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Effect of Post-Merger Integration Speed on the Success of Mergers and Acquisitions:

Analysis of the Role of Strategic Fit and Cultural Disparity

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The Effect of Speed in Post-Merger Integration on M&A Performance:

An Analysis of the Role of Strategic Fit and Cultural Disparity

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ABSTRACT

Post-merger integration (PMI) speed is considered a significant success factor for the PMI phase as it influences the decision-making process as well as the operating system, which plays a crucial role in the performance of the acquiring firm. However, the academic literature has disregarded the influencing factors of speed, broadly. To fill this literature gap, this study examines whether a high PMI speed would be conducive or detrimental to the success of mergers and acquisitions (M&A). It provides a contingent perspective that helps reconcile the issue of whether speed influences the success of the post-acquisition integration in terms of making a difference, by sorting out conditions of strategic fit and cultural disparity. Findings support that PMI speed moderates the effect of strategic similarity on post-merger performance positively.

Keyword: Strategic Fit; Integration Speed; Post-merger Integration; Similarity; Complementarity; Cultural differences; M&A success factor; M&A performance

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INTRODUCTION

The value creation process takes place after the acquisition (Haspeslagh & Jemison 1991:129).

Mergers and acquisitions (M&A) have been a central feature of research in the field of strategic management for years. They are an important source for firms to achieve critical mass as well as acquire complementary resources (Capron, Dussauge, & Mitchell 1998). Fast-growing companies in emerging countries pursue M&A aggressively to increase market share without heavy lifting. By contrast, developed countries push for international M&A to have a golden opportunity to expand into new markets, achieve production efficiency, and find new resources. Globally, companies spend more than $2 trillion on acquisitions annually (Thomson Financial 2011). Despite their importance, there is considerable evidence that shows that most M&A deals do not compensate for the cost of the acquisition and the drop of shareholder value (Global PMI Partners, 2020). Many M&A have been unsuccessful, with estimated failure rates between 40% and 60% on average (Bagchi & Rao 1992; Bower 2001) and even as high as 70% to 90% (Christensen et al. 2011). Recent studies show that approximately 65% of firms that completed M&A deals have

experienced equity dilution and a decrease in their sales since the takeover (Harvard Business Review 2017). The reasons for such poor performance have been investigated in the management literature.

Studies on the influencing factors of the performance of M&A have increasingly received attention (Cannella & Hambrick 1993; Cartwright 2006; Cording et al. 2008; Haspeslagh & Jemison 1991; Homburg & Bucerius 2006; Kim & Finkelstein 2009; Larsson & Finkelstein 1999; Stahl & Voigt 2008). While previous research on post-merger integration (PMI) has shown that value creation takes place after acquisition (Haspeslagh & Jemison, 1991:129), there is an ongoing controversy regarding the issue of whether speed plays a decisive role in the success of M&A. Integration speed is considered an important success factor for PMI. However, the empirical research on the influencing factors of speed is scant. This has led to a lack of consensus on the relationship between integration speed and M&A performance. Consequently, PMI speed is commonly referred to as "art, rather than science" (Song, 2019).

There is a gap between the practical relevance of speed in PMI and the research-based understanding of this potential success factor (Homburg & Bucerius, 2006). Specifically, faster integration leads to a rapid exploitation of synergies and returns on investment, reduces uncertainty among employees, minimizes time spent in suboptimal condition, and exploits the momentum in the direct aftermath of a deal (Angwin, 2004; Cannella & Hambrick, 1993; Cording et al., 2008; Homburg &

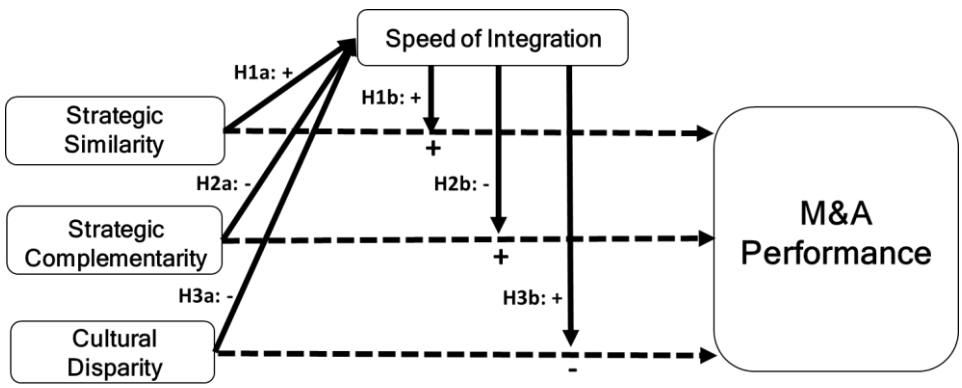
Bucerius, 2006). Contrarily, a slower integration might minimize conflicts between partners, enhance trust-building, and reduce the disruption of existing resources and processes in both firms (Homburg & Bucerius 2006). How significant is the contribution of speed in the post-merger integration phases? Are there any specific circumstances in which speed can be a critical factor that determines the success or failure of M&A?

This study contributes to the literature by examining the mechanism through which the critical characteristics of acquisition affect its speed as well as M&A performance. Speed is considered one of the most characteristic features of PMI processes as it can influence the decision-making process and critical operating systems, which play a crucial role in the performance of the acquiring firm. Therefore, studies should examine whether a high integration speed would have beneficial or detrimental consequences. This study seeks to provide a contingent perspective by sorting out conditions of strategic fit in terms of similarity and complementarity, and cultural disparity, to reconcile the debate regarding the appropriate integration speed. Understanding how these three premerger conditions can influence the integration speed differently, enables one to better understand the mechanism of the correct post-merger integration speed.

In summary, this study aims to examine the circumstances under which speed may be beneficial for M&A performance. Specifically, it argues that the beneficial effect of speed is particularly profound in the case of a high level of

strategic similarity and cultural difference. This study analyzes these hypotheses theoretically and empirically as follows:

< Figure 1. Research model >



THEORETICAL BACKGROUND

Acquisition strategy is described as an area of corporate strategy where an inappropriate mathematical theory and the drive to achieve success have prevailed over common sense (British Institute of Management, 1986: 3). Studies on the analysis of M&A performance have increased significantly since the 1970s, in an attempt to understand why many M&A often fail to enhance value (Barkema & Schijven 2008; Bauer & Matzler, 2014; Birkinshaw, Bresman, & Håkanson 2000; Larsson & Finkelstein 1999). Further, there have been complications in analyzing and interpreting causality between underlying mechanisms and the variables of the acquisition, owing to a very complex and heterogeneous governance solution of the activities of M&A (Haspeslaghand & Jamison 1991; Lippmanand & Rumelt 1982).

Based on the resource-based view (RBV), M&A allow firms to overcome intellectual capacity and inherent time constraints to achieve better financial performance. From the perspective of strategic management, merging firms develop mechanisms that promote stability and, simultaneously, strive to create value by promoting corporate interaction as M&A features combining different companies (Pablo 1994). These studies highlight that pursuing high suitability faster by filling up deficiencies can be a means to expand market dominance and productivity, hence creating a more diverse and robust foundation for developing new capabilities and competitive advantages in terms of organizational learning.

Nevertheless, this literature broadly disregards the influencing factors of speed. Therefore, I present an RBV on the management of acquisition integration and show that inconsistency in the empirical tests of the integration speed hypothesis might be due to the incomplete theoretical treatment of the antecedents of integration speed rather than the broader unobserved heterogeneity.

2.1 Strategic Similarity and Integration Speed

Strategic similarity operationalizes the construct of fit with product market, resource, and/or supply chain-related similarity (Pehrsson 2006; Stimpert & Duhaime 1997). Similarity is considered an indicator for efficiency-based synergies in terms of scale and scope. Hence, this would enable merging firms to minimize time spent in suboptimal condition. Therefore, I extend this logic to develop a theory on the conditions that enable firms with similarities to utilize their potential together without a considerable bottleneck, hence proceeding with the project swiftly. In other words, if there is a high similarity, firms tend to merge faster as the rapid exploitation of synergies and returns on investment are possible.

Previous research on M&A also focuses on the positive impact of strategic fit in terms of similarity on the success of M&A. The results show that merging firms with similar strategic fit foster value creation (Capron, Mitchell, & Swaminathan 2001). Therefore, I argue that merging firms with strategic similarity are more likely

to integrate faster as they are capable of eliminating overlapping positions and consolidating structural hierarchies efficiently (Buono & Bowditch 1989; Porter 1987), thereby creating many of the benefits and efficiencies that arise from M&A. Hence, post-merger performance will be the best when a high level of strategic similarity between two merging partners is accompanied by faster integration speed. Therefore, I derive the following hypotheses:

H1-a: The higher the degree of strategic similarity, the faster the integration speed.

H1-b: PMI speed moderates the effect of strategic similarity on post-merger performance positively.

2.2 Strategic Complementarity and Integration Speed

Strategic complementarity occurs when a combination of different but complementary resources or capabilities can create value that cannot be created without such a combination (Helpat & Peteraf 2003). In this regard, strategic complementarity is considered a key building block in the RBV of a firm (Barney 1991; Wernerfelt 1984) in terms of technology (Teece 1986) and knowledge (Wang & Zajac 2007). In this study, acquisition complementarity arises when the acquiring and acquired firms have different resources, capabilities, and strategies that can potentially be combined or reconfigured to create value that did not exist in either

firm before the acquisition.

Mutual complementarity, a relatively new concept in the M&A literature, has a positive implication as the complementary differences form the basis for the redeployment and utilization of the above mentioned resources. It has also received attention in the field of strategic management, where it has been depicted in terms of top management complementarity, technical complementarity, strategy, market complementarity, or product complementarity (Gulati, Nohria, & Zaheer 2000; Harrison et al. 1991; Mowery, Oxley, & Silverman 1998). While similarity has been considered an indicator of efficiency-based synergies, complementarity provides firms with both efficiency synergies and value created from those differences, that are mutually supportive. However, complementary M&A have a significant impact on the integration process (Bauer & Matzler, 2014) as provision of resource redeployment is required (Larsson & Finkelstein, 1999). Therefore, I assume that merging firms with complementarities will slow the integration due to the increased need for modification and coordination.

Previous research shows that complementary operations increase the M&A performance by boosting synergy realization regardless of any similarity across merging firms (Larsson & Finkelstein 1999). In fact, complementarities offer merging firms a "wider array of business opportunities to develop competencies that either firm could not create alone" (Capron & Mitchell 1998; Harrison et al. 1991; King, Slotegraaf, & Kesner 2008). In this regard, firms with complementary

characteristics can use their common potential better than non-complementary firms (Pablo 1994), and try to achieve a high degree of integration to benefit from both synergies and potentials (Ellis et al. 2009; Larsson & Lubatkin 2001; Zollo & Singh 2004). Hence, I assume that more coordination and careful planning are needed compared to similar M&A because firms should spend plenty of time to arrange the operation without disturbing existing resources.

In summary, value creation through M&A takes place in the post-merger stage. Moreover, complementarity increases the chances of the success of M&As by facilitating synergy. Companies with complementary characteristics will, therefore, try to reach a high level of integration thoroughly, to benefit from both synergy and potential. In this manner, when there is a high level of complementarity between the acquiring and acquired firms, M&A performance can be enhanced at a slower pace. Thus, I argue that post-merger performance will be the greatest when a high level of strategic complementarity between two merging partners is accompanied by lower speed of integration.

H2-a: The higher the degree of strategic complementarity, the slower the integration speed.

H2-b: PMI speed moderates the effect of strategic complementarity on post-merger performance negatively.

2.3 Cultural Fit and Integration Speed

While strategic fit in terms of similarity and complementarity can act as the key antecedent factor to integration speed by coordinating formal mechanisms, cultural fit takes the dominant role in regards to informal mechanisms. From a resource-based perspective, organizational culture can be the potential success factor to achieve a competitive advantage by creating unique and valuable employee-based resources (Collins & Smith 2006; Lepak & Snell 1999). Indeed, organizational culture cannot be separated from the subject of corporate strategy. The positive relationship between strategy and organizational culture emanates from its interdependency (Rowlinson 1995). In this sense, cultural misfit is one of the main factors that have detrimental consequences on M&A performance (Bijlsma-Frankema 2001; Cartwright & Schoenberg 2006; Lodorfos & Boateng 2006; Nguyen & Kleiner 2003). Therefore, understanding cultural disparity is crucial as its character affects nearly all organizational practices, directives, leadership styles, and administration processes (Chatterjee et al. 1992).

By focusing on the organizational dimension of culture, defined as the beliefs, values, and assumptions shared by the members of an organization (Schein 1985), this study focuses on higher organizational resistance in the post-merger integration phase (Bijlsma-Frankema, 2004). Following a higher cultural fit, employees are more likely to abandon their former culture and accept the other

culture faster whereas, cultural misfit would bring employee resistance, thereby reducing the speed. In fact, employees are more resistant to accept new culture and stick to their former culture (Bauer & Matzler, 2014). Therefore, I argue that merging firms with high cultural disparity will slow the integration to minimize conflicts between partners and enhance trust building by taking more time (Homburg & Bucerius, 2006).

Moreover, cultural fit is also closely related to the realization of synergies and potentials (Cartwright 2006; Cartwright & Cooper 2001; Datta 1991). Generally, M&A undergo a "post-merger drift," which refers to a kind of transitional period in which the productivity of the entire organization decreases, as it becomes difficult to focus on the essential tasks of the company, such as the post-acquisition integration work, major strategic decision-making, investment decisions, and organizational management. Therefore, the efficient minimization of the drift period after the acquisition can be a critical factor for the success of M&A. In this regard, cultural fit can contribute to minimizing this period significantly, by coordinating informal mechanisms. Hence, I assume that merging firms with high cultural disparity are confronted with a difficulty in exploiting efficiency and enhancement-based synergies (Stahland Voigt, 2008), thereby impeding a deeper integration and exacerbating the realization of synergies and potentials (Cartwright, 2006). Therefore, this study argues that, when a high level of cultural disparity between two merging partners is accompanied by higher speed of integration, this would have

more detrimental consequences on M&A success.

H3-a: The higher the degree of cultural disparity, the slower the integration speed.

H3-b: The speed of post-merger integration moderates the effect of cultural disparity on post-merger performance positively.

METHODS

3.1 Sample and Data Collection

I used the Securities Data Company Platinum Thomson Financial and Compustat from Standard & Poor for M&A data collection, and the Edgar website of the U.S. Securities and Exchange Commission for 10-K statements. Tremblay (2017) uses textual analysis to quantify the dimensions of corporate culture by counting the frequency of the words in a firm's 10-K filing, that correspond to the competing values framework: create, compete, control, and collaborate. Regarding applicable and already-tested measurement models from previous studies, I used his measurement, which estimates the cultural similarity between two merging firms using the congruence of these word counts to find a positive association between cultural similarity and post-merger performance. Using *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*, I verified relevant information to extract economically meaningful information.

The sampling frame contained U.S. firms in six high-tech industries in pharmaceutical preparations, biological products, computer, semiconductor, telecommunication, and prepackaged software that underwent M&A between 2015 and 2017. Owing to data availability, our sampling frame comprised 53 pairs of acquirer-target, and final sample 39 M&A transactions.

3.2 Measurement of Variables

This study seeks to evaluate M&A performance using Tobin's Q of the acquiring firms for the year. Until recently, several studies have used this method as a yardstick of measuring corporate value. Tobin's Q is the market value for the replacement cost of the company's total asset value measured on the basis of a firm's market value, such as market capitalization. Because this has the greatest impact on the acquiring firms at the time of M&As, this study aims to use Tobin's Q for specific years. Regarding integration speed, the desirable integration speed varies depending on the size and level of the organization. In this regard, it is almost impossible for all firms to reach the desired level of integration simultaneously (Olie 1994; Ranft & Lord 2002). Therefore, I seek to measure integration speed using the differences between the announcement and effective dates and attempt to eliminate the firms that withdrew during the acquisition process.

Regarding independent variables, this study examines three independent variables. First, I used product relatedness in terms of similarity and complementarity to measure strategic fit. In the case the standard industrial classification (SIC) code (2834/2836/7371/7372/3674/4812) of the target and acquiring firms matched, I classified merging firms sharing similar strategic fit. Meanwhile, if three digits of the SIC code (2834/2836/ 7371/ 7372/3674/4812) of the target and acquiring firms matched, I considered it complementary acquisitions.

Cultural disparity was the most challenging to estimate. Most previous studies in corporate culture attempted to capture this through in-depth interviews with selected firm employees(Tremblay,2017). However, this method does not allow a systematic estimation of corporate culture before the acquisition announcement. Moreover, memory biases could tint post-merger interviews about pre-merger culture. Consequently, studies on accounting and finance have used different proxies. Among these proxies, I followed the textual analysis of the annual reports of the acquirers and targets (10-K forms), a proxy developed to capture the differences in corporate culture between the merging entities. Tremblay (2017) noted that cultural traits should consequently correlate with given economic outputs. Therefore, I also used the OLS regression from Cameron et al.'s (2006) premise that cultural traits are value-drivers where cultural scores and outputs are measured for each firm-year:

$$Output_{i,t+1} = \alpha + \beta 1 Create_{it} + \beta 2 Collaborate_{it} + \beta 3 Compete_{it} + \beta 4 Control_{it} + \varepsilon_{it},$$

In conclusion, because of its potential influence on the processes and success of M&As, specific control variables such as corporate value, total assets, and the total number of employees are chosen as control variables. These variables have been used as control variables in previous M&A studies owing to the potential impacts on M&A results.

Variables		Measurement
Dependent Variables	M&A Performance	Return on Assets in three years(Gulati and Gargiulo, 1999)
Dependent/Independent Variables	Integration Speed	Time taken to complete acquisition
Independent Variables	Strategic Similarity	1 if the SIC code of target and acquiring firms (2834/2836/7371/ 7372/3674/ 4812) matches
	Strategic Complementarity	1 if three digits of the SIC code of target and acquiring firms (2834/2836/ 7371/ 7372/3674/4812) matches
	Cultural Fit	textual analysis of the annual reports of the acquirers and targets (10-K forms: *item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*)

3.3 Statistical Analysis

This study conducted an empirical analysis through multiple regression analysis. Generally, there are many different ways of analyzing the effects of a control variable when it affects the direction and strength of the relationship between independent and dependent variables. These methods of analysis include using correlation coefficients, regression analysis, structural equation models, and variance analysis. Multiple regression analysis is an extension of simple regression and is used when there are two or more independent variables based on linear models. If the simple regression model is set in which there are two independent variables that describe

the dependent variable, it can generate bias for the estimated amount of the coefficient by omitting important independent variables for the dependent variable. Therefore, this study seeks to eliminate the bias through multiple regression analysis and ensure that the independent variable is statistically significant. In conclusion, this study seeks to use the OLS regression using STATA 10.0 to verify the hypotheses.

RESULTS

The descriptive statistics in Table 1 present the means, standard deviations, and correlations for all the variables used in this study. While all the variables in the interactions terms were mean-centered (Aiken & West 1991; Cohen, Cohen, West, & Aiken 2003), Table 1 shows non-centered values, for ease of interpretation. Models 1, and 2 test Hypotheses 1-(a) and (b); models 3 and 4 test Hypothesis 2-(a) and 2-(b). Models 5 and 6 test the relationship between cultural disparity and integration speed as well as the moderating role of integration speed on the relationship between cultural difference and M&A performance.

Hypothesis 1a proposes that if the degree of strategic similarity is higher, integration speed is more likely fast in the post-merger phase. Hypothesis 1b further predicts that PMI speed would moderate the effect of strategic similarity on post-merger performance positively. As shown in Model 2, the coefficient for the moderating role of integration speed on the relationship between similarity and M&A performance was negative and significant at $p<0.01$. This finding shows that post-merger performance will be the best when a high level of strategic similarity between two merging partners is accompanied by faster integration speed. Therefore, Hypothesis 1b was strongly supported. This implies that there is a strong interrelation between the three constructs: integration speed, strategic similarity and M&A performance. Hypotheses 2a and 2b state that firms with strategic complementarity would merge

Table 1: Descriptive Statistics and Correlations

Variable	N	Mean	SD	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. ROA in 3yrs	39	0.081	0.324	-0.653	0.731	1									
2.Integration Speed	39	4.441	0.781	3.219	6.413	0.127	1								
3. Similarity	39	0.590	0.498	0.000	1.000	0.039	-0.188	1							
4.Complementarity	39	0.135	0.345	0.000	1.000	-0.007	0.045	-0.5421*	1						
5.Cultural Distance	39	1.089	0.493	0.175	2.124	0.163	-0.064	0.114	.	1					
6.Corporate value	39	2.028	0.856	0.851	4.560	0.420	0.046	-0.165	.	0.270	1				
7. Leverage	39	0.274	0.116	0.000	0.442	0.069	-0.023	0.381	.	0.143	0.073	1			
8.Market value	39	81986.270	150225	262.018	757029	0.4979*	0.074	0.205	.	0.6111*	0.341	0.234	1		
9.Total asset (log)	39	52983.920	67636.280	472.993	258848	0.200	-0.106	0.182	.	0.6570*	0.055	0.288	0.8677*	1	
10. Number of Employees	39	0.285	0.167	-0.101	0.493	0.431	0.074	0.196	.	0.4795*	0.118	0.4678*	0.3721*	0.5769*	1

P<0.01 ** p<0.05*

Table 2: Regression Analysis

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Time		-0.289***		-0.019		-0.0511
		(0.0796)		(0.0446)		(0.0769)
Tobin's Q	-0.436*	-0.126***	-0.369	-0.0409	-0.309	-0.0798
	(0.221)	(0.0402)	(0.226)	(0.0428)	(0.344)	(0.0662)
Leverage	-0.804	-0.528**	-1.419	-0.768***	-1.392	-0.778***
	(1.376)	(0.196)	(1.377)	(0.248)	(1.424)	(0.249)
Market value	1.52e-05**	1.00e-05***	1.41e-05**	9.13e-06***	1.34e-05*	9.39e-06***
	(5.39E-06)	(9.67E-07)	(5.59e-06)	(1.28E-06)	(6.49E-06)	(1.52E-06)
Total asset	-2.41e-05***	-1.39e-05***	-2.26e-05**	-1.21e-05***	-2.06E-05	-1.33e-05***
	(8.05E-06)	(1.50E-06)	(8.35e-06)	(1.93E-06)	(1.21E-05)	(2.68E-06)
Number of Employees	2.372*	1.601***	2.183	1.257***	2.108	1.300***
	(1.272)	(0.210)	(1.322)	(0.250)	(1.399)	(0.256)
Similarity	-0.526	-1.567***				
	(0.336)	(0.419)				
Similarity X Time		0.322***				
		(0.0845)				
Complementarity			0.102	-		
			(0.316)			
Complementarity X time				0		
				(0)		
Cultural Difference					-0.122	-0.0992
					(0.516)	(0.390)
Cultural diff X time						0.0472
						(0.084)
Constant	5.470***	1.454***	4.348***	0.0924	5.148***	0.226
	(0.648)	(0.419)	(0.116)	(0.257)	(0.675)	(0.341)
Observations	22	21	52	21	22	21
R-squared	0.418	0.952	0.002	0.894	0.325	0.909

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

slowly and that there is moderating role of integration speed on the relationship between complementarity and M&A performance. However, relationship between complementarity and M&A performance. However, we find no empirical support for Hypotheses 2a and 2b, owing to the availability of data. The issue of possible multicollinearity is a problem that I have to resolve. Moreover, the analysis drawn from models 5 and 6 do not support the extensive research in this area (Aguilera and Dencker 2004; Homburg and Bucerius 2006; Lodorfos and Boateng 2006). Our data shows that the effect of the relationship between cultural disparity and the moderating role of integration speed on the impact of cultural disparity on M&A performance is not supported. Although I found no empirical evidence for the relationship of cultural disparity to integration speed and the success of M&A, I assume that conceptual work on the construct speed as well as on the interdependencies with other constructs of different phases is still crucial to better comprehend the significance of integration speed in the post-merger integration.

DISCUSSION AND CONCLUSIONS

Despite the importance of M&A, a high failure rate of between 40% and 60% on average (Bower, 2001) shows that there have been complications in analyzing and interpreting causality between the underlying mechanisms and variables of the acquisition. Although PMI speed is considered an important success factor for acquisitions, lack of research on the determinants of PMI speed has resulted in lack of consensus on the relationship between speed and performance. Specifically, there is an ongoing controversy regarding whether speed plays a decisive role in the success of M&A. Although speed is considered an important success factor for PMI, the empirical research on the influencing factors of speed is scant. These studies highlight that understanding how and why premerger conditions such as strategic similarity, complementarity, and cultural disparity influence integration speed, as well as the extent to which speed contributes to post-merger integration, is crucial.

This study's results underlie the interconnectedness of an integrative viewpoint on acquisition. There is clear empirical evidence showing that strategic fit can be a critical success factor in M&A performance with faster integration. Specifically, this study finds profound evidence for the relationship between strategic similarity and integration speed. This study supports the notion that complementarity can be a very promising area in M&A studies (King et al., 2004; Larsson and Finkelstein, 1999), although it could not be fully established owing to the availability

of the sample. To the best of my knowledge, this is the first study to operationalize strategic similarity, complementarity and cultural disparity in terms of integration speed in such a broad way.

The managerial implication emanates from the holistic perspective of this empirical study. By examining the underlying mechanisms of M&A in terms of strategic fit, I explore how strategic fit, in terms of similarity and complementarity, and cultural fit set in the pre-merger stage, can contribute to M&A performance. While studies on the fundamental factors that influence the success of acquisition and its valuation impacts may be extensive, they do not fully explore the key success factors of acquisition performance, especially for nascent firms and start-ups. This fact is relevant in today's industry as well. A major trend shows that high-quality start-ups often fail to add value after being acquired, as is the case with Electronic Arts. By examining the factors that lead to a successful performance of acquired privately held firms in high tech industries, I hoped to develop an appropriate analytical framework for testing a multiple perspective model that captures the complex and elusive phenomenon of M&A. Given that entrepreneurs as well as established firms face various challenges in growing on their own owing to the lack of complementary assets, I expect this empirical study to show how M&A could play an important role in both start-ups and established firms in terms of gaining access to complementary resources and constructing organizational culture, and further how firms could coordinate integration speed in a more reliable way.

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국문초록

인수 후 통합속도가 M&A 성과에 미치는 영향: 전략적 유사성, 상보성, 문화적 차이를 중심으로

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본 논문은 PMI(Post-Merger Integration; 인수 후 통합과정) 관리에서 중요한 이슈인 통합속도가 M&A에 미치는 영향을 실증분석한 연구이다. 통합 속도와 M&A 성공의 관계에 대한 일관된 경험적 증거를 발견하기 어렵다는 점에 주목하여, 전략적 유사성, 상보성, 그리고 문화적 차이가 인수합병 기업의 속도에 어떤 영향을 미치는지를 예측하였다. 더 나아가 통합속도를 조절변수로 사용함으로써 전략적 유사성, 상보성, 문화적 차이와 인수합병의 성과 간 관계가 통합속도가 커질수록 어떻게 달라지는지를 알아보았다. 2015년과 2017년 사이에 인수합병이 이루어진 미국 기업들을 대상으로 실증분석한 결과, 전략적 유사성의 조절효과가 지지됨을 확인하였다.

주요어: 인수합병, 인수 후 통합과정, 통합속도, 전략적 유사성, 상보성, 문화적 차이, 인수합병 성공요인

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