.001	0.003	0.166	0.001		0.149	0.002	0.203
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Operational Integration III	Pearson Correlation	0.360	0.254	.569**	.520**	.569**	.501**	.467*	.535**	.477*	0.291	1	0.206	0.356
	Sig. (2-tailed)	0.071	0.211	0.002	0.007	0.002	0.009	0.016	0.005	0.014	0.149		0.312	0.075
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Integration Processes II	Pearson Correlation	.593**	.389*	.453*	.571**	.600**	.623**	.688**	.604**	0.236	.576**	0.206	1	0.017
	Sig. (2-tailed)	0.001	0.050	0.020	0.002	0.001	0.001	0.000	0.001	0.247	0.002	0.312		0.933
	N	26	26	26	26	26	26	26	26	26	26	26	26	26
Strategic Position Extra	Pearson Correlation	0.166	0.112	.545**	0.291	0.348	.410*	0.188	0.123	0.287	0.258	0.356	0.017	1
	Sig. (2-tailed)	0.417	0.586	0.004	0.150	0.081	0.038	0.357	0.549	0.155	0.203	0.075	0.933	
	N	26	26	26	26	26	26	26	26	26	26	26	26	26

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Appendix 3: Correlations

Dummy .experience		N	Mean	Std. Deviation	Std. Error Mean
Overall	Inexperienced	13	4.20	1.31	0.36
Outcome I	Experienced	13	4.50	1.53	0.42
Operational	Inexperienced	13	3.82	1.47	0.41
Integration I	Experienced	13	4.32	1.13	0.31
Org. Culture I	Inexperienced	13	3.77	1.08	0.30
	Experienced	13	3.95	1.59	0.44
Strategic Position I	Inexperienced	13	3.86	1.09	0.30
	Experienced	13	4.16	1.27	0.35
Strategic Position II	Inexperienced	13	3.81	0.93	0.26
	Experienced	13	4.55	0.86	0.24
Org. Culture I	Inexperienced	13	3.92	1.11	0.31
	Experienced	13	3.81	1.42	0.39
Integration Processes I	Inexperienced	13	3.30	1.04	0.29
	Experienced	13	3.59	1.30	0.36
Operational Integration II	Inexperienced	13	3.21	1.13	0.31
	Experienced	13	3.71	1.09	0.30
Overall Outcome II	Inexperienced	13	3.26	0.96	0.27
	Experienced	13	3.28	1.74	0.48
Strategic Position III	Inexperienced	13	4.54	1.60	0.44
	Experienced	13	4.69	1.55	0.43
Operational Integration III	Inexperienced	13	2.50	1.79	0.50
	Experienced	13	3.04	1.55	0.43
Integration Processes II	Inexperienced	13	4.49	1.37	0.38
	Experienced	13	4.64	1.29	0.36
Strategic Position Extra	Inexperienced	13	3.92	2.25	0.62
	Experienced	13	3.77	2.24	0.62

Appendix 4: Group Statistics

To what degree has the following statements been a result of the acquisition?

What was the net revenue (in NOK) for your company one year before the acquisition?

What was the net revenue (in NOK) for the target company one year before the acquisition?

How many acquisitions has your company executed prior to this acquisition?

What was the value of this acquisition?

	In the ACQUIRING company							In the TARGET company								
	I don't know	1	2	3	4	5	6	7	I don't know	1	2	3	4	5	6	7
a) A new generation of products/ services has been introduced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) The product/-service portfolio has been expanded	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Entrance to new markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Access to new technological areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Improved quality of existing products/-services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Improved flexibility in production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Cost-reduction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Improved positioning in the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Cross-sales (sale of the partnering company's products/-services to its own customers)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate to what degree you agree with the following statements: At the moment most employees in the:

	... ACQUIRING company							... TARGET company									
	I don't know	1	2	3	4	5	6	7	I don't know	1	2	3	4	5	6	7	
a) Identify themselves with the new company after the acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Is satisfied with working for the new company after the acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Perceive themselves at part of the new company after the acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Feel a strong connection to the new company after the acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Are willing to contribute more than what is asked of them	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How would you describe the degree and speed of integration between the companies on the following areas?

	Degree of integration							Speed of integration									
	I don't know	1	2	3	4	5	6	7	I don't know	1	2	3	4	5	6	7	
a) Strategy-formulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Administration and management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) R&D	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Sales & Marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Management of supplier-relations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Distribution & Logistics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The overall output of the acquisition:

	On a scale from 1-7, what is the overall results of this acquisition:							
	I don't know	1	2	3	4	5	6	7
a) The strategic goals of the acquisition is obtained	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) The financial goals of the acquisition is obtained	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) This acquisition improved our competitiveness as expected	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) This acquisition yielded synergies as expected	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) We have lost several key employees in the target company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) We have lost several key employees in the acquiring company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) The acquisition revealed new strategic possibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) The acquisition revealed new and useful technology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) The acquisition revealed new and valuable knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
j) The acquisition revealed a new best practice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
k) In total, we perceive this acquisition as successful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix 5: Survey