

# Determinants of Companies’ Financial Performance Following M&A Transactions in Poland

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Submitted: 15.01.2020. Accepted: 16.10.2020

## Abstract

**Purpose:** This study identifies and analyzes the factors that impact the financial performance of companies after a merger and acquisition transaction.

**Methodology:** As many as 130 Polish market observations were analyzed with an OLS regression model to verify the research hypotheses.

**Results:** The results reveal that the company’s size, performance before the transaction, and its international nature translated into improvement of post-transaction financial performance. Moreover, industry diversification transactions and CEO changes in acquiring a company had a negative impact on the company’s financial performance after the transaction.

**Originality:** This investigation is the first study devoted to the Polish market in the research field of M&A determinants with the use of such a large sample.

**Keywords:** mergers, acquisitions, M&A, operating performance.

JEL: G34

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## Introduction

Merger and acquisition transactions (M&A) are of great importance to the economy. They have serious consequences for all stakeholder groups of enterprises involved in these processes. In recent decades, the M&A market has been developing rapidly. According to the Thompson One database, between 1985 and 2010, the number of ownership transactions across the world has more than tripled, with the average transaction value amounting to nearly USD 60 million. Poland has also experienced significant development, exceeding the growth dynamics of the more developed markets and Eastern Europe (Ocieszak, 2014). The observed dynamics are also greater than the average rate for Europe or Western Europe. The dynamic growth of the Polish consolidation market, its strong ties with foreign markets, and deficiencies in the literature prompted this investigation of the effects that such transactions carry. The analysis of this type of transaction is difficult due to the limited availability of data, especially for non-public entities. Existing databases provide general information on transactions for the sale of stocks and shares but not all of them are followed by change of control. This article defines corporate control as the right to determine the management of corporate resources; that is, the right to hire, fire, and set the compensation of top-level managers (Fama and Jensen, 1983).

## Literature Review and Hypotheses Development

The problem of M&As in the context of the market for corporate control has been widely examined for more than 50 years (e.g. Manne, 1965) and, since then, the number of articles in the field constantly grows (Ferreira et al., 2014). In terms of market data and the effect of mergers on shareholder value, most findings suggest that, in the long run, a takeover is profitable, but only for the shareholders of the target company (Masulis et al., 2007; Yaghoubi et al., 2016). Some researchers even refer to these transactions as “value destroying” (Gregorieva and Petrunina, 2019; Moeller et al., 2005). These findings rose the question of whether managers make rational decisions taking over other companies.

Another approach to assess the effects of M&As involves examining the effects on the basis of the accounting data (Healy et al., 1992; Wangerin, 2019). Some of these studies suggest that M&As translate into improved operational efficiency (Rahman and Limmack, 2004; Drees, 2014). Others proved it to be just the opposite (Kruse et al., 2007; Braguinsky et al., 2014). There also are researchers who do not indicate any relationship

between the merging of companies and their financial performance (Moeller and Schlingemann, 2004; Al-Hroot, 2016).

Due to the great popularity of the studied area, the research was also carried out regionally e.g. for the CEE region (Kalinowska and Mielcarz, 2014; Grigorieva and Petrunina, 2015) or even locally. Among the countries for which the publications were created, it is worth mentioning Japan (Kruse et al., 2007), Malaysia (Rahman and Limmack, 2004), Australia (Sharma and Ho, 2002), Pakistan (Rashid and Naeem, 2016), India (Leeps and Mishra, 2012), Jordanian (Al-Hroot, 2016), Croatia (Kandžija et al., 2014), China (Bhabra and Huang, 2013) or Japan (Braguinsky et al., 2014).

Few studies were conducted in this research field for Poland. Rutkowski (2001) analyzed financial performance following mergers on the Warsaw Stock Exchange. His results suggest a worsening of financial performance after mergers. The same results were reported by Wróbel (2002), who investigated 10 transactions in 1993–1998, Perepeczo (2009), who analyzed 13 transactions, or Budny et al. (2019), who analyzed 14 deals in the banking sector. All of these studies are based on small samples, so the conclusions cannot be generalized and the econometrical models lack reliability. The only study that gathered more complex data and more than 100 observations were performed by Ocieszak (2015) who indicated that company performance deteriorated following M&A deals. However, none of the mentioned works took into account the determinants necessary to build a hypothesis concerning the influence of variables on post-acquisition performance. This article attempts to address these limitations. The variables under investigation include company size, CEO turnover, industry relatedness, and international transaction character. All of them are one of the most common determinants which researchers deal with.

## Company Size

In 1996, Switzer proved that the company size influences the post-acquisition financial performance. The parameter estimated for the independent variable of “size” was 0.4% and was statistically significant at the 5% level. The mergers of larger companies resulted in a much more significant improvement in the involved companies' performance than in the case of mergers between small companies. Pangarkar and Lim (2003) found that the relationship between company size and its financial performance is related to growing economies of scale. There were attempts to check the relative size of the target and acquiring company; however, most prior empirical research found no significant relationship between the two elements (Powell and Stark, 2005;

Rao-Nicholson et al., 2016). Thus, in light of the discussed observations found in the literature, the following hypothesis was generated:

**H1:** Larger companies achieve better financial results after M&A transactions than smaller companies.

## Personal Changes in the Management Board

Changes in management boards are very common after M&A deals (Fich et al., 2016). The variable that was found to be important in explaining the changes in the post-acquisition results was CEO turnover within 12 months after the transaction. The positive impact of the event on the financial performance (1.8%) was proven by statistically significant results (5%; Powell and Stark, 2005) however, not all researchers found such a relationship (Ghosh 2001). Some assumed that the change in a management board should generate positive effects in the long run. The new owner looks at the activity of the current CEO objectively, which often comes with *due diligence* for the purpose of the acquisition, and decides on the change in this position based on the outcomes of such a procedure. Moreover, management turnover often follows the poor financial performance of the target company prior to the merger (Ma and Xu, 2017), which is explained, among other things, by low general (Frederiksen and Kato, 2018) or specific (Wang and Murnighan, 2013) competencies among managers. This finding resulted in the second hypothesis:

**H2:** A change in the position of the CEO in a target company has a positive impact on the financial results following an M&A transaction.

It is common to see the CEO of the acquiring company replaced after a consolidation transaction. Therefore, another hypothesis that assumes such a change to have a positive impact on the acquiring company has been verified. Despite problems (e.g. discontinuity of management), which surely negatively affect the company, we should assume that the main intention of the company's shareholders when replacing the CEO is to improve company performance. To date, there is no work on this problem. Thus, the following hypothesis will be tested:

**H3:** A change in the position of the CEO of the acquiring company has a positive impact on its financial results following an M&A transaction.

## Industry

A variable very frequently analyzed in the literature is whether the transaction has been made within the same industry or within various industries. The M&A deal between companies in the same industry can considerably change the business environment (Haleblian et al., 2009). For an acquiring company, it is risky to enter a new industry because the business environment and the specificity of the new industry are often unfamiliar. It also involves a range of risks; e.g. management-related risks (Scharfstein and Stein, 2000), bureaucracy-related risks (Shin and Stulz, 1998), or agency problems (Shleifer and Vishny, 1989). Moreover, a diversification strategy – according to finance theory – aims to minimize the potential risk and, thus, reduce the rate of return on investment (Mielcarz and Wnuczak, 2011).

Early studies reported a poorer financial performance among companies engaged in diversification transactions than in other cases (Heron and Lie, 2002). Some later publications suggested that there was no such correlation (Powell and Stark, 2005; Linn and Switzer, 2001; Sharma and Ho, 2002). Other studies found the opposite correlation; i.e. that diversification transactions yielded better results (Kruse et al., 2007; Ghosh, 2001). To analyze this problem in the Polish context, the following hypothesis is proposed:

**H4:** Mergers within various industries lead to a poorer post-merger financial performance than in the case of other transactions.

## Cross-Border Transactions

Global organizations draw good practices and standards from various markets (Faulkner et al., 2002). Moreover, the merging entity often operates in a different market, so there is no problem in determining how to amalgamate the companies involved in the merger or in determining how to divide the market between them and optimize their respective operations. Foreign acquisitions tend to be associated with cost-cutting and profit or productivity improvements, while domestic acquisitions tend to be associated with increases in output (Fukao et al., 2008). International transactions are frequently aimed at foreign expansion with the intention to transplant a business model (Marin et al., 2016) that was successful in the domestic environment of another country. Therefore, we may assume that an international consolidation should positively impact the examined performance measures. Hence, the fifth hypothesis is:

**H5:** International consolidation transactions yield better financial results than domestic.

## Data

The data were obtained from three databases: Thomson One, Deal Watch, and Merger Market. The majority of the M&As occurred between non-public companies. The threshold of acquiring more than 50% of the shares was set to define transactions concerning the change of control since most of them were non-public. The financial statements were primarily obtained from *Monitor Polski B* and from public companies' websites. The industry results were obtained from the annual Statistics Poland (GUS) publications. Particular companies were assigned to these results according to their PKD classifications.

Since this study focused on the long term, the range of the considered data covered three years before the transaction and three years after the transaction. When the data was collected, the results available in *Monitor Polski B* covered the period of 2000–2012. Hence, the sample includes transactions from the years 2003–2009.

**Table 1.** Sample breakdown by industry

	Trade	IT	Production	Transport	Services	Other
IND	8	3	9	6	2	16
INT	4	3	9	4	0	6
CEO _ T	13	12	36	11	1	22
CEO _ A	12	10	24	8	2	15
Assets _ In*	517 523	844 071	373 580	663 026	403 826	539 478
EBITDA _ A*	15 108	17 369	46 693	17 087	1 331	35 535
EBITDA _ T*	24 765	18 539	56 921	16 499	1 919	42 999

\* Average values in '000.

IND represents the number of industry diversification transactions in a given industry.

INT represents the number of international transactions in a given industry.

CEO \_ T and CEO \_ A represent the number of changes in the position of a CEO in the target and acquiring company, respectively, in a given industry.

Assets \_ In is a ln of Assets in an acquiring company in a given industry.

EBITDA \_ A and EBITDA \_ T illustrate the average level of EBITDA in year t-1 in the acquiring and target company, respectively, in a given industry.

IT represents the Information & Technology sector.

Source: own elaboration.

The group of financial ratios most frequently used in the literature is based on cash flow measures that are most commonly expressed by researchers as EBITDA (Shams

and Gunasekarage, 2016; Powell and Stark, 2005). EBITDA was calculated in two ways: 1) as the sum of the net profit, tax, interest and depreciation (ratio no. 1) and 2) as the sum of the operating profit, and depreciation (ratio no. 2). These measures check whether the results are robust against the financial ratio construction or not. Given the quite frequent employment of only gross results (especially in older studies), the amount of gross profit was been analyzed (ratio no. 3). The cash flow and gross profit were divided by assets or equity. The “return on asset” group of ratios is perceived by the literature as best describing the operational performance of the company itself (Martynova and Renneboog, 2006), while “return on equity” – as best for shareholders (Wet and Toit, 2007). These ratios are referred to in this article collectively as the effect ratios. Thanks to this construction of ratios it was easy to refer article results to the literature. The analysis was performed also for different effect ratios. However, the article presents only the most important and statistically significant ratios. Tables 1 and 2 summarize the dataset below.

**Table 2.** Effect ratios basic statistics

	ROE		EBIT+D/Assets		EBITDA/Assets	
	pre	post	pre	post	pre	post
average	8%	11%	9%	8%	10%	9%
median	7%	9%	8%	8%	8%	9%
st dev	39%	26%	12%	8%	13%	9%
max	137%	104%	62%	37%	66%	39%
min	-289%	-157%	-15%	-20%	-13%	-19%

Source: own elaboration.

## Empirical Model

The financial results of the examined companies were collected for the period of three years before and after consolidation transactions. The collection of industry-specific data for the relevant periods of time has made it possible to apply global research standards and verify the hypotheses for the Polish market in a reliable manner. Equation (1) below illustrates the structure of the model applied to analyze the phenomenon under consideration.

$$ER_{post} = \alpha + \beta_1 ER_{pre} + \beta_2 X_{2i} + \beta_3 X_{3i} + \dots + \beta_n X_{ni} + \varepsilon \quad (1),$$

in which

$ER_{post}$  – the appropriate effect ratio, calculated on the basis of the average post-merger company performance,

$ER_{pre}$  – the appropriate effect ratio, calculated on the basis of the average pre-merger performance of the merging and merged companies,

$\beta_1, \beta_2, \beta_3, \beta_4, \dots, \beta_n$  – the regression coefficients,

$\alpha$  – an absolute term,

$X_2, X_3, \dots, X_n$  – the explanatory variables describing the effects of the various potential determinants of the outcomes of the consolidation processes, and

$\varepsilon$  – random error.

After taking the industry performance into consideration, the multiple regression model became

$$ER\_IND_{post} = \alpha + \beta_1 ER\_IND_{pre} + \beta_2 X_{2i} + \beta_3 X_{3i} + \dots + \beta_n X_{ni} + \varepsilon \quad (2),$$

in which

$ER\_IND_{post}$  – the average post-transaction effect ratio adjusted by industry performance calculated as the difference between company financial ratios and respective industry ratios,

$ER\_IND_{pre}$  – the average pre-transaction effect ratio adjusted by industry performance calculated as the difference between company financial ratios and respective industry ratios,

other symbols correspond to those in Equation (1).

## Results

### Findings Based on Raw Data

In the case of the model determining the *EBITDA/assets* effect ratio, the parameter for the *InAssets* variable that describes the size of the amalgamated companies is positive. The statistical significance is 5%, but the results of  $2.56 \times 10^{-8}$  might be considered economically insignificant. Company size had a positive impact on other effect ratios. This impact was at a bit lower level of statistical significance (i.e. 10%).



The parameter for the  $CEO\_T$  variable is insignificant in all of the presented equations. Interestingly enough, the change in the position of the CEO in the acquiring company led to a drop in asset profitability; this was measured using  $EBITDA/assets$ . Moreover, the variable negatively impacted  $ROE$  after the transaction. The values of the parameters  $CEO\_A$  were -0.038 and -0.138, respectively, and the relationships were significant at the 5% and 10% levels. The diversification nature of the transaction had a negative impact on the post-transaction financial performance, especially on the return on assets ratio, calculated as  $(EBIT + D)/assets$ . The parameter for this variable was -0.031. The level of its statistical significance was 5%. In turn, the international nature of the transaction positively impacted the ratio in question. The parameter for the  $INT$  variable was 0.050, and the level of its statistical significance was 1%.

The parameters of  $INT$  and  $industry$  were statistically insignificant for the  $EBITDA/assets$  ratio. The results included in Table 2 support the conclusions that indicate the negative impact of diversification transactions and the positive impact of international transactions on financial performance after a consolidation transaction.

**Table 3.** Model estimations based on raw data

No.	$ER_{post}$	$\alpha$	$ER_{t=1}$	$lnAssets$	$CEO\_T$	$CEO\_A$	$IND$	$INT$	$R^2$
1	$\frac{EBIT + D}{assets}$	0.022 1.23	0.323*** 6.46	1.94E-08* 1.86	0.024 1.57	-0.013 -0.88	-0.031** -2.23	0.050*** 2.76	0.32
2	$\frac{EBITDA}{assets}$	0.043** 2.00	0.260*** 4.59	2.56E-08** 2.05	0.017 0.97	-0.038** -2.28	-0.027 -1.61	0.029 1.32	0.27
3	$ROE$	0.067 0.89	0.261*** 2.64	0.43E-08* 1.84	-0.002 -0.03	-0.138* -1.97	-0.120* -1.70	0.059 0.64	0.17

\*\*\*, \*\*, \* denotes statistical significance at the levels of 1%, 5%, and 10%, respectively.

The value of the t-distribution is given below parameter estimates.

Overall model significance measured by the F statistic at the conventional levels of 1% allows for rejecting  $H_0$ , in which all parameters equal zero.

The standard errors are heteroskedasticity-consistent.

$EBITDA$  was calculated as the sum of the net profit, tax, interest, depreciation, and amortization.

Source: own elaboration.

## Findings Based on the Industry Adjusted Data

Similar findings to those reported in Table 2 occurred when the results referring to the industry data were examined. The estimates are illustrated in Table 3 below. In the case of the  $EBITDA/assets$  dependent variable, the parameter for the  $lnAssets$  variable

was still very low  $2.55 \times 10^{-8}$  but statistically significant at the 5% level. The parameter for the *CEO\_T* variable – with reference to the industry – is statistically insignificant for all equations. As in the case of the previously discussed results, the change in the CEO position of the acquiring company led to a drop in asset profitability and return on equity measured with the indicator of *EBITDA/assets* and *ROE*. The values of the parameters were -0.048 and -0.145, respectively and their statistical significance was at 1% and 5% levels.

The conclusions for the remaining variables do not differ much from those obtained previously. The diversification nature of the transaction negatively impacted the return on assets expressed as the *(EBIT+D)/assets* ratio. The parameter for this variable was -0.031, and the level of its statistical significance was 5%. In turn, the international nature of the transaction positively impacted the ratio in question. The parameter for the *INT* variable was 0.048, while the level of its statistical significance was 5%.

**Table 4.** Model estimations adjusted for industry

No.	<i>ER_B<sub>post</sub></i>	$\alpha$	<i>ER_IND<sub>t=1</sub></i>	<i>InAssets</i>	<i>CEO_T</i>	<i>CEO_A</i>	<i>IND</i>	<i>INT</i>	<i>R</i> <sup>2</sup>
1	$\frac{EBIT + D}{assets}$	-0.038** -2.23	0.329*** 6.70	1.98E-08* 1.83	0.014 0.90	-0.019 -1.30	-0.031** -2.19	0.048** 2.57	0.38
2	$\frac{EBITDA}{assets}$	-0.037* -1.83	0.277*** 4.94	2.55E-08** 2.00	0.011 0.62	-0.048*** -2.78	-0.026 -1.52	0.019 0.85	0.29
3	<i>ROE</i>	0.012 -0.15	0.266*** 2.70	9.16E-08* 1.77	-0.001 -0.01	-0.145** -2.05	-0.123* -1.72	0.048 0.52	0.16

\*\*\*, \*\*, \* denotes statistical significance at the 1%, 5%, and 10% levels, respectively.

The value of the t-distribution is given below the parameter estimates.

Overall model significance measured by the F statistic at the conventional levels of 1% allows for rejecting H<sub>0</sub>, in which all parameters equal zero.

The standard errors are heteroskedasticity-consistent.

EBITDA was calculated as the sum of the net profit, tax, interest, depreciation, and amortization.

Source: own elaboration.

## Summary

The study provided arguments in favor of H1 by indicating the positive impact of the size of merging companies on their financial performance after the consolidation transaction. The results are in line with that of Healy et al. (1992) and Switzer (1996), interpreted in the literature as the result of economies of scale (Penman, 1991; Pangarkar and Lim, 2003). On the other hand, Sun and Tong (2003) found that large

Chinese firms suffer from more agency problems, which results in increased agency costs and a negative effect on operating performance. It does not seem a problem in the tested sample. It is intuitive that larger entities have a more professional approach to the consolidation transaction. They have a better managerial team, often involved in similar transactions in the past; in other words, this is the result of larger enterprises' experience and professionalism. Similar conclusions were drawn by Bertrand and Betschinger (2012) who suggest that Russian acquirers suffer from the inability to leverage value due to low M&A experience. Unsurprisingly, bigger and more professional entities achieve better transaction results than smaller enterprises.

Hypothesis H2 was not accepted because none of the parameters were statistically significant. Walsh (1989) reported a very high turnover in the top management positions following a merger in a target company. This rate was high as well in the tested dataset: 73% of CEOs lost their jobs one year after the transaction. Surprisingly, no relationship between CEO turnover and financial performance following mergers appeared. Why the turnover rate is so high and still does not positively affect financial performance remains an open question.

In turn, hypothesis H3 was disproven. The change of CEO in the acquiring company negatively influenced the financial performance of companies after the merger. Compared to no evidence when verifying H2, H3 provided a surprising result. This result even differs from that of Powell and Stark (2005) but remains logical, given the lack of management discontinuity experienced by the companies when their CEOs are replaced.

Regarding hypothesis H4, the study results illustrate that diversification mergers led to a deterioration of effect ratios following mergers. This result agrees with the majority of the literature (Healy et al., 1992; Heron and Lie, 2002) and suggests that problems reported by Scharfstein and Stein (2000), Shin and Stulz (1998), or Shleifer and Vishny (1989) might also appear in Poland. Some researchers try to explain the advantages of the same industry transactions by a company managerial ability (Cui and Leung, 2020). If companies operate in the same market, it is possible to introduce improvements like joint purchases to gain market share and optimize fixed costs (Mielcarz et al., 2018), i.e. to achieve broadly understood synergy effects. Such action in the case of companies from various industries is more difficult and, as can be seen from the example of the results obtained, the companies did not succeed.

There appeared arguments in favor of accepting H5 as correct, proving that international transactions positively impacted financial performance. According to Fukao et al.

(2008), foreign acquisitions improve target firms' productivity and profitability. Despite some articles reporting opposite findings (e.g. Vennet, 1996), the positive impact of international transactions supports the hypothesis of good practices transfer (Faulkner et al., 2002). International organizations derive good practices and standards from various markets. Moreover, the target entity often operates in a different market, so there is no problem with how to merge companies, how to divide the market between them, and how to optimize operations. Such transactions are often aimed at foreign expansion and the desire to transfer the business model successfully used in one country to another one.

## Conclusions and Limitations

The above investigation performed the first determinant analysis of M&A transactions in Poland. The first conclusion is that financial performance before a consolidation transaction determines the performance after the transaction, which is a statistically significant parameter in all models. The industry diversification variable negatively impacted financial performance after the consolidation transaction. This conclusion agrees with study expectations and suggests that a greater diversification – meaning a drop in the level of risk – simultaneously translates into a lower rate of return for investors and lower levels of examined ratios.

The results support the hypothesis that international transactions positively impact financial results. Global organizations draw good practices and standards from various markets. Moreover, the merged entity often operates in a different market, so there is no problem in terms of how to amalgamate the merging companies or how to divide the market between them and optimize their respective operations. Such transactions frequently aim at foreign expansion and transplantation of a business model successfully applied in the domestic environment to another country.

The results also reveal that the size of the merging companies positively impacts the examined effects of management measures. Intuition seems to suggest that larger entities approach consolidation transactions in a more professional manner. They have better management staff and are often experienced in similar transactions. Hence, it comes as no surprise that such professionalized entities benefit from the better effects of transactions they make compared to smaller enterprises.

There appeared no arguments proving that a change in the CEO position of a target company has a positive impact on the financial results achieved by the company. However, changes in the CEO position in the acquiring company usually led to poorer

performance after the transaction. This may be caused by management discontinuity. It is possible that the shareholders did not change the CEO of acquiring companies in the hope of an improvement in the company's performance, but they then realized that the CEO's decision concerning the merger was wrong, so they decided to replace them.

Bearing in mind the results of the study, management boards can benefit by taking actions for a change in how they expand. The knowledge which acquisitions are more profitable will help guide their efforts toward appropriate targets. Moreover, shareholders or supervisory boards will be able to more easily question management boards' plans, which sometimes run contrary to company interests.

This study has several limitations. First, I had limited access to the financial results for all of the six years under analysis, hence I omitted many observations. As a result, the sample shrank more than twice, to 130 cases. Therefore, I analyzed only a small handful of Polish market observations. Second, I adopted only the benchmark of the industry average. Since the financial performance of acquiring companies significantly differs from the industry average before a transaction (e.g. Franks and Harris, 1989; Mork et al., 1990), Barber and Lyon (1996) suggest a benchmark in the form of control companies. Ghosh (2001) proves that these two approaches can lead to different conclusions.

Third, using 50% as the threshold for the change of control is questionable because studies suggest lower values (e.g. Almeida, 2016). Nevertheless, there are ways to deal with this problem (Byrka-Kita and Czerwiński, 2013). However, due to the non-publicly listed companies' characteristics in the sample, the adoption of 50% was necessary to be sure that the change of control did occur. Fourth, the small sample of 130 transactions allowed me to consider more determinants.

In the future, I recommend that researchers address the issue by extending the sample for transactions after the year 2009. The world and financial markets have faced many problems since 2009 when deal-specific data was made available. Moreover, the financial results can be adjusted for the performance of control companies.

Results themselves suggest further research directions as well. The level of CEO rotation following the acquisition is puzzling. According to the literature, target companies are considered to be financially weaker, which was also the rule in Poland (Ocieszak, 2015). But does it justify the CEO turnover rate of 74% in the examined sample? After all, the CEO probably has a very broad knowledge of offered products, industry, competitors, and customers, which can be used for the future development of the acquired company. Apparently, the acquirers are not eager to use this knowledge

and replace the CEO in the first year following the acquisition. On the other hand, this replacement yields no statistically significant results. Furthermore, interesting is the motive behind the new owners who decide who stays on and who leaves the board. Do they pay more attention to general managerial or specific competencies? Maybe there were other characteristics such as gender, age, nationality, or the level of education that was considered by the acquirers? These matters could be examined in future research so as to shed more light on M&A transactions and their motives.

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