15 Sustainability and Social Issues in Management

Competitive Session

Merger and Acquisition Outcomes – the need to Consider Relationships between Different Stakeholders

Mr Simon Segal

Faculty of Business and Economics, Macquarie University, Sydney, Australia

Email: **ssegal@bigpond.net.au**

Dr Wee Ching Pok

Flinders Business School, Flinders University, Adelaide, Australia

Email: **weeching.pok@flinders.edu.au**

This paper identifies a need to consider how stakeholders are effected by and affect mergers and acquisitions (M&A), in particular how inter-stakeholder relationships effect and are affected by M&A.

Better insight of how the stakeholder concept can be used to enrich understanding of M&A enables researchers and practitioners to anticipate and improve M&A outcomes for all stakeholders.

Despite the wealth of literature in both M&A and stakeholder theory, research points to a lack of connectedness between these two research fields.

Numerous M&A scholars have identified the need for an integrative perspective on M&A or multiple measures of performance to better document fuller outcome implications of M&A. Some have started to apply multiple M&A performance criteria, fewer have suggested the notion of stakeholder theory in the context of M&A research.

While making useful advances to analyse M&A holistically, it is argued that these contributions still leave underdeveloped areas of inquiry – (1) the intra and inter relationships among and between stakeholder groups; (2) the multi-directional effects between stakeholders and M&A; (3) the complex web of relationships between the whole (the M&A event) and the stakeholder parts of the M&A event; (4) the limited range of stakeholders and sub-groups considered; and (5) normalising the notion of stakeholder disturbance as being an integral feature of M&A.

This paper contributes to the literature on M&A and stakeholder theory by focusing on part of the first identified gap – the complex web of inter relationships between stakeholder groups and how this relates to M&A outcomes.

The paper is organised as follows. Section 2 traces the evolution of M&A research towards identifying a need to expand into cross-disciplinary horizons and drawing on stakeholder theory, highlighting some research gaps. Section 3 discusses what stakeholder theory offers M&A analysis through inter stakeholder relationships. Section 4 contains the summary and conclusions.

EVOLUTION OF M&A STUDIES

Few corporate decisions have as dramatic and disruptive an impact on a firm's organisational life (Larsson and Finkelstein, 1999), corporate strategy (Hitt et al., 2002), macro-economic renewal (Bruner, 2004), forms of change (Cartwright et al., 2012) stakeholders (Anderson; H, 2013) and ability to meet market challenges (Agrawal and Jain, 2015) as do mergers and acquisitions (M&A).

M&A is a massive industry whose global volume in 2015 surpassed the USD 5 trillion mark for the first time to USD 5.03 trillion (http://www.dealogic.com/media/market-insights/ma-statshot/).

The reach of M&A extends well beyond the deal value and shareholders to having significant social, economic and political consequences for all stakeholders. At an introductory level M&A students are taught that while there are two primary parties to an M&A transaction - the buyer and seller - numerous ancillary economic interests are involved in the deal, including advisors (financial, legal, media), creditors, suppliers, customers, employees, communities, governments, and so on (Bruner, 2004).

Despite a broadly shared recognition that such "numerous ancillary" interests are involved in M&A, M&A literature continues to be dominated by financial and accounting studies with a quantitative focus on shareholders - Lubatkin (1987), Datta et al. (1992), Bruner (2002), King et al. (2004), Cartwright and Schoenberg (2006), Tuch and O'Sullivan (2007), Zollo and Meier (2008), Haleblian et al. (2009), Meglio and Risberg (2011), Thanos and Papadakis (2012), Das and Kapil (2012), Agrawal and Jain (2015).

There is nothing new in identifying the broader consequences of M&A – the earliest economists were well aware of the social, economic and political consequences of economic concentration. Adam Smith opposed economic concentration on the basis that it distorts the market's natural ability to establish a price that provides a fair return on land, labour, and capital; to produce a satisfactory outcome for both buyers and sellers; and to optimally allocate society's resources (Smith, 2005). Karl Marx outlines how concentration of society's production in relatively few hands can only occur with the simultaneous creation of its opposite - poverty and misery of the many (Marx, 2004).

Contemporary scholars call for a conceptual framework that integrates theoretical perspectives from economics, finance, and especially strategy, organization theory, and human resource management to offer a broader process-oriented integrative model (Larsson and Finkelstein, 1999), multiple measures of firm performance to better document the complete performance implications of M&A (King et al., 2004), closer links between M&A performance models adopted in the finance and strategy literatures with the human and organizational insights from behavioral studies (Cartwright and Schoenberg, 2006), simultaneous use of multiple measures to unveil the mysteries of M&A performance (Zollo and Meier, 2008), theoretical integration to synthesize contributions from each discipline (Haleblian et al., 2009), a motive-linked multi-dimensional performance model that combines measures of accounting performance, market performance and other operational characteristics (Das and Kapil, 2012), a more pluralist approach with integrative frameworks that reflects the multidisciplinary nature of M&A (Gomes et al., 2013) and that a numbers-logic oriented tradition of business planning is unable to suggest how stakeholders will react when a major organizational transition such as M&A takes place (Lamberg et al., 2008).

Multi-Disciplinary Approach to M&A

The literature points to the evolution of the debate within M&A studies from a modest start identifying a need to move beyond a shareholder-centric finance/accounting analysis of M&A towards identifying a need to expand into cross-disciplinary horizons and drawing on stakeholder theory.

Table 1 classifies scholars who have identified the need for a multi-disciplinary approach and need for multiple measures of performance for a more complete and complex understanding of M&A.

Insert Table 1 here

Table 1 reflects studies that apply multiple M&A performance criteria (Schoenberg, 2006, Mittal and Jain, 2012, Agrawal and Jain, 2015) or develop theory that (1) integrates perspectives from economics, finance, strategy, organization theory and human resource management to offer a broader process-oriented integrative model to gauge M&A (Larsson and Finkelstein, 1999); (2) links M&A performance models in finance and strategy literatures with the human and organizational insights from behavioural studies (Cartwright and Schoenberg, 2006); (3) rethinks how M&A knowledge is produced in terms of research designs and sources of data (Meglio and Risberg, 2010); (4) recognises the problem in trying to overcome ambiguity in M&A performance findings by finding a general measure for performance that is valid across all types of organizations and in different circumstances (Meglio and Risberg, 2011); and (5) views M&A through the lens of contextual ambidexterity to provide an integrated solution to the economic and social tensions in M&A (Meglio et al., 2015).

Stakeholder Approach to M&A

Stakeholder theory (Freeman, 1984, Jones, 1995, Walsh, 2005, Lamberg et al., 2008, Friedman and Miles, 2002, Freeman et al., 2004, Parmar et al., 2010), underpinned by a dialectical logic, enables researchers to develop integrative frameworks for working with the lived experience of the disruption while being able to include existing M&A analysis. Stakeholder theory has been applied across a broad range of disciplines, not least strategic management, finance, accounting, marketing and management. (Parmar et al., 2010), but, with the possible exception of Lamberg et al. (2008), there is little explicit fit between stakeholder research and M&A research (confirmed by email and personal conversations with Freeman) despite Freeman (1984) citing takeovers as the first of ten challenges that prompted the need for his stakeholder approach to management.

Freeman later noted that stakeholders deserve a say in how resources are allocated, that such involvement affects how they view the distribution of resources, and that their involvement can also create new opportunities for value creation (Parmar et al., 2010).

Existing models or frameworks provide a limited perspective through which to respond to stakeholder disruptions caused by M&A and require an integrative M&A perspective and model to understand the ways in which these disruptions are dealt with (Larsson and Finkelstein, 1999).

Table 2 reflects studies that suggest the notion of stakeholder theory in the context of M&A research. These vary from a corporate responsibility perspective (Waddock and Graves, 2006, Dorata, 2012), process perspective (Lamberg et al., 2008) and stakeholder framework perspective (Madhavan, 2005, King and Taylor, 2012, Martirosyan and Vashakmadze, 2013, Cording et al., 2013, Anderson; H, 2013, Meglio, 2015).

Insert Table 2 here

Waddock and Graves (2006) and Dorata (2012) apply quantitative techniques to link stakeholder groups and M&A. Both based on KLD's criteria, they measure the impact of M&A on corporate responsibility (Waddock and Graves, 2006) and whether M&A contributes to the determination of KLD's corporate social responsibility strengths and concerns for acquirers (Dorata, 2012).

Lamberg et al. (2008) explore how stakeholder-related path dependencies influence the process of conflict escalation. Uniquely they are stakeholder researchers analysing M&A (as opposed to M&A researchers analysing stakeholder issues), the only researchers to apply a qualitative technique (via a case study of the 2001 abandoned merger between United Airlines and US Airways) and the only researchers to adopt a process perspective analysis of M&A (as opposed to a framework perspective).

Madhavan (2005), King and Taylor (2012), Anderson; H (2013) and Meglio (2015) provide stakeholder maps to apply to M&A to argue that going beyond the numbers to consider the perspectives of different groups can provide a better appreciation of M&A challenges and enable improved outcomes. Anderson; H (2013) note many parties may affect, or become affected by, M&A in that they have a stake in it and that target and bidder stakeholders perceive the benefits and drawbacks of M&A from their own perspectives and thus act and react accordingly. They argue that a stakeholder approach to M&A reveals how limiting a focus on just one stakeholder (shareholders) is, and it may be detrimental to all stakeholders.

Cording et al. (2013) use stakeholder theory in their research on organizational authenticity in the context of M&A. They propose stakeholder theory to examine the merger integration process, claiming it provides a clearer picture of the relationship between stakeholder management and M&A performance.

Martirosyan and Vashakmadze (2013) use what they refer to as a stakeholder relationship matrix for post-merger integration process planning and management. Meglio (2015) extends the focus of M&A performance analysis beyond a shareholder focus to conceive the multi-dimensionality of M&A performance and assess the internal and external power dynamics and their influences on performance.

While not stakeholder focused, Meglio and Risberg (Meglio and Risberg, 2010, Meglio and Risberg, 2011, Meglio et al., 2015) advance a theoretical foundation to apply stakeholder theory to M&A, calling for a rethink how M&A knowledge is produced in terms of research designs and data sources (Meglio and Risberg, 2010), pointing out that inconsistency of M&A research findings is not in multiplicity of M&A performance measures but in trying to compare different measures (Meglio and Risberg, 2011) and that linking contextual ambidexterity and M&A integration extends both streams of research (Meglio et al., 2015).

Their advances are in discussing ways to query M&As as *processes* instead of one time events (Meglio and Risberg, 2010); identifying that it is not possible nor is there any need to talk about M&A performance as if it is a universal construct and that ambiguity and openness in meaning allows the set of propositions making up a theory to be constantly expanded, allowing researchers to amplify the theory's implications (Meglio and Risberg, 2011); and pointing a way (contextual ambidexterity) to provide an integrated solution to the economic and social tensions in M&A and to enable managers to confront the competing needs of task and human integration (Meglio et al., 2015).

Research gaps

While making useful advances to analyse M&A holistically, these contributions still leave underdeveloped areas of inquiry. This paper identifies five research gaps to build on. M&A research is limited by (1) not analysing the web of intra and inter relationships among and between stakeholder groups and how this relates to M&A outcomes; (2) being uni-directional in reflecting and measuring how M&A effects some stakeholders while ignoring how stakeholders affect the M&A outcome; (3) not understanding stakeholders as parts of a dynamic dialectical whole to elicit more explicitly this complex web of relationships between the whole (the M&A event) and the stakeholder parts of the M&A event (4) not incorporating a full range of stakeholders and sub-groups in a more comprehensive and integrated stakeholder map, focusing on one, occasionally a few, stakeholders; and (5) failing to integrate stakeholder and M&A research to normalise the notion of stakeholder disturbance as being an integral feature of M&A.

The remainder of this paper addresses part of the first gap – what stakeholder theory offers M&A analysis through inter stakeholder relationships

STAKEHOLDERS AND M&A

Defining Stakeholders

Freeman's *Strategic Management: A Stakeholder Approach* (Freeman, 1984) is still widely cited as laying the foundation for stakeholder theory (Donaldson and Preston, 1995, Rowley, 1997, Mitchell et al., 1997, Walsh, 2005, Galbreath, 2006, Lamberg et al., 2008, Laplume et al., 2008, Strand, 2012, Anderson; H, 2013). The book developed a model based on the premise that shareholders are not the only interest group to whom management need respond. A stakeholder is defined as "any group or individual who can effect, or is affected by, the achievement of a corporation's purpose" (Freeman, 1984, p.8).

Guidelines (Initiative, 2013) from the Global Reporting Initiative (GRI), the United Nations linked not-for-profit organization promoting the use of sustainability reporting, define stakeholders as "entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization." (Initiative, 2013, p.92).

While there is debate to broaden or narrow Freeman's definition, most researchers have used a variety of this concept of stakeholder (Frooman, 1999). Within such a broad understanding of stakeholder theory, stakeholder models and concepts vary (Donaldson and Preston, 1995, Parmar et al., 2010, Fassin, 2010, Friedman and Miles, 2002).

Table 3 reflects the stakeholder maps that have been developed by some of the research identified in Table 2 that examines the relationships between M&A and stakeholders (Madhavan, 2005, Waddock and Graves, 2006, Freeman, 2010, King and Taylor, 2012, Dorata, 2012, Anderson; H, 2013, Initiative, 2013).

Insert Table 3 here

Inter-Stakeholder Relationships between Stakeholders

Stakeholder theory understands business as a set of relationships among groups that have a stake in the activities that make up the business and deals with the nature of these relationships and their combined or divergent interests, asking what are the key dimensions of each stakeholder relationship, the common disruptions in stakeholder relationships (Parmar et al., 2010) and how stakeholders try to manage a firm (Frooman, 1999). Pursuit of corporate objectives can be easily disrupted by the actions of unexpected groups and individuals (Parmar et al., 2010).

Firms do not respond to each stakeholder separately, but respond to the simultaneous demands of multiple stakeholders (Rowley, 1997).

The more aligned a firm's objectives and strategies are to all its stakeholders the better the firm performs over the long term (Freeman, 1984, Jones, 1995, Walsh, 2005, Lamberg et al., 2008, Friedman and Miles, 2002, Freeman et al., 2004, Parmar et al., 2010). Parmar et al. (2010) cite "fairly impressive" empirical research that supports the notion that business organizations can and should serve the interests of multiple stakeholders, that such service is associated with higher financial performance, reputation and organizational performance and that good stakeholder relations enables a firm to enjoy superior long term financial performance and helps poorly performing firms to improve their performance more quickly.

The central thesis of stakeholder theory is that it is possible to generalize the theory as a management philosophy to think "how to serve my stakeholders," as opposed to focusing on, say customers or employees (Freeman, 2010) - the company and its stakeholders share a "jointness of stakeholder interests" with the question remaining about how to conceptualise the interaction effects of stakeholders (Parmar et al., 2010). The nature of these joint interests needs to be captured to optimise M&A performance, where firms are engaged in the competition for resources but also engaged in a cooperative exercise to jointly create value for their stakeholders (Parmar et al., 2010). Stakeholder theory stresses the avoidance of making trade-offs that may immediately seem unavoidable and instead calls upon managers to creatively negotiate tensions (Strand, 2012).

Strand (2012) highlights three fundamental tenets of stakeholder theory- embracement of the jointness of interests between stakeholders; advocacy of a cooperative strategic posture, and the rejection of a narrowly economic view of the firm:

Successful companies manage in stakeholder serving terms. Stakeholder theorists recognize the dynamics of stakeholder interests and continuously address these dynamics in an effort to create more value. Viewing stakeholder relationships as historic and a web of concerns allows an understanding of why the stakeholder environment is so critical during organizational change (Lamberg et al., 2008). Any strategic initiative affects the existing organizational matrix of structures and relationships. Organizational change can lead to numerous stakeholder-related outcomes but some outcomes are more probable than others, depending on initial conditions and the web of stakeholder concerns (Lamberg et al., 2008).

Parmar et al. (2010) note that prior to stakeholder theory management theory focused on theories that allowed for certainty, predictability and control. This did not capture the fluidity of management through numerous competing stakeholder interests that had to be accommodated and compromised. “It is about how customers, suppliers, employees, financiers (stockholders, bondholders, banks etc), communities and managers interact to jointly create and trade value” (Parmar at al. 2010). To understand a business – not least M&A - is to know how these relationships work and change over time.

The firm that understands who its stakeholders are, has organisational processes for dealing with their concerns and has a set of transactions for negotiating with stakeholders has, in Freeman's words (Freeman, 2010, p.58) a "high (or superior) stakeholder management capability (SMC)." The converse implies low SMC.

Stakeholder groups change over time but their interests and importance change over time as well (Freeman, 2010). As an organisation evolves certain stakeholders will be more important than others and the strategy to deal with each stakeholder will depend on the importance of that stakeholder to the organization relative to other stakeholders (Jawahar and McLaughlin, 2001),

Stakeholder theory aims to both explain and to guide the structure and operation of the corporation and views the corporation as an organizational entity through which numerous and diverse participants accomplish multiple, and not always congruent, purposes.

CONCLUSION

M&A has significant, complex and divergent implications for all stakeholders. It is more than a financial or strategic event effecting mainly shareholders, it is a social and political event affecting all stakeholders and is too effected by stakeholders, involving ambiguous and multi-directional dynamics between and among stakeholders.

Despite advances in M&A research towards greater cross-disciplinary analysis and stakeholder focus, gaps remain to broaden M&A research to analyse (1) the intra and inter relationships among and between stakeholder groups; (2) the multi-directional effects between stakeholders and M&A; (3) the complex web of relationships between the whole (the M&A event) and the stakeholder parts of the M&A event; (4) the limited range of stakeholders and sub-groups considered; and (5) normalising the notion of stakeholder disturbance as being an integral feature of M&A.

This paper focused on part of the first identified gap – the complex web of inter relationships between stakeholder groups and how this relates to M&A outcomes.

To this end the paper set out to (1) trace the evolution of M&A research towards identifying a need to expand into cross-disciplinary horizons and drawing on stakeholder theory, highlighting some research gaps; and (2) discuss what stakeholder theory offers M&A analysis through inter stakeholder

Different stakeholders have different interests with conflicting logic and paradigms. They are inevitably impacted in different ways by an M&A event and themselves have different impacts on the M&A event. There is no black and white outcome as to how an M&A event will disrupt and effect a particular stakeholder. The grey varies across each of the framework's performance criteria.

The proposed stakeholder analysis of M&A can be used to develop a methodology in academia or a framework for practitioners to analyse M&A from the perspective of different stakeholders and reveal their nuances, not to conclusively conclude M&A generically or a particular M&A event has or will succeed, fail, benefit or sacrifice, or been value destructive or value accretive. It underscores how answers are incomplete, imperfect and inconclusive. Variables developed in the field of social auditing and theoretical frameworks (M&A, stakeholder and social audit) make it possible to develop a deeper understanding of the underlying and disruptive implications of M&A and anticipate the multitude of outcomes for all stakeholders.

It is suggested that the research in this paper points to new ways and possibilities to researchers and practitioners for a more dynamic, realistic and quantifiable understanding of M&A, thereby to better perceive, anticipate and improve M&A outcomes for all stakeholders on a sustainable basis. It challenges the view of M&A being linear and rational but rather sees M&A outcomes as a multidimensional construct that requires a cross disciplinary analytical approach, emerging from an interactive process involving many stakeholders.

The importance of applying an integrated methodology and comprehensive social and financial analysis to M&A are several, allowing for historic analysis, forward assessment, future planning and proactive responding, both for academics in devising theories and explanations and for practitioners. In this latter context it is relevant not only to corporate boards and management but to the spectrum of practitioners involved in M&A that form a vast and lucrative industry.

REFERENCES

AGRAWAL, A. & JAIN, P. 2015. Multiple Perspectives of Mergers and Acquisitions Performance. *Systemic Flexibility and Business Agility.* Springer.

ANDERSON; H, H., V, NILSSOM, F 2013. A Stakeholder Approach to Mergers and Acquisitions. *In:* NILSSOM, H. A. V. H. F. (ed.) *Mergers and Acquisitions: The Critical Role of Stakeholders.* New York: Routledge.

BRUNER, R. F. 2002. Does M&A pay? A survey of evidence for the decision-maker. *Journal of Applied Finance,* 12**,** 48-68.

BRUNER, R. F. 2004. *Applied mergers and acquisitions*, John Wiley & Sons.

CARTWRIGHT, S. & SCHOENBERG, R. 2006. Thirty years of mergers and acquisitions research: Recent advances and future opportunities. *British Journal of Management,* 17**,** S1-S5.

CARTWRIGHT, S., TEERIKANGAS, S., ROUZIES, A. & WILSON-EVERED, E. 2012. Methods in M&A—A look at the past and the future to forge a path forward. *Scandinavian Journal of Management,* 28**,** 95-106.

CORDING, M., HARRISON, J., HOSKISSON, R. & JONSEN, K. 2013. " Walking the Talk": A Multi-Stakeholder Exploration of Organizational Authenticity, Employee Productivity & Post-Merger Performance. *The Academy of Management Perspectives***,** amp. 2013.0002.

DAS, A. & KAPIL, S. 2012. Explaining M&A performance: a review of empirical research. *Journal of Strategy and Management,* 5**,** 284-330.

DATTA, D. K., PINCHES, G. E. & NARAYANAN, V. 1992. Factors influencing wealth creation from mergers and acquisitions: A meta-analysis. *Strategic management journal,* 13**,** 67-84.

DONALDSON, T. & PRESTON, L. E. 1995. The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of management Review,* 20**,** 65-91.

DORATA, N. T. 2012. Determinants of the Strengths and Weaknesses of Acquiring Firms in Mergers and Acquisitions: A Stakeholder Perspective. *International Journal of Management,* 29.

FASSIN, Y. 2010. A dynamic perspective in Freeman's stakeholder model. *Journal of business ethics,* 96**,** 39-49.

FREEMAN, R. E. 1984. Strategic management: A stakeholder approach. *Advances in strategic management,* 1**,** 31-60.

FREEMAN, R. E. 2010. *Strategic management: A stakeholder approach*, Cambridge University Press.

FREEMAN, R. E., WICKS, A. C. & PARMAR, B. 2004. Stakeholder Theory and "The Corporate Objective Revisited". *Organization Science,* 15**,** 364-369.

FRIEDMAN, A. L. & MILES, S. 2002. Developing stakeholder theory. *Journal of management Studies,* 39**,** 1-21.

FROOMAN, J. 1999. Stakeholder influence strategies. *Academy of management review,* 24**,** 191-205.

GALBREATH, J. 2006. Does primary stakeholder management positively affect the bottom line?: Some evidence from Australia. *Management Decision,* 44**,** 1106-1121.

GOMES, E., ANGWIN, D. N., WEBER, Y. & YEDIDIA TARBA, S. 2013. Critical Success Factors through the Mergers and Acquisitions Process: Revealing Pre-and Post-M&A Connections for Improved Performance. *Thunderbird international business review,* 55**,** 13-35.

HALEBLIAN, J., DEVERS, C., MCNAMARA, G., CARPENTER, M. & DAVISON, R. 2009. Taking Stock of What We Know About Mergers and Acquisitions: A Review and Research Agenda. *Journal of Management,* 35**,** 469-502.

HITT, M. A., HARRISON, J. S. & IRELAND, R. D. 2002. Mergers and Acquisitions: A Guide to Creating Value for Stakeholders. *The Academy of Management Executive,* 16**,** 171-173.

INITIATIVE, G. R. 2013. G4 Sustainability Reporting Guidelines. Reporting Principles and Standard Disclosures. Global Reporting Initiative. Retrieved from https://www. globalreporting. org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures. pdf.

INITIATIVE, G. R. 2015. Global Reporting Initiative (GRI) Index.

JAWAHAR, I. & MCLAUGHLIN, G. L. 2001. Toward a descriptive stakeholder theory: An organizational life cycle approach. *Academy of management review,* 26**,** 397-414.
JONES, T. M. 1995. Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of management review,* 20**,** 404-437.
KING, D. & TAYLOR, R. 2012. Beyond the Numbers: Seven Stakeholders to Consider in Improving Acquisition Outcomes. *Graziadio Business Review*.
KING, D. R., DALTON, D. R., DAILY, C. M. & COVIN, J. G. 2004. Meta-analyses of post-acquisition performance: Indications of unidentified moderators. *Strategic Management Journal,* 25**,** 187-200.
LAMBERG, J.-A., PAJUNEN, K., PARVINEN, P. & SAVAGE, G. T. 2008. Stakeholder management and path dependence in organizational transitions. *Management Decision,* 46**,** 846-863.
LAPLUME, A. O., SONPAR, K. & LITZ, R. A. 2008. Stakeholder theory: Reviewing a theory that moves us. *Journal of management,* 34**,** 1152-1189.
LARSSON, R. & FINKELSTEIN, S. 1999. Integrating strategic, organizational, and human resource perspectives on mergers and acquisitions: A case survey of synergy realization. *Organization Science,* 10**,** 1-26.
LUBATKIN, M. H. 1987. Merger Strategies and Shareholder Value. *Strategic Management Journal,* 8**,** 39-53.
MADHAVAN, R. 2005. Managing M&A Strategically: From «Plug and Pray» To «Plug and Play». *Ravi Madhavan's A&D Blog available at: http://strategyscape. typepad. com/PlugPlay. pdf*.
MARTIROSYAN, E. & VASHAKMADZE, T. Introducing stakeholder based frameworks for post-merger integration success. Global Business Conference Proceedings, 2013. 169-175.
MEGLIO, O. 2015. The acquisition performance game. *The Routledge Companion to Mergers and Acquisitions***,** 163.
MEGLIO, O., KING, D. R. & RISBERG, A. 2015. Improving Acquisition Outcomes with Contextual Ambidexterity. *Human Resource Management*.
MEGLIO, O. & RISBERG, A. 2010. Mergers and acquisitions—Time for a methodological rejuvenation of the field? *Scandinavian Journal of Management,* 26**,** 87-95.
MEGLIO, O. & RISBERG, A. 2011. The (mis) measurement of M&A performance—A systematic narrative literature review. *Scandinavian journal of management,* 27**,** 418-433.
MITCHELL, R. K., AGLE, B. R. & WOOD, D. J. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of management review,* 22**,** 853-886.
MITTAL, A. & JAIN, P. 2012. Mergers and acquisitions performance system: integrated framework for strategy formulation and execution using flexible strategy game-card. *Global Journal of Flexible Systems Management,* 13**,** 41-56.
PARMAR, B. L., FREEMAN, R. E., HARRISON, J. S., WICKS, A. C., PURNELL, L. & DE COLLE, S. 2010. Stakeholder theory: The state of the art. *The Academy of Management Annals,* 4**,** 403-445.
ROWLEY, T. J. 1997. Moving beyond dyadic ties: A network theory of stakeholder influences. *Academy of management Review,* 22**,** 887-910.
SCHOENBERG, R. 2006. Measuring the Performance of Corporate Acquisitions: An Empirical Comparison of Alternative Metrics*. *British Journal of Management,* 17**,** 361-370.
STRAND, R. 2012. The Scandinavian Cooperative Advantage. *Management,* 17**,** 99-120.
THANOS, I. C. & PAPADAKIS, V. 2012. Unbundling acquisition performance: How do they perform and how can this be measured?
TUCH, C. & O'SULLIVAN, N. 2007. The impact of acquisitions on firm performance: A review of the evidence. *International Journal of Management Reviews,* 9**,** 141-170.
WADDOCK, S. & GRAVES, S. B. 2006. The impact of mergers and acquisitions on corporate stakeholder practices. *Journal of Corporate Citizenship,* 2006**,** 91-109.
WALSH, J. P. 2005. Book review essay: Taking stock of stakeholder management. *Academy of Management Review,* 30**,** 426-438.

ZOLLO, M. & MEIER, D. 2008. What is M&A performance? *The Academy of Management Perspectives*, 22**,** 55-77.

TABLE 1: Studies that Apply Multi-Disciplinary Approach to M&A

Reference	Research Objective	Findings	Contribution
Larsson and Finkelstein (1999)	Framework to integrate economics, finance, strategy, organization theory, management to gauge M&A	M&A benefits related to strategic potential, organizational integration and employee resistance	Gauge M&A by 1) synergy realization; 2) production and marketing complementarities; 3) deriving data from case survey
Schoenberg (2006)	Empirically compare 4 M&A measures CAR, manager assessments, divestment data and expert assessments	Multiple performance measures needed for holistic view of M&A outcomes for stakeholders	Insight into comparability of subjective and objective M&A measures; 2) indicates M&A measurement approaches.
Cartwright and Schoenberg (2006)	Reflect multi-disciplinary nature of M&A	Methodological bridges to cross to link M&A performance in finance and strategy with behavioural studies	Compilation of articles capturing perspectives and modes of inquiry around M&A
Meglio and Risberg (2010)	How to query M&As as processes instead of one time events, rethink research designs and data sources	M&A not monolithic and isolated, affects people within and outside the M&A firms. Few qualitative processual M&A studies that view the process as a sequence of events that describe change	Point to process-oriented longitudinal studies to understand M&A
Meglio and Risberg (2011)	Alternative way to interpret M&A inconsistency findings	M&A performance 1) not universal construct and requires 2) longitudinal studies; 3) time scale and 4) analysis around subjects that could win or lose	Furthers 1) understanding variety of M&A performance meanings; 2) ways to interpret inconsistencies; 3) factors that shape M&A and measurement process
Mittal and Jain (2012)	Integrate M&A performance to Process-Performance (S-A-P-P) framework	S-A-A-P framework more comprehensive view of M&A performance against multiple parameters	Insight into M&A performance parameters, framework relevant for M&A managing, measuring, interpreting, strategy formulation, and monitoring
Agrawal and Jain (2015)	Consider situations, actors, processes, and performance parameters in M&A analysis	Holistic understanding of M&A requires identifying internal, external, lead and lag parameters	Holistic framework provides robust view of real and monetary benefits of M&A and lead and lag parameters
Meglio et al. (2015)	Apply contextual ambidexterity to examine task and human integration in M&A	Contextual ambidexterity important dynamic for M&A integration	Identifies relationships that improve M&A

TABLE 2: Studies that Examine Relationships between M&A and Stakeholders

Reference	Research Objective	Findings	Contribution
Madhavan (2005)	Framework to consider M&A in more practical, optimistic light	Identify 7 principles of M&A management that include managing stakeholder expectations	Seven principles define coherent approach to M&A success
Waddock and Graves (2006)	M&A impact on corporate responsibility	Stakeholder practices do not effect M&A decisions; M&A may diminish competitive advantage the target might have had in its relationships with stakeholders	Quantitative analysis of M&A impact on corporate stakeholders
Lamberg et al. (2008)	Use M&A case study to develop more dynamic and realistic understandings of what happens within (and between) stakeholder networks	Numbers-logic approach is unable to suggest how stakeholders will react to transition; stakeholders should be involved in initial negotiations	Provides dynamic understanding of stakeholder relationships and highlights how 1) stakeholder relationships are dependent on small random effects and 2) intra- and inter-group relationships influence organizations
Dorata (2012)	Determine if stakeholder attributes in M&A decision contribute to corporate strengths and concerns	Stakeholder measures in M&A impact the assessment of corporate strengths and weaknesses	Evaluates M&A impact on CSR
King and Taylor (2012)	Coordinate efforts of groups with different interests to realize expected gains	Going beyond numbers to consider different groups improves appreciation of M&A challenges and outcomes	Perspective of seven stakeholders as guide to improve M&A
Martirosyan and Vashakmadze (2013)	Use sun cube and stakeholder relationship matrix in M&A process for stakeholder analysis of M&A	Stakeholders key in M&A, beyond business structures. ESG can be maximized only with stakeholder engagement	Introduce sun cube and stakeholder relationship matrix for stakeholder analysis around M&A
Cording et al. (2013)	Empirically investigate influence of organizational authenticity in M&A integration	Propose stakeholder theory to examine integration process. Firms not better off to under-promise interconnectedness of stakeholders. Employees react to contract breaches with themselves and customers	Evidence of link between implicit contracts, employee productivity and shareholder returns 2) clarifies relationship between stakeholder management and M&A performance
Anderson; H (2013)	Apply stakeholder approach to illustrate multiplicity of stakeholder relationships during M&A	Introductory chapter to book	Compilation of articles that consider stakeholders for broader view of M&A
Meglio (2015)	Investigate internal and external stakeholder influences on M&A	Stakeholder power shapes M&A	Applies stakeholder lens to M&A

TABLE 3: Stakeholder Maps

Madhavan (2005)	Waddock and Graves (2006)	Freeman (2010) 3.1^	King and Taylor (2012)	Dorata (2012)	Anderson; H (2013)	Initiative (2015)	Meglio (2015)
Investors		Owners	Lenders	Stockolders	Shareholders	Shareholders Capital providers	Shareholders
Customers	Customers	Customers	Customers	Customers	Customers	Customers	Customers
		Financial community	Advisors		Scholars		Inv Banks Consultants
Employees	Employees Diversity	Unions Employees	Employees	CEO Employees	Managers	Employees Unions	Top/Mid management Employees
Community	Community Environment Governance	Political groups Activist groups Customer advocacy groups			Public bodies	Civil society Local communities	
Suppliers		Suppliers	Vendors		Suppliers	Suppliers	Suppliers
Governments		Government	Regulators				Government
Competitors		Trade associations Business partners Competitors	Competitor				Competitors

^ Freeman (Exhibit 3.1) - Stakeholder Map of Very Large Organisation