

A strategic decision-making framework uncovering the non-financial strategic factors
that support the success of business acquisitions

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ABSTRACT

A method of organisational growth is expansion through business acquisition. This method of expansion is considered a faster mode as compared to organic growth. According to research studies that have been completed, a very high percentage of BAs are unsuccessful. Some research suggests that the rate of failure is between 70% - 90%. Although the business acquisition success rate is low, organisations continue to utilise business acquisitions as a growth mode. Factors that affect the success of a business acquisition process, can be categorised into financial and non-financial dimensions. A significant amount of research has focused on these financial dimensions, and these are usually the primary focus area of a due diligence process. Whereas the non-financial dimensions such as culture, management and human resources could also support the success of business acquisitions. To date, a holistic model of non-financial factors remains scarce. The study aims to clarify the non-financial factors that leaders must carefully consider ensuring the success of this strategic business acquisition endeavour.

A qualitative, exploratory research study has been employed to further understand the non-financial factors in support of successful business acquisitions. The data collection was completed through 16 semi-structured, in-depth interviews with experts within the business acquisition field. The study delved deeper into the non-financial factors that impact the success of business acquisitions. These were categorised as internal and external, tangible, and intangible non-financial factors, where Internal and external referenced the perspectives of the acquiring and the targeted organisation.

The study has identified the key non-financial factors that contribute to the success of business acquisitions. These factors have been documented in a simple holistic framework. This study contributed to the literature and to business by presenting a framework uncovering the non-financial factors in support of successful business acquisitions.

KEYWORDS

business acquisition, business acquisition success, non-financial factors, external growth

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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List of abbreviations

AO	–	Acquiring organisation
AOs	–	Acquiring organisations
BA	–	Business acquisition
BAs	–	Business acquisitions
CEO	–	Chief executive officer
CEO's	–	Chief executive officers
TMT	–	Top management team
TO	–	Targeted organisation

TOs – Targeted organisations

1 Chapter 1: Introduction to Research Problem

1.1 Introduction

Factors that affect the success of a business acquisition (BA) process, can be categorised into financial and non-financial dimensions. Within the financial dimensions, factors such as financial, legal and commercial are assessed in the primary due diligence process (Harapan et al., 2020). A significant amount of research has focused on these financial dimensions (Marshall et al., 2019). However according to Harapan et al. (2020), these non-financial dimensions such as culture, management and human resources could support the success of BAs. These non-financial dimensions, have tangible factors such as strategy, post-acquisition costs and organisational integration planning, and intangible factors such as top management team (TMT) effectiveness, culture, and competitive advantage. These non-financial factors are considered as a role player in the success of BAs (Renneboog & Vansteenkiste, 2019). However, to date, a holistic model of the non-financial factors remains scarce (Alhenawi & Stilwell, 2017; Graebner et al., 2017; Joshi et al., 2020; King et al., 2004). The study aims to clarify the non-financial factors that leaders must carefully consider ensuring the success of this strategic BA endeavour.

A qualitative, exploratory research study has been employed to further understand the internal and external, tangible, and intangible non-financial factors in support of successful BAs.

1.2 Background to the research problem

Organisations change their strategies when there is uncertainty about the future, and they receive information that either disputes or swells on their current fundamental ecology (Kirtley & O'Mahony, 2020; Setyawan, 2017). Organisations solicit growth to create sustainability for the future (Traù, 2017). This growth can generally be achieved by organic growth, being a common growth method utilised by organisations which relies on the traditional operational and commercial tactics to increase sales (Dagnino et al., 2017). Another method of growth is expansion through BAs (Achtenhagen et al., 2017), which is considered a faster mode as compared to organic growth (Renneboog & Vansteenkiste, 2019). Both of these growth mechanisms are frequently examined in research

(Achtenhagen et al., 2017). Achtenhagen et al. (2017), makes a distinction between organic growth, being the normal growth within an organisation, and external growth by utilising BAs. The findings from these scholars are consistent with Xu (2017), who argue that internal growth is executed by allocation of capital and resources within the organisation, versus external growth by way of BAs. Capital spend can be used by either purchasing new equipment to increase growth or by strategic growth through BAs (Xu, 2017). There are many internal and external factors that are considered by a leader of an organisation when deciding on what strategy the leader will employ when the organisation is looking for growth (Eggers, 2020; Kirtley & O'Mahony, 2020; Kusa et al., 2022; Perdana et al., 2022; Setyawan, 2017; Zubair, et al., 2020). There is no guarantee that an organisation will take a single growth model strategy and use that without changing it over time (Achtenhagen et al., 2017).

Ansoff (1957) argues that an organisation should use three growth models as a strategy and review the fourth being diversification as a growth model to expand the overall growth strategy. In this seminal work, Ansoff (1957), defined diversification as a mode where the organisation will change paths from the current products and the markets it satisfies. The author argues that an organisation does not only diversify when the future trends are uncertain, but diversification could also be indulged when the organisation has steady growth. Considering Ansoff's (1957) argument, when organisations are looking for growth or change in strategy, they have an option to diversify. The methods used and the reasons to diversify is a common issue in research (Jung & Shin, 2019). A type of diversification mode is a BA model that creates a foundation to enhance organisational functioning (Dhir & Dhir, 2015; Penrose & Penrose, 2009; Rabier, 2017).

In the business context and according to the scholars Achtenhagen et al. (2017), Rabier (2017), Simpson & Sariol (2022) and Xu (2017), an organisation can utilise BA as a growth strategy. This is consistent with seminal work of Ansoff (1957), Lamont & Anderson (1985) and Yip (1982), who posited that an organisation could grow by utilising BA. BAs are well utilised by organisations to reignite growth and renewal (Jemison & Sitkin, 1986).

The terminology mergers and acquisitions are sometimes used interchangeably as the end product is where one organisation takes over the other organisation (Vazirani, 2012; Zhang et al., 2020). The term mergers and acquisitions or M&As, are compatible, as

acquisitions are usually considered as mergers (Zhang et al., 2020). Throughout this study the researcher will refer to BAs, which holistically includes mergers and acquisitions.

An organisations operations and activities are significantly impacted by mergers and acquisitions (M&A deals), which are among the most significant events in an organisations lifetime (Renneboog & Vansteenkiste, 2019). Merger and acquisition deals allow organisations to expand more quickly than those relying solely on organic development, enter new markets, and cross-sell to existing clients (Renneboog & Vansteenkiste, 2019). However, numerous research studies have shown that the success rate of these BAs are low (Alhenawi & Stilwell, 2017; Christensen et al., 2011; Jurich & Walker, 2019; Schoenberg, 2006). Although this merger and acquisition tool for growth is utilised by organisations, the literature is clear that BAs usually provide negative financial returns (Alhenawi & Stilwell, 2017; Jurich & Walker, 2019; Schoenberg, 2006). BAs have received much focus in the past and there are studies that show that they have not delivered the initial value that was anticipated (Vazirani, 2012).

As organisations continually thrive to achieve sustainable growth, the discussion above articulates that BA is a method that is continually utilised by organisations to fuel growth. This wide use of BA has brought much research on the topic, however the challenge faced by organisations is that many of these BAs do not deliver the intended value expected by leaders of the acquiring organisation (AO) (Alhenawi & Stilwell, 2017; Jurich & Walker, 2019; Schoenberg, 2006). These scholars conclusions corroborates with the findings from PwC US (2017), which confirms that BAs do not fully achieve the value creation expectations.

When comparisons are conducted on organisational performance, it is commonly found that AO's underperform when compared to non-AOs (Renneboog & Vansteenkiste, 2019). These findings are corroborated according to research by Christensen et al. (2011) and Joshi et al. (2020), who postulated that 70% - 90% of BAs fail. This is further substantiated by more recent literature from scholars Thompson & Kim (2020), who posited that the failure rate of BAs is more than 70%. Onderick (2018) shares consensus by suggesting that studies have continuously confirmed a very high failure rate of BAs. Even though scholars share consensus on the low rate of success of BAs, according to Joshi et al. (2020) and Rodríguez-Sánchez et al. (2019), the BA method of organisational growth is still utilised.

Christensen et al. (2011), Joshi et al. (2020) and Renneboog & Vansteenkiste (2019), postulated that although there has been significant research performed on the reasons thereof, the research has traditionally investigated the financial dimensions attributable to these failures. To this end, Joshi et al. (2020), King et al. (2004) and Tarba et al. (2019), has postulated that there is additional research that can be completed on the non-financial dimensions, like culture, to understand the failure reasons of BAs. Due diligence is a portion of the BA process, which assesses the financial, legal and the commercial factors of the potential deal (Howson, 2017). This is known as the “financial factors” for purposes this study. A due diligence process assists the acquirers in understanding what they are paying for and the value it will potentially bring to their organisation (Howson, 2017). From the discussion on the background of the problem, there is consensus from scholars and from a business context that BAs may not deliver the intended value. To this end, the researcher will aim to further understand the internal and external, tangible, and intangible non-financial factors in support of successful BA’s.

1.3 Research problem

To address the research gap that has been identified in section 1.2, the research problem for this study is to develop a framework that can be utilised by organisations to increase the success rate of BAs.

All BA processes usually go through a due diligence process (Harapan et al., 2020). However, much of the focus from scholars and business practitioners are on the financial dimensions (Marshall et al., 2019). Whereas there are non-financial dimensions that should be considered in support of successful BAs (Christensen et al. 2011; Renneboog & Vansteenkiste, 2019; Tarba et al., 2019). While there are related studies on the non-financial factors that impact the success of BAs, these studies do not take a universal view of the key non-financial factors (Alhenawi & Stilwell, 2017; Graebner et al., 2017; Joshi et al., 2020). As organisations continually strive for growth, BAs will be a method that leaders will continue to employ (Rabier, 2017). The problem highlighted that leaders continually utilise BA as a growth strategy, however the success of BA is low. The researcher will aim to contribute to the literature by understanding the non-financial factors in support of successful of BAs.

1.4 Research aim

Based on the empirical findings, this study aims to construct a theoretical framework aiming to encapsulate the key non-financial factors that leaders can consider in support of successful BAs. This study specifically aims to improve the understanding of the non-financial, tangible, and intangible factors that leaders should consider in support of successful BAs. Whilst understanding these key non-financial factors, the researcher will aim to identify tangible and intangible non-financial factors from an internal and external perspective. This perspective will be divided into the AO which is considered internal, and the targeted organisation (TO) which is considered external.

1.5 Significance of the research

It has been discussed that most BAs do not achieve the value the AO expected (Alhenawi & Stilwell, 2017; Jurich & Walker, 2019).

1.5.1 Envisaged contributions to scholarly advancement

Marshall et al. (2019) posited that there has been a substantial volume of research on the financial dimensions impacting the success of BAs. Whereas, Christensen et al. (2011) and Renneboog & Vansteenkiste (2019) suggested that non-financial factors also impact the success of BAs. Alhenawi & Stilwell (2017), Graebner et al. (2017) and Joshi et al. (2020) all share consensus that although there is research completed on the non-financial factors that impact the success of BAs, there is limited research on the holistic view of these key non-financial factors. Thus, the significance of the research will allow for contributions to scholarly advancement.

1.5.2 Envisaged contributions to leaders and organisational competitiveness

Numerous scholars have agreed that BAs do not have a high success rate, however organisational leaders continue to utilise BAs as a growth model (Joshi et al., 2020; Rodríguez-Sánchez et al., 2019). The research will aid leaders and organisations by aiming to increase the success rate of these BAs by understanding the key non-financial factors that leaders should consider in support of successful BAs.

1.6 Conclusion

The increase of BA activity, has encouraged research on BAs in a number of academic sectors (Henningsson et al., 2018). The preference for external growth through BA over internal growth, is likely to continue producing subpar performance results until researchers can better advise managers on how value may be created through BA activity (King et al., 2004). Theoretically and practically, it has been challenging to pinpoint the factors that influence post-acquisition performance (Ahammad et al., 2016; Joshi et al., 2020). King et al. (2004) and Tarba et al. (2019), postulated that due to these challenges in predicting BA performance, academics have proposed that non-financial factors for BAs should be more carefully evaluated.

This chapter presented an outline for the significance of the research to be conducted. There has been a substantial amount of scholarly research on BAs which share the view that BAs are utilised as a growth model for organisations (Achtenhagen et al., 2017; Rabier, 2017; Xu, 2017). The research, as described in this chapter demonstrates that the expected value realisation that the AO expects from the BA is relatively low (Alhenawi & Stilwell, 2017; Jurich & Walker, 2019).

As argued in this chapter, much research has been completed on the financial factors that should be considered when organisations complete BAs. There has been scholarly consensus that the non-financial factors impact the success of BAs. The aim of this research paper is to contribute to the body of knowledge on the topic, by understanding the non-financial, tangible, and intangible factors in support of successful BAs.

2 Chapter 2: Literature review

2.1 Introduction

This chapter provided a critical analysis of the relevant literature that encompasses the success rate of BAs as a growth mode and provides an investigation of the factors that could be considered to support the success of BAs. The chapter started by analysing the literature on organisational growth strategies. It then investigated the growth avenues that are available from the literature and specifically delved into BAs as a strategy for organisational growth. The researcher then analysed the current literature on the success rate of BAs and completed a review of the potential financial and non-financial factors that impact the success of BAs. Whilst reviewing the literature, the gaps identified led the researcher to further investigate the non-financial, tangible, and intangible factors that impacted the success of BAs. The chapter will then be concluded with key takings from the literature that are related to the non-financial factors that leaders could consider in support of successful BAs. Before offering a conclusion to the chapter, the identified research gaps will be discussed. Refer to appendix 1 for the pertinent literature that was applied to inform the study.

2.2 Importance of organisational growth

Organisational growth is when leaders plan to create a future for the organisation (Traù, 2017). This growth plan is not an automatic process and requires leaders to craft an action plan to implement this growth trajectory (Penrose 1955; Traù, 2017). Organisations review their growth strategies specifically when they sense that the future is uncertain in environments that are rapidly changing (Kirtley & O'Mahony, 2020; Setyawan, 2017). These changes to their strategies also occur from tensions of changing enterprise environments to achieve growth (Dagnino et al., 2017). As postulated by Birkinshaw et al. (2000) and Koza & Lewin (2000) organisation growth, increase sales, creates competitive advantage and allows the organisation opportunity to enter into new markets. There are many strategies that an organisation can utilise to boost growth, including a pivot, which can be defined as a strategic shift that is made by an organisation (Kirtley & O'Mahony, 2020). This strategic shift requirement according to Perdana et al. (2022), may be required as many organisations are dealing with constant changes in customer needs. Organisations have been struggling with growth since the COVID-19

pandemic, as postulated by Eggers (2020), a crisis fuels a growth strategy that will be required to negate the downturn that they have faced.

2.2.1 Ways of looking into organisational growth

2.2.1.1 Internal and external growth

Organisational growth can be classified as internal and external growth (Dagnino et al., 2017). The authors defined internal growth as a management decision to grow the organisation using operational and commercial tactics within the organisation to increase sales. Simpson & Sariol (2022) defined external growth as the process of taking over other organisations by BA. This allows leaders the opportunity to scan the internal and external ecosystems when deciding on a growth strategy to be employed (Dagnino et al., 2017).

Given the challenges leaders have historically experienced while pursuing internal growth, BA activity may appear like a straightforward and simple way to achieve external expansion (King et al., 2004). There is no guarantee that an organisation will employ a single growth model strategy and use that without changing it over time (Achtenhagen et al., 2017). Organic growth is the normal growth path for an organisation which can be created internally, and inorganic growth can be sought after externally, by employing BA as a strategy (Achtenhagen et al., 2017). The findings from these scholars are consistent with Simpson & Sariol (2022) and Xu (2017), who argued that internal growth is executed by the allocation of capital and resources within the organisation versus external growth, by way of BA.

2.2.1.2 Organisational Growth models

Contributing to the analysis of internal and external growth strategies, the researcher has reviewed seminal work by (Ansoff, 1957). The author postulated that there are four growth modes that organisations can consider as a growth strategy. The author suggested that an organisation should first utilise three of these growth modes as a foundational strategy, and utilise the fourth strategy, diversification, to expand the overall organisational growth strategy. The author further suggested that diversification as a growth mode is when the organisation will change paths from the current products and markets it satisfies.

The seminal work from Ansoff (1957) discussed these growth modes that are considered when leaders search for organisational growth. These are market penetration, market development, product development and diversification. The author defined market penetration as a strategy to increase volume growth by attracting new markets with the same products, or by changing the way they create current products, to increase sales to the markets they currently serve. Ansoff (1957) defined market development as the process when organisations rework to a limited extent, its current product range to attract a new market to increase sales volume. The third strategy is product development, which enhances the current product range to have either latest or unique attributes to increase sales growth. The author then suggests a final mode, diversification, which implies that the organisation may move away from its current products or services and may utilise a different market structure. Ansoff (1957) suggested that an organisation does not only diversify when the future trends are uncertain, but diversification could also be indulged even when the organisation has steady growth. Each of these organisational growth modes can be employed by leaders to encourage organisational growth. When choosing a growth mode internal or external, the decision is not only taken on the internal environment but considers the impact of the entire ecosystem (Achtenhagen et al., 2017). When considering the BA growth path, scholar consensus from Renneboog & Vansteenkiste (2019) and Xu (2017), suggested that each of the organisational growth models can be achieved internally, within the organisation, or externally, by utilising BA. Renneboog & Vansteenkiste (2019) postulated that external growth through BAs supported organisations to grow at a quicker pace than the organisation utilising traditional internal organic growth methods.

Based on the distinctions of these scholars, an organisation has the option of using an external growth strategy in the form of BAs to fuel growth (Ansoff, 1957; Simpson & Sariol, 2022; Xu, 2017).

2.2.2 Organisational diversification

In seminal work by Lamont & Anderson (1985) and Yip (1982), they refer to two modes of diversification, being internal diversification and external diversification by BA. When defining diversification and according to Ansoff (1957), the scholar categorises these types as vertical, horizontal, concentric, and conglomerate. Dhir & Dhir (2015) further illustrated that a consideration is whether the diversification type is related or unrelated.

According to Rabier (2017), organisational motives for growth through BA's resides on either financial or operational synergies. Diversification is when an organisation decides to enter new business activity, using internal or external strategies (Sahni, 2019). When an organisational utilises external diversification, this can be completed using BA (Sahni, 2019).

The scholarly insights from Ansoff (1957); Rabier (2017); Renneboog & Vansteenkiste (2019) and Xu (2017) agreed that organisations have options that they can consider when reviewing their growth strategy, and utilising BA is an alternative. A summary of the key findings of the growth modes has been depicted in figure 2-1 below depicting that BA can be utilised as a growth mode.

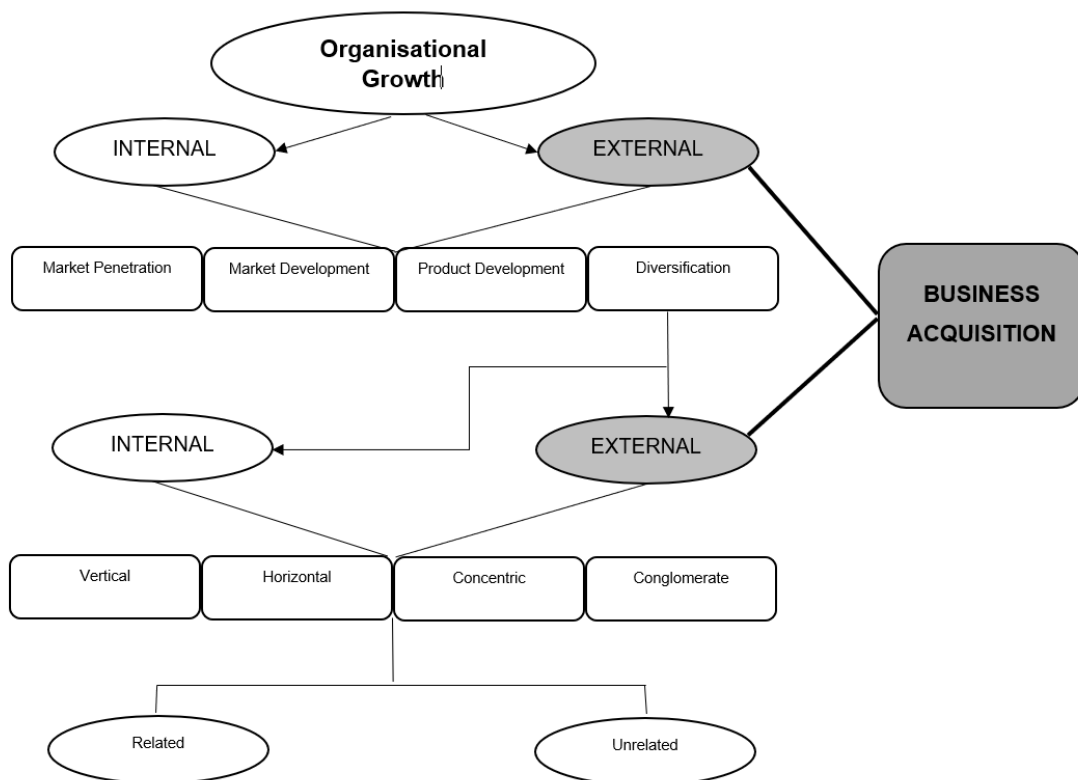


Figure 2-1 - Organisational BA options as a growth model

This model summarised the literature from the above-mentioned scholars demonstrating that organisations can utilise BA as an external growth model.

2.3 Business acquisitions and the effectiveness of the process

Scholars concluded that an organisation has the option of using an external growth

strategy in the form of BAs (Ansoff, 1957; Simpson & Sariol, 2022; Xu, 2017). Xu (2017) strengthened this argument by postulating that organisations can grow internally or externally through BA's.

Penrose (2009) and Rabier (2017) suggested that BA delivers growth in several avenues, namely operating synergies which is linked directly to increased growth, reduction in expenses, increased capabilities, and resources. Financial synergies also deliver growth in the form of lower taxes, reduced cost of capital and other cashflow savings (Rabier, 2017). The authors research confirms that operational efficiencies or synergies from BAs have a much higher impact on performance or a significantly lower impact on performance when compared to financial synergies impact. This is due to the uncertainty of the operational synergies working as forecasted with the acquired organisation when interacting with the current organisation (Rabier, 2017). Based on the authors research, operational synergy motives for BAs have a lower risk of success and thus have a higher return rate if successful.

Conversely, in seminal works from authors Jensen & Meckling (1976), Morck et al. (1990) and Roll (1986), they argued that organisations choose BAs as a strategy even though the changes of growth to the AO is not guaranteed. According to Roll (1986), leaders end up spending too much money on BAs even though there could be signs that the acquisition may not generate the growth that the organisation requires. Joshi et al. (2020), King et al. (2004) and Tarba et al. (2019) suggested that there are non-financial factors that impact BA performance, aside from the financial factors.

Morock et al. (1990) postulated that BAs are sometimes used as an alternative for leaders to rapidly increase organisational growth and thus these leaders utilise this mode to accelerate the growth of a poor performing organisation. Utilising BAs as a growth mode has been agreed in seminal works Ansoff (1957), as well as consensus from other scholars like Achtenhagen et al. (2017), Rabier (2017) and Xu (2017). As organisations continue to utilise BAs as a growth model (Jurich & Walker, 2019; Xu, 2017). According to Rabier (2017), there may not be consensus on which factors delivers higher organisational value. With this analysis of the literature, it becomes evident that growth through BAs is considered as a growth strategy for organisations.

While organisations may continue to utilise BA as a growth strategy, there is

consensus from scholars suggesting that the success of BAs are relatively low (Alhenawi & Stilwell, 2017; Christensen et al., 2011; Jurich & Walker, 2019; Schoenberg, 2006). In spite of the low success rate of BAs organisations continue to utilise BAs as a growth strategy (Alhenawi & Stilwell, 2017; Jurich & Walker, 2019). Joshi et al. (2020) postulated that even though the statistics reveal that 70%-90% of BAs fail, organisations still seem to utilise this as a growth model. The authors suggested that when identifying the reasons for failure with BAs, the financials, synergies, and value creation factors are considered as important pre acquisition metrics for the AO. However, the non-financial factors such as the behavioural factors, including culture, required more research (Joshi et al., 2020). This is consistent with scholars Graebner et al. (2017), who posited that BA success factors was understudied, which has led to a body of research on post-acquisition integration. Alhenawi & Stilwell (2017), Graebner et al. (2017) and Joshi et al. (2020), posited that the existing literature has not yet fully understood the non-factors that should be holistically considered by the AO in support of successful BAs. The non-financial factors affecting a deal's ultimate success remains poorly understood despite the enormous sums of money and resources spent on BAs (Renneboog & Vansteenkiste, 2019).

2.4 Financial and non-financial dimensions

2.4.1 Financial dimensions

The vast majority of studies simply consider financial performance, assuming that BAs can only be measured in by financial criteria (Marshall et al., 2019). Due diligence is a process that is utilised to evaluate an acquisition (Harapan et al., 2020). According to Howson (2003) this due diligence relies significantly on the transparency and access to information by the TO. When a due diligence process commences this tool allows management of the AO to gauge the costs and any major risks with the associated transaction (Howson, 2003). There are many types of due diligence, and the main due diligence categories utilised, has been describe by Harapan et al. (2020) as financial, legal and commercial, as detailed in table 2-1 below.

Table 2-1 - Due diligence topic table sourced from (Harapan et al., 2020)

<i>Due diligence topic</i>	<i>Focus of enquiries</i>	<i>Results sought</i>
Financial	Validation of historical information, review of management and systems	Confirm underlying profit. Provide basis for valuation
Legal	Contractual agreements, problem-spotting	Warranties and indemnities, validation of all existing contracts, sale and purchase agreement
Commercial	Market dynamics, target's competitive position, target's commercial prospects	Sustainability of future profits, formulation of strategy for the combined business, input to valuation

Harapan et al. (2020) discussed that these dimensions are the main factors being financial, legal, and commercial, which are the overarching topics covered in a due diligence process. According to Rodríguez-Sánchez et al. (2018), the financial, legal and technical factors are highly important in determining the success of BAs. This scholar posited that there has been a significant amount of research completed on the planning and integration phases of acquisition, however there is a shortage of research on the implementation process.

Building on the findings of the study by Harapan et al. (2020), Howson (2003) and Rodríguez-Sánchez et al. (2018), the researcher has defined these topics from the primary due diligence process as financial factors. These are the overarching financial factors that are considered when assessing BAs. Financial information and review thereof are factors that Wangerin (2019) suggested is vital for BA success. There is a string of research around the financial factors that impacts the success of BAs (Marshall et al., 2019). Even with the extensive research on financial factors, the success rate of BAs is relatively low (Alhenawi & Stilwell, 2017; Jurich & Walker, 2019).

2.4.2 Non-financial dimensions

According to scholars Alhenawi & Stilwell (2017), Graebner et al. (2017), Joshi et al. (2020) and Schuler & Jackson (2001), the non-financial factors are crucial for post-acquisition success. Graebner et al. (2017) suggested that there are numerous studies that have reviewed the communication, integration, and alignment between the acquiring and the TOs. This assertion is supported by (Steigenberger, 2017) who posited that integration is a key factor that impacts failure of BAs.

The non-financial factors like culture, management and human resources are considered secondary in the due diligence process (Harapan et al., 2020). Harapan et al. (2020) described other due diligence topics namely human resources, management, and culture to name a few, with the full list of factors detailed in appendix 2. The non-financial factors are also postulated by Schuler & Jackson (2001), where the authors suggest that there are other non-financial factors like human resources that could be considered for successful BAs. Renneboog & Vansteenkiste (2019) share this consensus around the importance of the non-financial factors for BAs success, referring to characterises of chief executive officers (CEO's) as well culture integration. These authors also concurs with Harapan et al. (2020), Jurich & Walker (2019) and Wangerin (2019) that financial factors, from the TO is the cornerstone of the pre-acquisition process.

Achtenhagen et al. (2017) and Field & Mkrtchyan (2017), argued that although there are many growth models that can be executed for organisational growth, when the leader making the decision has experience with acquisitions as a strategy, this is usually the external growth model that will be employed, namely BAs. When employing an acquisition strategy, another factor that is sometimes considered is when the organisation realises that their current human capital base does not have the capabilities required to achieve competitive advantage, acquisitions may be targeted to achieve these competencies (Achtenhagen et al., 2017; Li et al.2018). This in turn will realise organisational growth (Achtenhagen et al., 2017).

Exploring deeper into the non-financial factors, according to Schilke et al. (2018) there are other factors that are considered to achieve increased organisational performance as depicted in the figure 2-2 below.

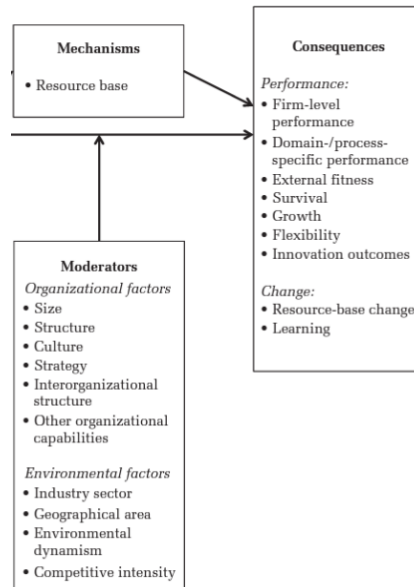


Figure 2-2 - Resource based factor adapted from Schilke et al. (2018)

These factors or moderators are considered by Schilke et al. (2018), and supported in seminal works by Barney (1991) and Mahoney & Pandian (1992) as being impactful for success and organisational advantages. Remaining consistent with these scholars, the competitive landscape of an organisation, as well as cultural fit and integration ease, are other important factors (Jurich & Walker, 2019). These factors are considered as non-financial factors for purposes of this study.

In support of these authors, when considering BA, Penrose (2009), posited that the organisation should consider the resources it owns and specifically the resources' ability to maintain the strategy when employing the BA model. This argument is consistent with Jiang et al. (2021), where the author indicates that an organisations allocation of resources is key for successful BAs through external diversification. The authors reviewed a model they called "Data envelopment analysis" that is used to determine the optimal resource allocation to be used to maximise the benefits of a growth strategy. The results of their study found that from their sample, the top organisations that have utilised BAs did not achieve the required level of organisational performance (Jiang et al., 2021). Ansoff (1957) also argued that the type of long-term growth strategy is usually based on the experience and the activities of the organisations management team.

There has been growing views that people are strategically vital to aid organisational success (Collis & Montgomery, 2008). Capabilities and skills are competencies within people that can make them strategically distinct and these competencies can be passed

onto others (Dunford et al., 2001). According to Dunford et al. (2001), people management systems are key for succession planning which is vital for sustainable organisational success. When analysing knowledge as a resource, the integration of external knowledge and internal knowledge creates a foundation for innovation and creates a culture of learning (Dunford et al., 2001).

Sahni (2019) posited that an organisation requires elevated level of senior management capabilities as well as specialised technical skills of functional leaders. Another non-financial factor to support with successful BAs, is for the organisation to be set up for the transition (Sahni, 2019). Penrose (2009) suggested that leaders play a vital role in turning resources into firm competitiveness and increased capabilities, thus management capabilities and organisational competitive advantages are some of the non-financial factors that leaders could consider in support of effective BAs (Kor & Mahoney, 2004). These scholars have consensus that there are non-financial factors like knowledge, culture, management experience and capabilities, competencies and succession planning considerations that are crucial for BAs success. For purposes of this study these factors are considered as the non-financial factors and noted that the primary due diligence process encompassed the financial factors that should be considered for effective BAs (Harapan et al., 2020; Howson, 2003)

2.5 Non-financial tangible and intangible factors

Collis & Montgomery (2008) and Dunford et al. (2001), defined tangibles as property, fixed assets and items that can be seen. These authors further defined intangibles as individual capabilities and traits, experiences, and relationships. Collins & Montgomery (2008) defined intangible as the mellower aspects within an organisation, such as, how things work at the organisation, behaviour of individuals, technologies and the elements that may not necessarily be seen or touched. Kamasak (2017) posited that the intangible far outweighs the benefits to an organisation versus the tangible. Based on the definitions and distinctions by the above-mentioned scholars, the researcher has attempted to divide these non-financial factors into tangible and intangible factors for purposes of the study. The researcher has utilised this framework to unpack the non-financial factors regarded by the leader in support of successful BAs. Following the rationality of tangibles and intangibles from the literature critique, and the literature on the non-financial aspects of BA's, the researcher has tabled a summary in table 2-2 of potential tangible and intangible

factors for consideration.

Table 2-2 – Non-financial tangible and intangible factors

Tangible factors	Intangible factors
Strategic suitability	Top management team effectiveness
Integration planning	Organisational reputation
Post-acquisition costs	Competitive advantage
Talent management practices	Organisational culture
Market trends	Individual behaviour and experience
Vision	Employee traits and competencies
Purpose	Human capital

2.5.1 Discussion of selected non-financial tangible factors

2.5.1.1 Strategic suitability

TOs should be chosen by management based on their strategic complement and similarity, as they are crucial factors increasing the likelihood of an acquisitions success (Ahammad et al., 2016). Depending on the type of BA, some BAs for example a complementary BA requires a longer planning process (Meglio et al., 2017). According to Shankar et al. (2022), strategic fit is a crucial stage in the pre-acquisition process. The authors postulated that both the acquiring and TOs review the strategic fit, however they need to ensure that this is understood as to not cause strain within the parties in the acquisition. There is a natural tension for both the acquiring and TOs when evaluating strategic fit, since both parties must assess their requirements and determine if the other is the best partner to meet them (Shankar et al., 2022). This is a crucial phase pre acquisition which allows the parties to identify actual synergies that fit with their strategic objectives.

The intentions and the quality of the organisations being targeted together with understanding their strategic objectives and goals is a factor that must be considered in support of success of the BA (Shankar et al., 2022). There must be a formal and informal process for the AO to assess the strategic fit to increase the confidence of the alignment

of the strategy, between the organisations (Shankar et al., 2022). Based on the scholars research these non-financial factors are crucial in support of effective BAs. The tension that has been postulated by Wangerin (2019) is that information gathering and transparency thereof from the TOs management team may not be forthcoming, and this tension raised by the author must be considered when assessment is completed of the non-financial factors that could impact the success of BAs.

2.5.1.2 Organisational integration plan

The success of a BA is significantly influenced by post-acquisition integration, or how easily two separate organisations join (Bereskin et al., 2018). As much as organisational integration is crucial, the integration tasks must be completed without impairing the present operations of the organisations involved (Zorn et al., 2019). This undertaking by the AO proves to be difficult (Zorn et al., 2019). Beyond what is required for an organisations ongoing operation, acquisition integration demands managerial capacity, and this additional capacity may not always be accessible (Penrose & Slater, 1980).

Joshi et al. (2020) posited that many researchers have tried to identify the reasons for BA failure and organisational integration has been a common failure factor. This is consistent with Graebner et al. (2017) who suggested that although scholars have given post-acquisition integration a lot of attention, the ensuing literature has remained disjointed. Interest in the phenomena has been maintained by high-profile merger and acquisition failures were linked to sub optimal integration management (Steigenberger, 2017). The authors posited that there are several aspects to integrating one organisation into another, and combinations of these factors affect success or failure. Joshi et al. (2020), Graebner et al. (2017) and Steigenberger (2017) share consensus that organisational integration is a crucial factor to support effective BAs.

2.5.1.3 Post-acquisition costs

Every year, an exorbitant amount of monies are spent on acquisitions and the integration that follows them, and scholars and practitioners are constantly trying to better understand how they turn out (Zorn et al., 2019). According to Wangerin (2019), due diligence process is conducted as part of the acquisition process. This due diligence is conducted to allow the AO to make an informed assessment of the benefits, costs and

risks linked to the acquisition. The authors postulated that due to the short timing of investment returns being part of an AOs strategy, this due diligence could be limited.

The above mentioned scholars arguments is consistent with the research from Harapan et al. (2020) which reflects that non-financial factors are a secondary consideration over financial, legal and commercial portions of the due diligence. Based on the work of these scholars, there is a potential gap in the research showing that the AO may however focus on the due diligence process, however this may not be detailed and robust when considering the non-financial factors in the due diligence process due to time constraints, thus this potentially increasing the post-acquisition financial and non-financial costs.

The managerial ability required to successfully integrate BAs frequently outweighs the managerial capacity already in place (Zorn et al., 2019 ; Meglio et al., 2017). These are considered as a post-acquisition cost as the management teams time for post-acquisition implementation may not have been considered as part of the primary due diligence process (Zorn et al., 2019).

2.5.1.4 Talent management practices

The detrimental performance consequences of acquisitions would be reduced if TOs managers were retained, thereby lowering the management capacity deficit. This deficit impacts on the ability of the AO's management team to integrate the BA (Meglio et al., 2017). TMT of the TO retention, aids in minimising the detrimental performance impacts on AOs (Zorn et al., 2019).The retention of senior management is crucial for enhancing BA effectiveness since senior management is a crucial component of the TOs resource base (Ahammad et al., 2016).

Freeman et al. (2021), considers both employees and managers as people. Numerous employees of the TO have negative emotions, and it's possible that these sentiments can lead to subpar organisational results (Graebner et al., 2017). According to Rodríguez-Sánchez et al. (2019), there are four defining categories that the AO should consider, the leadership and the integration team, retention of people, restructuring and employee resistance. These non-financial factors that should be considered is in relation to the talent management practices of the acquiring and the TO. Leadership according to Schuler &

Jackson (2001) encompasses a number of qualities required for effective BAs. Rodríguez-Sánchez et al. (2019) and Schuler & Jackson (2001) postulated that TMT requires qualities, including cultural understanding, mental elasticity, the ability to identify both organisations' strengths and flaws, a dedication to the importance of employee retention, and effective listening skills. These are the traits that are essential for success (Graebner et al., 2017; Schuler & Jackson, 2001). These scholars have consensus that talent management practices are key for BAs effectiveness and will be considered in crafting the research questions for the study.

2.5.1.5 Summary of discussion of non-financial tangible factors

These selected non-financial tangible factors reviewed were the organisations strategic fit, organisational integration plan, post acquisitions costs and talent management practices. The researcher has found that although these factors are discussed separately by scholars, a key relationship is formed between these tangible factors. This key and common relationship is capabilities and skills of the management team's ability to perform the assessment and implementation of these non-financial tangible factors. Based on the above-mentioned scholars' postulations, the researcher will consider the impact of management capability and skills and its relationship to the assessment and implementation of these non-financial tangible factors in support of successful BAs.

2.5.2 Discussion of selected non-financial intangible factors

2.5.2.1 Top management team effectiveness

The TMT of organisations are accountable for choosing investments, financing options, and other strategic options (Cui & Chi-Moon Leung, 2020). An important influence in corporate choices and organisational performance, is the TMT of an organisation, which includes the CEO, executive directors, and other senior managers (Cui & Chi-Moon Leung, 2020).

When comparisons are conducted on organisational performance it is commonly found that AOs underperform when compared to non-AOs (Renneboog & Vansteenkiste, 2019). These authors investigated the factors that impacted the long run performance of BA

transactions. They postulated that a contributing factor is CEO overconfidence, which impacts the governance that is completed when doing these acquisitions (Renneboog & Vansteenkiste, 2019; DePamphilis, 2019). This related to the need for the CEO to complete an acquisition due to their experience with acquisitions, which sometimes negatively impacts the depth of due diligence that is conducted (Renneboog & Vansteenkiste, 2019).

The second finding in the research is that related BAs are more successful due to the AOs skills, which allows the AO to use the internal management capabilities to boost performance of the acquisition (Renneboog & Vansteenkiste, 2019). As the authors reference the impact of internal management effectiveness and capabilities, they have noted but have not specifically explored in their research, that there are other factors that affect the success of the acquisition which is a limitation in their research that has been identified for further understanding.

Facets of management effectiveness is noted as organisational capital, which is defined by Li et al. (2018) as the knowledge and processes that creates a match between the human and physical capital. With reference to BAs, the authors discussed that this knowledge from the AO can lead to better productivity and is transferable between acquiring and TOs. The suggestion from the authors was for future research to discuss the other factors that may impact the success of BAs, for example market competitiveness. This gap of other factors was considered when the researcher crafted the research questions.

It is crucial for managers of the AO to maintain the momentum of the ongoing within the AO, in addition to managing the integration process of the focal TO Zorn et al. (2019), which can be supported by knowledge transfer.

The leader's experience has also been highlighted as a vital factor in support of successful BAs. According to Field & Mkrtyan (2017) and Trichterborn et al. (2016), the experience and quality of the leaders matters, as this assists in choosing targets, as well as equipping these leaders with the capability to create and execute integration strategies.

2.5.2.2 Organisational culture

Doukas & Zhang (2021) postulated that leaders have begun to understand more and more in the past ten years how important culture is to an organisations success. Graham et al. (2022) posited that a large percentage of leaders share consensus that organisational culture enhances organisation performance. According to Schein (2010), the ideas, principles, and presumptions that organisational leaders hold is a key factor that drives organisation culture. When this relationship between organisational culture and performance to BAs is reviewed, Bereskin et al. (2018) and Doukas & Zhang (2021), postulated that the TMT create corporate culture, and it is thought that successful BAs depend heavily on their capacity to blend the cultures of the acquiring and TOs. When leaders are assessing the cultural fit of the two organisations, Bereskin et al. (2018) posits that in their research, these leaders will abort the potential acquisition based on the cultural misalignment. While culture alignment is a vital factor for successful BAs as postulated by Bereskin et al. (2018), Graham et al. (2022) suggested that leadership as well as organisational reputation is considered as a key driver of organisational culture.

Based on the themes and suggestions from the scholars above, the suggested impact of culture misalignment as a failure factor for the BA will be considered as part of the study into the non-financial factors in support of successful BAs.

2.5.2.3 Organisational Reputation

The reputation of the organisation is what the public thinks of the organisation in terms of certain characteristics (Busuioc & Rimkutė, 2020). These characteristics are in the form of capabilities, output and quality, including intangibles factors (Pfarrer et al., 2010). The authors also posited that the impact of intangible factors on organisational performance is relatively inadequately researched (Pfarrer et al., 2010). As defined by Alhenawi & Stilwell (2017) and Pfarrer et al. (2010), reputation is an intangible factor that impacts the BA and is not deeply understood. This is consistent with reviews from Alhenawi & Stilwell (2017) who posited that there is not much literature that is completed to identify the non-financial factors that are to be considered by leaders in support of successful BAs. Pfarrer et al. (2010) posited that factors like strategic alliances, reputation and their link to BAs is relatively understudied. Based on the definitions and the distinctions proposed by the above-mentioned scholars, the researcher aimed to further understand the construct of

reputation and its relationship in support of effective BAs.

2.5.2.4 Capabilities and competitive advantages

An existing relationship with the TO speeds up the entire acquisition process, cutting down on the time needed to choose the target, finalise the sale, and integrate the merged organisations. However, a previous relationship can assist in preventing the costly error of pursuing an acquisition when it is not necessary (Meglio et al., 2017). These relationships are based on the AOs TMT having prior knowledge of the proposed TO, which is an advantage to support the success of the BA. One of the key capabilities that is identified in the literature is knowledge from the acquiring and the TO (Choi & Mnamara, 2018). The authors suggested that this knowledge is both combined and autonomous knowledge and this increases the overall innovativeness of the combined organisation.

There should also be a rigorous due diligence of the knowledge assets of the TO (Shankar et al., 2022). This assessment increases the ability for management of the AO to identify the resources strength and align this to the strategic objectives of the AO (Shankar et al., 2022). These competitive advantages and its impact will be further understood in the study as an intangible factor.

The selected non-financial intangible factors are TMT effectiveness, organisational culture and reputation, and capabilities and competitive advantages. The researcher has found that although these non-financial factors are discussed separately by these scholars, a key relationship is formed between these intangible factors. This key and common relationship is within the capabilities and skills of the AOs TMT to perform the assessment and implementation of these factors.

2.6 Research gaps

Based on the distinctions proposed by the above-mentioned scholars, the researcher has identified the limitations in the research and the need to review the non-financial factors that are crucial in support of effective BAs and its success.

The literature review conducted have discussed some specific non-financial factors

that are to be considered by leaders in support of effective BA. Jurich & Walker (2019) posited that there are other factors such as competitive advantages, ease of integration and the cultural alignment and fit, that must also be considered for successful BA. The authors have not detailed the discussions on these factors; thus, this gap has been considered when crafting the research questions for this study. Joshi et al. (2020), King et al. (2004) and Tarba et al. (2019) all agree that there are non-financial dimensions, like culture, that should be further researched to understand the impact on the success of BAs.

In support of this gap, the tension that has been postulated by Wangerin (2019) is that information gathering and transparency thereof from the TOs management team may not be forthcoming, and this tension raised by the author must be considered when assessment is completed of the non-financial factors that could impact the success of BAs.

Based on the work of Harapan et al. (2020) and Howson (2003), there is a potential gap in the research showing that the AO may focus on the due diligence, however this may not be detailed and robust when considering the non-financial factors in the due diligence process due to time constraints, thus this potentially increases the post-acquisition non-financial costs. Wangerin (2019) also argued that the due diligence process maybe cut short due to the CEO short investment horizon requirements.

Renneboog & Vansteenkiste (2019) referenced the impact of internal management effectiveness and capabilities, and they have noted, but have not specifically explored in their research, that there are other factors that affect the success of the acquisition which is a limitation in their researcher that has been identified for further understanding.

Alhenawi & Stilwell (2017) postulated that there has not been much literature on the non-financial dimensions, specifically the pre-acquisition circumstances factors that the AO should consider before the acquisition. The authors refer to the impact of specific competencies and value creation abilities that are factors that should be considered.

Based on these scholars' distinctions in the literature review, they have shared consensus that there are non-factors that are crucial in support of effective BAs. This is consistent with Graebner et al. (2017) who suggest that although scholars have given post-acquisition integration a lot of attention, the ensuing literature has remained

disjointed. Overall, scholars Alhenawi & Stilwell (2017), Graebner et al. (2017) and Joshi et al. (2020) suggested that these non-financial factors have been researched, however the consolidation of these non-financial factors is limited.

Based on these research gaps that have been identified through the critique of the relevant literature, the research questions will be crafted in a way for the researcher to obtain a further understanding on the non-financial factors that are to be considered by leaders in support of successful BAs. These non-financial, tangible, and intangible factors and their relationships will be considered in the study to increase the understanding of the non-financial factors in support of BA success. To gain a richer understanding of the phenomenon the research questions will be crafted in relation to the AO and the TO.

2.7 Conclusion

This chapter provided a comprehensive literature review to understand the factors that a leader could consider in support of successful BAs. The flow of this chapter started with defining the importance of organisational growth and further detailed the options that are available for leaders to utilise as a growth strategy. These options were summarised in this chapter and depicted in figure 2-1. This summary alluded to the use of BA as a growth model to simulate organisational growth.

The effectiveness of BA as a growth mode was then assessed and according to Alhenawi & Stilwell (2017), Jurich & Walker (2019) and Schoenberg (2006) this mode of growth provided low success rates for organisations. The researcher then reviewed the financial and non-financial factors that impacted the success and failures of BAs. Whilst these factors and their impact to BAs was discussed, the researcher delved deeper into the non-financial tangible and intangible factors that impacted the effectiveness of BAs. The limitations to the literature were then assessed and included in the research gaps in the chapter, which were considered, by the researcher when crafting the research questions for the study.

These findings in the literature and the gaps identified were considered as a compelling argument to further the research non-financial factors in support of effective BAs, with the aim of providing a consolidated framework that can be utilised by leaders and organisation when considering BAs as a growth strategy.

3 Chapter 3: Research Questions

3.1 Introduction

The research questions proposed in this chapter are the foundation of this study. The research questions have been crafted in conjunction with the literature review in chapter two. The questions were crafted with the proposition of creating insights on the specific non-financial, tangible, and intangible factors in support of successful BAs. As a BA entails two organisations, the researcher wanted to ensure that the research questions were crafted with clarity and allowance for insight generation, and thus decided to divide the questions based on the AO and the TO. For this purpose, the research questions have been split into the internal tangible and intangible factors and the external tangible and intangible factors, referencing internal to the AO and external to the TO. The research questions are supported by scholars Graebner et al. (2017); Joshi et al. (2020); Renneboog & Vansteenkiste (2019) and Tarba et al. (2019) who all posited that non-financial factors impact the effectiveness of BA's and that more research on these factors are warranted.

3.2 Research question 1

What are the non-financial factors that are considered by leaders to support the effectiveness of BAs?

This research question aims to identify and understand the non-financial factors that will impact the success of a BA. The insights that are generated around these non-financial factors will be understood and conceptualised to provide a framework that leaders can utilise in support of successful BAs.

3.2.1 Research question 1.1

What are the internal tangible non-financial factors that are considered to support effectiveness of BAs?

Research question 1.1 is aimed to narrow down the non-financial factors, into internal

(AOs) tangible factors that could be considered by leaders in support of effective BAs.

3.2.2 Research question 1.2

What are the internal intangible non-financial factors that are considered to support effective BAs?

Research question 1.2 is aimed to narrow down the non-financial factors, into internal (AOs) intangible factors that could be considered by leaders in support of effective BAs.

3.2.3 Research question 1.3

What are the external tangible non-financial factors that are considered to support effective BAs?

Research question 1.3 is aimed to narrow down the non-financial factors, into external (TOs) tangible factors that could be considered by leaders in support of effective BAs.

3.2.4 Research question 1.4

What are the external intangible non-financial factors that are considered to support effective BAs?

Research question 1.4 is aimed to narrow down the non-financial factors, into external (TOs) intangible factors that could be considered by leaders in support of effective BAs.

3.3 Conclusion

This chapter has outlined the research questions that have formed the foundation of the study. The responses received for these questions will be collected in a model as presented in figure 3-1.

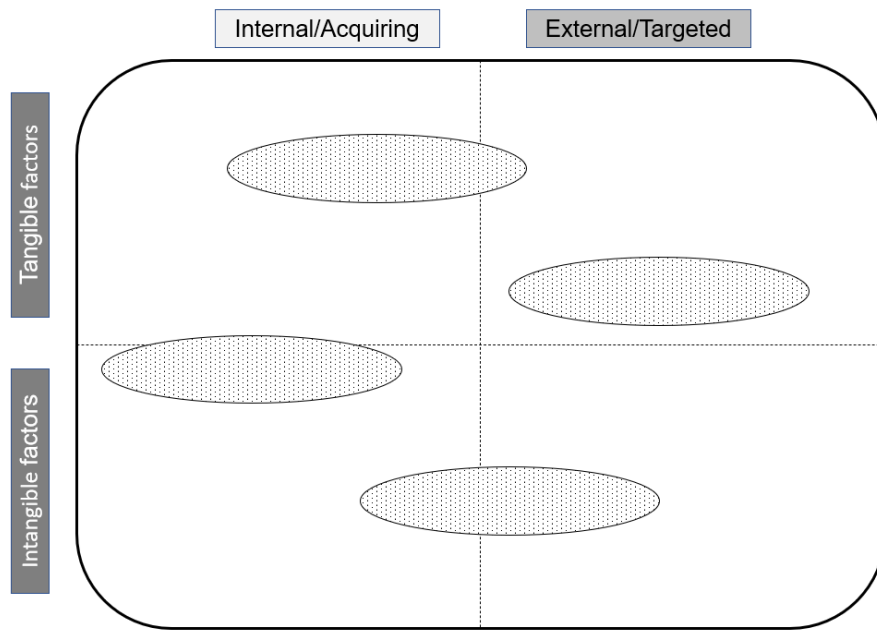


Figure 3-1 - Matrix depicting tangible and intangible factors prevalent for leaders to consider in support of effective BAs

4 Chapter 4: Research Methodology

4.1 Introduction

This chapter confers the research methodology that has been utilised when conducting the study. The choice of methodology and research design is discussed and defended. The researcher has utilised a qualitative approach to the research design as the researcher wanted to gain stronger insights into the topic of the non-financial factors that are to be considered in support of successful BAs. Data collection utilised a semi-structured interview approach that was conducted with experts. The data collected was scrutinised, categorised and in that way creating themes in relation to the insights gained from the literature review in chapter two. As the research process evolved the researcher regularly considered matters pertaining to quality controls. The matters of trustworthiness, integrity, quality of information, and ethical considerations, including any limitations of the study are described at the end of this chapter.

4.2 Choice of Methodology

The researcher adopted a qualitative, exploratory, and inductive approach. The defence for taking this approach is discussed below.

4.2.1 Qualitative approach

Qualitative research is applied when the researcher wants to gain a deeper understanding within a specific phenomenon (Creswell & Maietta, 2012). In this study, the researcher wanted to gain insights about the phenomenon from the experiences of experts in the field (Bluhm et al., 2011). Literature from Jurich & Walker (2019), Li et al. (2018) & Renneboog & Vansteenkiste (2019) was another aspect that influenced the researcher to employ a qualitative study. These authors shared a common view on future research to be conducted on the non-financial factors that affected the success of BAs. These non-financial factors that are discussed by these authors, are related to the research questions crafted in chapter three, and thus informed the researcher to utilise a qualitative research study. This highlighted the importance of adding to the knowledge base on the topic which steered the researcher to conduct a qualitative study (Bluhm et al., 2011). This qualitative research approach is corroborated by Zhang et al. (2020) where

the authors research showed that generally when BAs are being understood, the dominant method is qualitative research. This is consistent with Rodríguez-Sánchez et al. (2019), where the authors utilised a qualitative case study approach when conducting research to understand the factors that impact BAs.

4.2.2 Exploratory approach

As the researcher did not have a detailed or strong understanding of the topic, it was therefore considered appropriate to utilise an exploratory research design to achieve more discernments (Saunders & Lewis, 2018). The objective of the study was to gain insights into the non-financial factors that leaders could consider in support of successful BAs. As the topic to be researched wanted to provide an understanding of the non-financial factors that should be considered by leaders to support effective BAs, an exploratory design was employed. According to Kumar (2011), when an exploratory research design is employed to a small-scale study, which may not reach a closing understanding, it will however indicate if there is potential for future research around the phenomenon. This phenomenon required further understanding, and thus an exploratory research design was employed. This phenomenon was highlighted by Rodríguez-Sánchez et al. (2018) , where the authors posited that there has been extensive research on the financial, legal, and commercial factors that impact the success of BAs, however the non-financial factors may be under researched. Saunders & Lewis (2018) explained that exploratory research will provide initial responses to the research questions, which can be further researched to provide detailed responses. This is consistent with the research questions that have been crafted in chapter three.

4.2.3 Case study strategy

Exploratory research is usually aligned to case study strategies (Saunders & Lewis, 2018). According to Saunders & Lewis (2018), a conscious phenomenon is a review of looking at the method in which practices are revealed. In this aspect, to understand the phenomenon of the proposed study, the researcher applied a case study strategy to understand more about this topic (Saunders & Lewis, 2018). This is consistent with Rodríguez-Sánchez et al. (2018), who investigated human resources factors in BAs, and employed a case study approach. Rabier (2017) posited that a limitation in their research that was conducted on the factors that leaders use when deciding to use BAs as a growth

strategy, may be limited due to leaders having bias for acquisitions that were successful. For this reason, the researcher accessed leaders and experts within South Africa that had recently employed BAs as a growth tool. This study utilised experts in the field who had BA experience within the last five years. Experts in the field of BAs have been interviewed using semi-structured interviews, which aided the researcher to obtain information on the proposed research questions. According to Saunders & Lewis (2018) the use of semi-structured interviews is beneficial when the phenomenon that is being studied is not very clear. This was in line with the clarity and understanding that was required on the non-financial factors in support of successful BA's. The interview candidates were from diverse industries and thus triangulation of data became possible by utilising multiple cases (Kumar, 2011).

4.2.4 Interpretivism approach

The phenomenon that was researched was surrounded by the organisational environment, thus an interpretivism viewpoint has been utilised (Saunders & Lewis, 2018). The researcher understood from the interviews, the insights gained from the responses of the interviewees. By employing the interpretivist viewpoint, the social actor being the researcher, recognised the positions of the individuals that were interviewed (Kyngäs et al., 2019). An interpretivism philosophy was utilised for this study. The assumption methodology was ontological which understood the nature of the information that is in existence from the insights gained from the interviewees (Lewis-Beck et al., 2012).

4.2.5 Cross sectional design

According to Saunders & Lewis (2018) and Zolfagharian et al. (2019), cross sectional research is data that is gathered from a sample of groups within a particular timeframe. Being consistent with these scholars, the researcher collected data from a sample of experts during a specified timeframe, of which the data being collected was used to determine any predominance from the sample required for the research, thus a cross-sectional research design was employed (Cummings, 2017).

4.2.6 Inductive approach

All research projects will in some form or the other link to an existing theory in the field

of the topic of research (Saunders & Lewis, 2018). This is used to either confirm the existing theory or the researcher may suggest a change or combination of theories based on the research deductions. In developing conclusions that are general, the researcher followed examples of the phenomena from which the researcher drew conclusions (Saunders & Lewis, 2018). According to O'Reilly (2009), qualitative research utilises the inductive approach. Data collection using the interview process was collected, whereby the researcher drew some ideas and preliminary deductions from the data gathered in the interview process and allowed this data to guide the themes or theories that was recognised. As the researcher built on theories from the common themes from the data that was gathered, this is considered as an inductive approach (Zolfagharian et al., 2019).

As the research philosophy is qualitative, exploratory, and inductive, a mono method was used for the research data collection, by conducting semi structured interviews to gain insights on the phenomena being researched (Saunders & Lewis, 2018). The research method employed for the research was aligned to the research questions in chapter three (Bryman, 2007).

4.3 Population

In research, the population is defined as taking certain criteria into account from a distinct group (Pandey & Pandey, 2015). Characterising the population was important as these limited the handling of the sample that was chosen (Blair & Blair, 2015). The study population would be the certain people or organisations that you collect data from, giving you information that can be used to answer your research questions with reliability (Kumar, 2011). For this purpose, the researcher limited the population to CEO's and experts who have employed BAs as a strategy or was involved in BAs within organisations in South Africa (Blair & Blair, 2015). This limitation of the population to these experts was due to potential of gaining insights from experiences that these experts possessed. A factor that was considered from the population was not only experiences with BA, but also recent experience, that being, within the last five years. These characteristics were employed to get a clear understanding of the population that will be used to obtain a sample, ensuring that the population characteristics matches the requirements of the research questions (Blair & Blair, 2015; Saunders and Lewis, 2018).

4.4 Unit of analysis

The unit of analysis selected in this study are the individuals that will be studied to obtain information around understating the non-financial factors in support of successful BAs (Grünbaum, 2007). Aligned to the research population, the unit of analysis was the CEO's or experts whom either recently utilised BAs strategy or have been involved in BAs (Keller, 2010). The unit of analysis of the study was the participants in the sample.

4.5 Sampling method and size

In sample selection, it becomes problematic to obtain information from the whole population (Kumar, 2011). The consortium that is chosen from this population is known as the sample and will be the contributors in the research (Kumar, 2011). Sampling is a crucial stage in the research process and thus the researcher spent time ensuring robustness, when determining the population and identifying a sample (Flick, 2018). The use of non-probability sampling is frequently applied in qualitative research (Kumar, 2011). As the researcher did not have a comprehensive list of the population, the researcher was not able to select the sample randomly, thus employed a non-probability sampling technique (Saunders & Lewis, 2018). According to Kumar (2011), the larger the sample the more specific the understanding would be in leading to a supposition.

Non-probability purposive sampling is commonly utilised with qualitative research (Saunders & Lewis, 2018). This type of sampling method that allows the researcher to use a range of possible reasons for choosing certain individuals (Saunders & Lewis, 2018). In this study the purposive sampling sample criteria was to select individuals that have had acquisition experience within the past five years. The sample was obtained by utilising the researchers networks as well as their referrals linked to the sampling criteria. This snowballing effect mitigated the risk of not reaching the sample size (Guest et al., 2013). To ensure that the research had a diverse population and allowance on receiving cooperation from these individuals, the researcher selected individuals using the researcher's judgement (Vehovar et al., 2016). As the researcher tried to obtain diversity, this was only reached in terms of diversity of industries of individuals within the sample, however gender was not equally representative in the sample (Guest et al., 2013). The sample selected was not static and this was reviewed when the saturation point was reached (Flick, 2018). The suitability of the selected sample was reconfirmed at the

beginning of each interview. The researcher had 16 insightful interviews as part of the final sample.

4.6 Measurement Instrument

Unstructured or semi-structured interviews are usually utilised when using qualitative research (Kyngäs et al., 2019). This uses a conversation with the interviewees to gather data on the research questions (Saunders & Lewis, 2018). The content of the unstructured interviews, known as the interview guide, has been determined with reference to the literature review in chapter two and the research questions in chapter three (Kumar, 2011). Appendix 3 details the possible focus areas and interview questions that guided the semi-structured interviews, based on the literature review completed and research questions that have been crafted. The responses received were further probed to provide a clear and concise understanding of the codes and themes that were being generated at the interviews (Brinkmann & Kvale, 2018). The interview guide was tested in a pilot study before commencement of the interviews as postulated by (Treiman, 2020). The interview guide was refined based on the insights from the pilot study.

4.7 Data gathering process

Obtaining information from sources is considered collection of data (Zolfagharian et al., 2019). The semi-structured interviews were the primary source of data gathered (Saunders & Lewis, 2018). The interview participants were from diverse industries and thus triangulation of data became possible by utilising multiple cases (Kumar, 2011). The study utilised semi-structured interviews as the data collection tool which were conducted through either face-to-face interviews or using digital software, Microsoft teams. The audio recordings of the interviews were completed on two devices, where possible to ensure the safety of the recordings as well as the integrity of the data. There were two interviews that the recordings did not materialise due to technical difficulty however, the backup recording was then utilised for transcription purposes. Where face-to-face interviews were conducted, this was done on the premises of the participant. All interview audio files were backed up using Microsoft one drive and to an external hard drive, both being password protected (Hahn, 2011).

To ensure professionalism, the researcher ensured the interviews were well planned in a professional manner clarifying stating times, dates, and the purpose of the study (Hahn, 2011). Once the participants accepted the formal invitation, this was followed with the consent forms to be signed and returned by the participant (Saunders & Lewis, 2018). All consent forms have been signed by the participants and received by the researcher. All interviews were recorded with consent received by the interviewees. The timeline for the data collection using the interview process was completed within a six-week period.

During the interviews the researcher asked clarifying or probing questions to address the focus areas of the interview guide and research questions (Brinkmann & Kvale, 2018; Roulston, 2010). During the interviews the researcher did not spend too much of the interview talking, but rather let the conversation flow, Roulston (2010), and probed as necessary, ensuring that the research questions were being addressed (Brinkmann & Kvale, 2018). The researcher employed these techniques while conducting the interviews to ensure that the data collected was meaningful. The shortest interview lasted approximately 14 minutes and the longest interview lasted approximately 64 minutes. The average interview lasted approximately 40 minutes each.

4.8 Data Analysis approach

All interviews were recorded as no text, the researcher completed the transcription of the audio files to be able to analyse the information that was gathered (Saunders & Lewis, 2018). Data cleaning and transcription of the interviews were completed after each interview cycle, which was after every three to five interviews (Halcomb & Davidson, 2006). The transcription was completed using Microsoft word transcriber software and was completed by the researcher. Once the transcriptions were completed, they were cleaned for validity and coherency.

The researcher utilised the software program "Atlas.ti" when conducting the analysis of the data that was gathered from the interview transcripts. The cleaned and validated transcripts were uploaded on Altas.ti to be coded. Coding the interviews is a method used to allocate a summary word or phrase to a quote from an interview (Wicks, 2017). Using coding as a process to categorise and sort data to reveal themes, the researcher employed a process of open, axial and selection coding as depicted in Figure 4-1 (Williams & Moser, 2019).

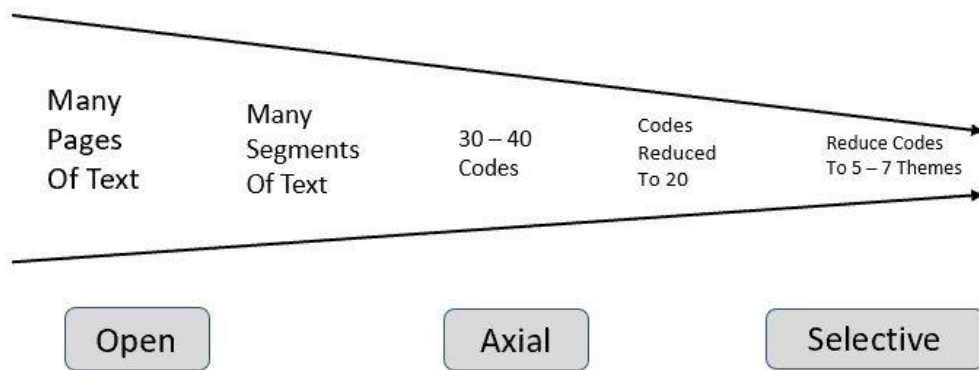


Figure 4-1 – Open, axial, and selective coding (Williams & Moser, 2019)

The first order coding completed on Atlas.ti. This took the interview transcripts and coded the transcript by giving quotes from participants a code or a phrase. The open codes, known as first order codes, were then downloaded into excel from Atlas.ti. This was called the codebook, which became the baseline document of the thematic analysis of themes that are prevalent in the interviews (Guest et al., 2006). The researcher conducted the first three interviews and once transcribed and cleaned, this was reviewed and coded in consideration of the interview answers and the research question (Guest et al., 2006). During the process of coding, code definitions were reviewed from the interview cycles and aligned to the research questions and the interview answers (Guest et al., 2006). The coding followed a continuous evolution over the interview cycles to reach codes, which were then reviewed and categorised, and was further streamlined into related themes (Williams & Moser, 2019). This coding analysis of streamlining codes, to categories, to themes followed the open, axial, and selective coding method (Williams & Moser, 2019).

All data that was gathered including recordings, transcriptions, and interview notes, has been kept electronically in a secure location on the researchers computer, that is password protected, and the researcher has utilised Microsoft one drive and an external hard drive to have multiple secure backups to ensure that data is not lost (Hahn, 2011).

4.9 Quality controls

4.9.1 Data gathering

The entire research process was completed with firmness which helped address the trustworthiness, integrity, and quality of information that was collected (Kumar, 2011; Morse et al., 2002). The interview process was conducted in a logical sequence, reflecting on the interview guide and research questions, which assisted with the data quality gathered in the process (Kumar, 2011). Kumar (2011) posited that the steadfastness of data is critical. Before starting the interview process, the interview questions were piloted and tailored as required (Morse et al., 2002). The authors posited that this allows the researcher to refine the data gathering method as necessary to ensure that quality research is conducted. The interview questions were reworked for clarity. While conducting the interviews the researcher used open-ended and probing questions that assisted in corroborating with other interviewee responses received during the interviewing process. This allowed the researcher to test the credibility and quality of the data gathered during the interviews (Guest et al., 2006). The data gathered from the interviews was also tested against the research supervisor for an independent view.

The appropriateness of the sample that was selected is a valued criterion that was considered (Kyngäs et al., 2019). The researcher ensured that the CEOs and the experts used in the study were credible. This credibility was determined in understanding the suitability of the participants and was reconfirmed at the beginning of each interview utilising question one of the interview guide (Kyngäs et al., 2019). This was consistent with Morse et al. (2002), who suggested that the trustworthiness of the participants must be reviewed.

4.9.2 Researcher bias

As the researcher was wholly involved in the research process and interviews, the impact of researcher bias was considered (Roulston, 2010). To reduce this potential bias the researcher treated each interview as a new experience, reminding oneself of the element of potential bias. The researcher asked clarifying questions as necessary to ensure that the researcher did not create any inferences by utilising bias (Saunders & Lewis, 2018; Roulston, 2010).

4.9.3 Data analysis

When reviewing the quality of data, the researcher placed effort on ensuring that the raw data that was gathered is cleaned for validity and coherency, so that this data can be analysed (Kumar, 2011). All the recordings that were transcribed have been done so verbatim. The coding process was very lengthy, and this took several iterations and cleaning of data to ensure that the inferences from the codes were of a high quality to create categories and streamlined to common themes (Kumar, 2011). The coding method that was utilised converged codes into themes that answered the research questions, and the coding was clear and concise (Kumar, 2011). The process was followed with consistency as the interviews were coded (Kumar, 2011). During the entire research process the researcher continuously triangulated the data received from interviews and the entire research and design methodology, to verify the credibility of the information being collected (Morse et al., 2002).

4.10 Ethical considerations

Ethical clearance as aligned to the requirements of the university was considered (Saunders & Lewis, 2018). Ethical clearance approval was obtained from the Gordon Institute of Business Science (GIBS) before planning interviews or data gathering commenced. Interviewee consent forms were signed by all participants confirming to them that the study will be confidential and employ anonymity (Liabo et al., 2017).

4.11 Limitations

There are many possible limitations in the study. These have been classified as limitations from the researcher and interviewee perspectives.

4.11.1 Researcher limitations

The proposed study shadows a qualitative methodology, as the researcher wanted to earn better insights into the study (Kyngäs et al., 2019). As qualitative studies required high involvement throughout the process there was a risk of research bias. This limitation of researcher bias was considered by the researcher throughout the process (Roulston, 2010).

The researcher employed a case study strategy which according to Queirós et al. (2017), this has a limitation due to the small size of case studies used, it may not provide conclusions to the research question proposed. Data saturation was considered to mitigate this potential limitation. There is a potential limitation in that the sample size may be too small, and that the data saturation point may not be attained (Theofanidis & Fountouki, 2018). The sample of 16 interviews conducted saw a reduction in the number of codes emerging after each interview, up until data saturation was achieved at interview 15.

4.11.2 Interviewee limitations

A limitation in the proposed study was identifying the sample and securing interview time with these experts. This was mitigated by utilising long standing networks and past relationships that the researcher had built with some of these experts to secure interview time. The snowballing effect also mitigated this limitation.

Using semi structured interviews are also very time intensive and this took a significant amount of time for both the interviewee and the interviewer. With time as a constraint for the interviewee there is a limitation in that the interviewee may respond in the fashion that they think the interviewer would like to perceive (Queiros et al., 2017; Theofanidis & Fountouki, 2018).

The sample utilised in the research were experts who had acquisition experience. As much as the researcher wanted to achieve diversity within the interviewees, all interviewees were male and thus a gender bias limitation has been identified. Future research could potentially understand the female genders view on non-financial factors that could potentially be considered to support the success of BAs.

4.12 Conclusion

This chapter confers the research methodology that has been used when conducting this study. The study has employed a qualitative, exploratory, and inductive approach to the research design as the researcher wanted to gain stronger insights into the topic of the non-financial factors that are to be considered in support of successful BAs. Data was collected using a semi-structured interview approach that was conducted with CEOs that

have utilised BAs as a strategy as well as experienced experts within the field of BAs. The data that was collected from the interviews were scrutinised, categorised and in that way creating themes in relation to the insights gained from the literature review in chapter two. As the research process evolved the researcher regularly considered matters pertaining to quality controls. The matters of trustworthiness, integrity, quality of information, and ethical considerations had been considered in the research process, including any limitations of the study, as described in this chapter.

5 Chapter 5: Findings/Results

5.1 Introduction

This chapter presents the primary outcomes of the interviews that were held with 16 participants who have either employed or have had experience with BAs as a strategy. The findings that are presented are in relation to the research questions as depicted in chapter three. These findings are based on the themes that have been identified from the qualitative analysis of the semi structured interviews, which provided the researcher with insights on the internal and external, tangible, and intangible non-financial factors that should be considered by leaders as support of successful BAs. Below is the description of the participants that have been interviewed in the study and the qualitative analysis from the semi structured interviews follows.

5.2 Participants

Table 5-1 presents information that was gathered from the 16 participants that have participated in the study. Each participant has been allocated a unique participant coding, and no names have been disclosed to protect the participants identities. This is consistent with Given (2012), who posits that anonymity is when the interviewees identity is safeguarded and not disclosed. All 16 participants have been selected from different industries, such as telecommunication, property rentals, private equity organisations, banks, consulting organisations, manufacturing, logistics and medical industries.

The researcher tried to ensure that the sample was relevant which according to Knapik (2006), it is crucial that the participants are well experienced and has proficiency on the research topic. The participant selection was therefore limited to either CEOs that have been involved in BAs or experienced experts in the field of strategic BA.

Table 5-1 - Participant list anonymised

#	Participant	Current designation	Years of experience with Acquisitions	# of acquisitions in the past 5 years	Latest acquisition value
1	P1	M&A specialist	56 years	Unknown	R100m
2	P2	Senior director FP&A	+/- 8 years	+/-2	\$500m
3	P3	Group CEO	+/- 13 years	5	R600m
4	P4	CEO	+/- 12 years	3	R15m
5	P5	Head of Telecoms - investment finance	+/- 5 years	3	R2.5b
6	P6	Executive Head of Strategy	+/- 2 years	2	R13bn
7	P7	Chairperson – Investment company	+/- 20 years	+/- 6	R1b
8	P8	CEO	+/- 25 years	+/- 5	R200m
9	P9	CEO	+/- 24 years	+/- 8	+/- R100m
10	P10	Group CEO	+/- 20 years	2	+/- R300m
11	P11	Group CEO	+/- 12 years	+/-8	R600m
12	P12	Investment Executive	+/- 10 years	2	R19m
13	P13	M&A executive	+/- 13 years	5	R200m
14	P14	CEO	+/- 12 years	5	>R250m
15	P15	Partner – Deals and strategy	+/- 10 years	20	R600m
16	P16	CEO	+/- 10 years	20	R500m

In determining the suitability of the participants, interview question 1, refer appendix 3, allowed the participants to describe and confirm their expertise and experience in the field of BAs. The 16 participants who are considered experts in the field of BAs have a combined experience of 252 years, the lowest being 2 years and the highest being 56 years, with an average of approximately 16 years of experience per participant. These participants all had experience with BAs within the last five years, except for participant 1. This participant did not answer the question of experience in the last five years, saying he does not know the number, but said “it is a lot”. Considering that the participant had 56 years of experience, the participant remained part of the study. Participant experience in the last five years ranged from two to 20 acquisitions respectively. With these number of years of experience as well as number of acquisitions experience within the last five years, the interviews were insightful and lasted an average of 40 minutes per interview.

Of the 16 participants, two of the interviews were conducted face to face and 14 were conducted using digital software, Microsoft teams. All participants were within South Africa. As the interview was semi-structured the researcher managed the process by asking the questions in an effective manner to gain meaningful insights around the topic and to answer the research questions (Roulston, 2010). During the interview the researcher probed for more in depth understanding of the theme that was discussed by the participant, checking that this confirmation of understanding was aligned between the two parties in the interview (Rubin & Rubin, 2011).

5.3 Data saturation

Data saturation was considered when completing the interviews and this was determined by the researcher while conducting the interviews (Flick, 2018). The researcher considered the information and the commonality of the interview responses, and this was used to determine the data saturation number of interviews if any. These responses were tracked for each interview and compared to the previous interviews once the interviews were coded. This data saturation point was when the interviews were not realising any different views that have already been heard in the other interviews (Flick, 2020). These were determined by the creation of new codes per interview. The details of the process of coding have been described in section 5.4 below.

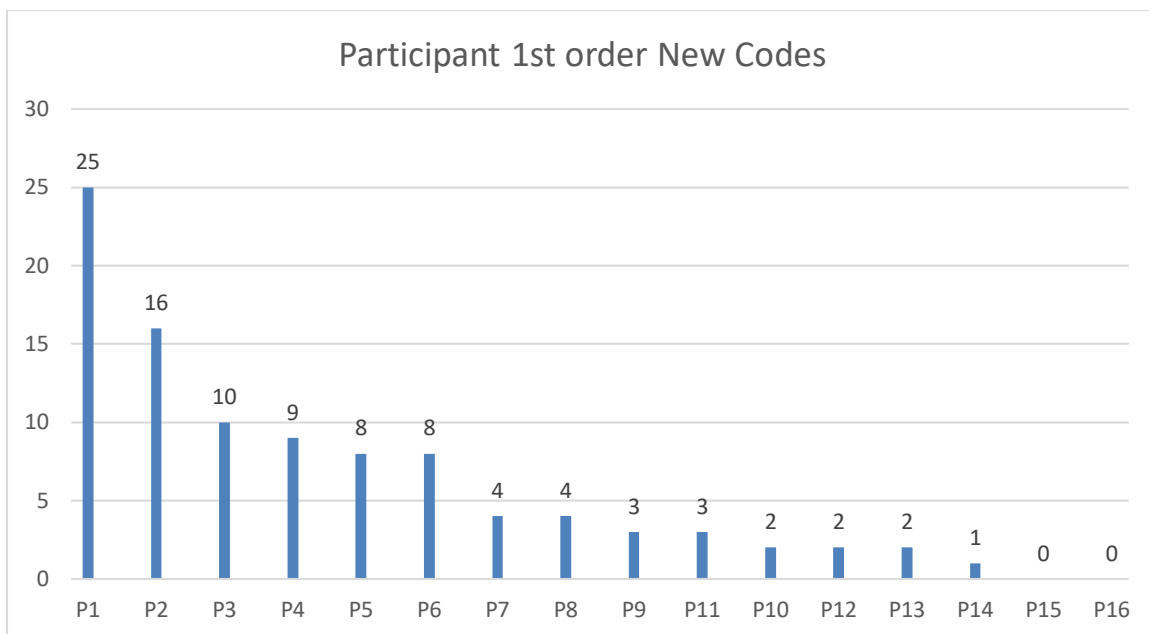


Figure 5-1 - Data saturation

According to (Flick, 2020), data saturation is when receiving more data will not result in developing any new themes or codes. Of the 97 codes, refer appendix 4, that have been extracted from the interviews, data collection had stopped at the sixteenth interview. This was halted as the data showed that there were no other significant codes being generated from the interviews as described in figure 5-1 (Guest et al., 2006).

5.4 Theme generation

The researcher completed a first order coding (open coding) on Atlas.ti which revealed 97 first order codes, refer appendix 4. The researcher then reviewed the first order codes and categorised the coding into categories (axial coding) and then into selective themes (selective coding). The results after the coding evolution process, stemmed into themes and are depicted in Figure 5-2 below which has broken down the themes per participant and in accordance with the research questions. This distributed the themes into internal tangible (IT), internal intangible (II), external tangible (ET) and external intangible (EI) non-financial factors, aligned to the research questions as described in chapter three.

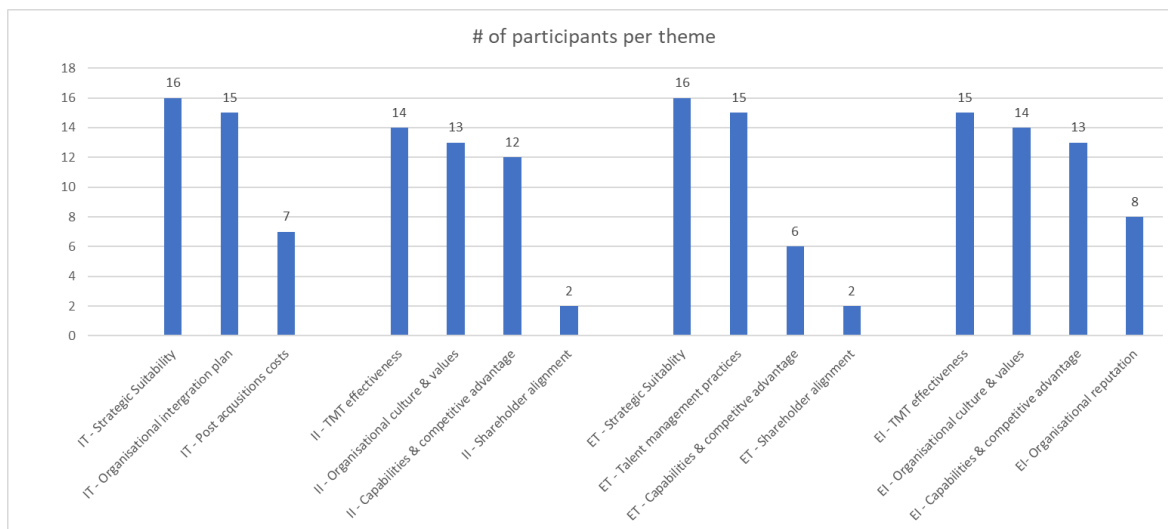


Figure 5-2 - Number of participants per theme

5.5 Presentation of results

The research questions have been crafted to understand the non-financial factors that leaders utilise in support of successful BAs. The results from the semi-structured interviews have been collected around the research questions and have been presented in themes that have been identified by the researcher from coding of the interviews. These themes have been grouped in order off highest to lowest occurrences from all participants. The theme of shareholder alignment was excluded from the findings as this had only two participants who thought that shareholder alignment was a non-financial factor that should be considered. This was excluded as this was not considered as a non-financial factor. All the other findings stemming from the themes have been discussed below.

5.5.1 Results for research question 1.1

Research question 1.1: What are the internal tangible non-financial factors that are considered to support effective BAs?

The aim of research question 1.1 was to determine the internal tangible non-financial factors that are considered by leaders of the AO in support of effective BAs. Figure 5-3 shows the different themes prevalent from the interviews that are linked to the internal tangible non-financial factors.

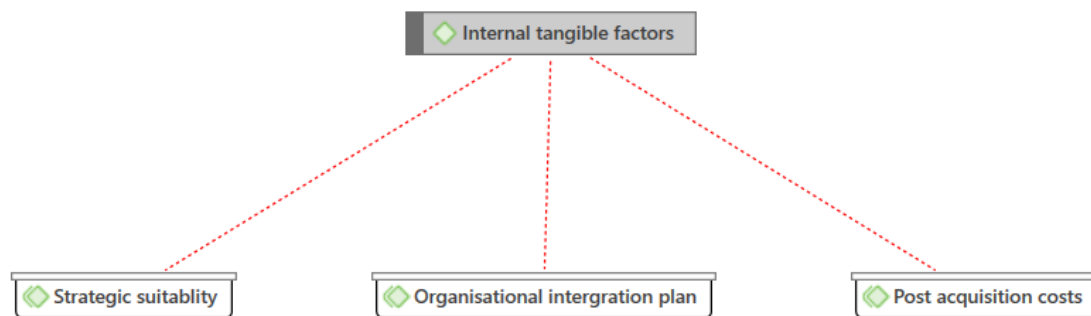


Figure 5-3 - Internal tangible non-financial factors

5.5.1.1 Strategic suitability

Strategic suitability has been the overarching theme that the participants have highlighted as a crucial factor to be considered in support of effective BAs. Strategic suitability is the consideration by the AO on the reason for the acquisition which participants say must be crystal clear. All 16 of the participants considered strategic suitability as a vital internal tangible factor that the AO must be clear on before executing the acquisition. The common codes from the participants in the interviews were grouped together by the researcher, with an emphasis on common codes being linked to a specific category. As depicted in Figure 5-4 the first order codes have been grouped into four categories linking to the overarching theme of strategic suitability. The findings of the interviews have been discussed based on the categories that support the theme of strategic suitability.

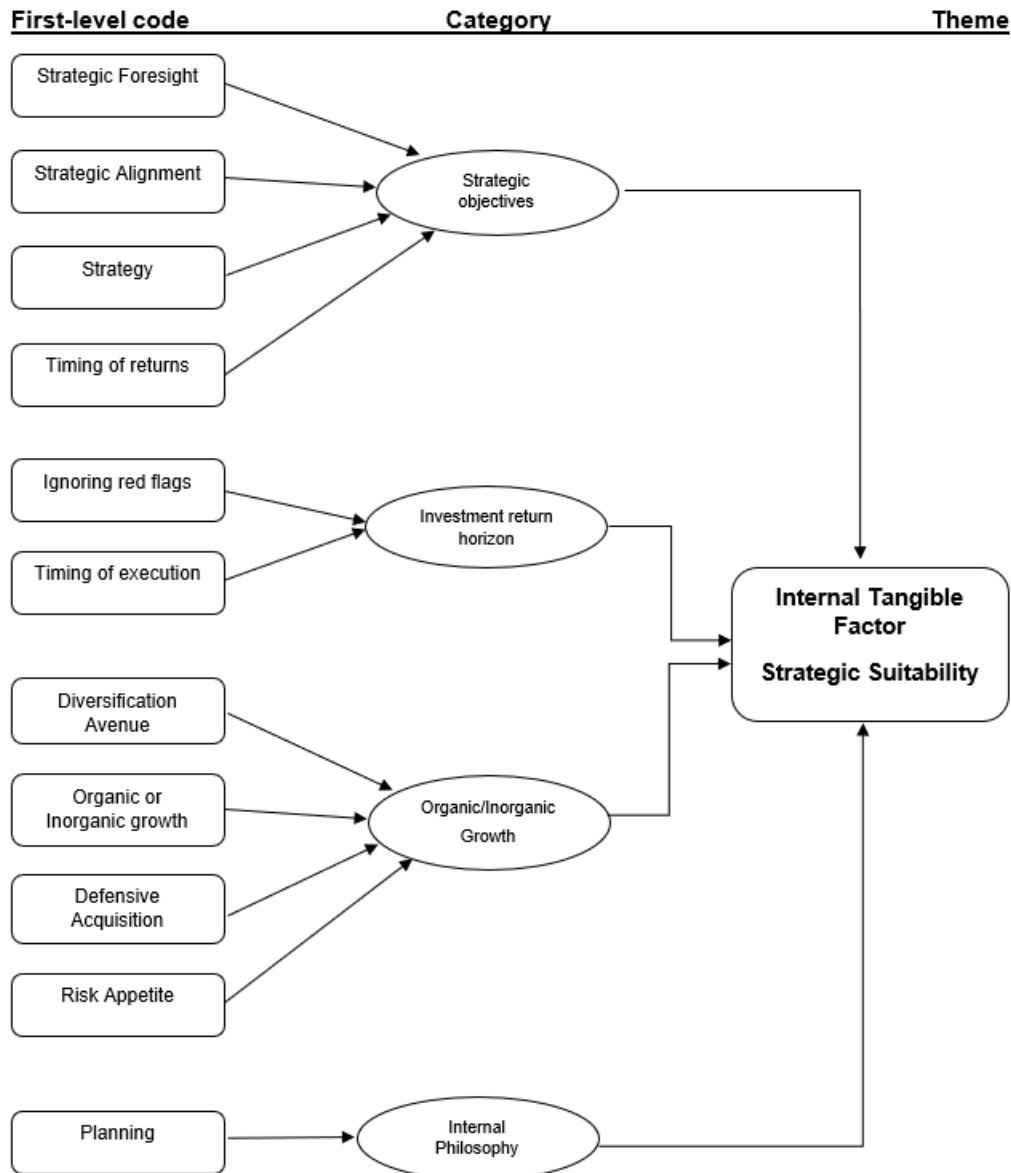


Figure 5-4 - Theme Strategic suitability emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.1.1.1 Strategic objectives

A significant finding was that all participants in the sample described strategic suitability as a crucial non-financial factor that should be considered by the AO when considering a BA. The participants agreed that the intended BA must align with the AOs strategy. They detailed this to say that the strategic intent of the AO must be clear from the start, on why the organisation is doing the BA, and how does this fit into the strategic objectives of the AO. It was conferred that organisations use BAs for many reasons and if the organisation is not clear around the strategic intent this could limit the success of BAs. The participants

are consistent with the notion of the AO ensuring that the strategic intent is clear from the onset and to be very clear on what is it that the AO wants to achieve from the acquisition and how will they sustain and grow the acquisition.

P4 - *"you must have a very well-developed business strategy, and the reason I say that is if you're not crystal clear around your strategy, it will not be possible to measure whether what you are targeting, is really going to be value enhancing or not. So, our starting point is really to have a crystal-clear position from a strategy point of view as to what we want to achieve"*

P7 - *"Sometimes it can be such that acquiring a business is cheaper than building a business. Maybe they've got key clients, maybe there is key people, maybe their key contracts. Something would cost you a lot of money to replicate. So sometimes that is just easier to do. In scalable businesses, if you can just add clients onto an existing platform, that creates tremendous value. And it's probably sometimes cheaper than going out there and getting those clients yourself, because if you must do it yourself, you have to employ people you have to apply processes. It takes time and sometimes it can also just be quicker to buy company rather than to go out there and organically, grow the business. So again, it's part of the strategies that that you have now come up with in terms of growing your business? How are you going to do it? Are you going to do it via acquisition"*

P16 - *"Then I bring it ... to my standards thing. That's important because we can buy hospitals that are substandard. And I think the important thing there for me is. What can I do with this hospital. What can I do with this investment? I think that's very important for us and that's very important for the way we make our decisions is not what we acquire, but what we can do with that acquisition."*

5.5.1.1.2 Investment return horizon

The participants believe that the timing of investment returns for the AO plays a massive role in the success of the BA. It depends on the strategic objectives and implies that the leaders will be shifted to decide on an acquisition based on the length of the investment horizon, the shorter the investment horizon the more aggressive is the need to complete the acquisition. According to the participants this may impact the success of the acquisition due to undue pressure for acquisition completion, and this could even lead

leaders to complete acquisitions based on achieving business metrics. A quicker return strategy will pressure leaders to move quickly into acquisitions. This unwarranted pressure linked to business metrics pushes leaders of the acquisitions process to focus on all the positives factors in the BA transaction and sometimes ignore the “red flags” that are seen which may lead to ineffective BAs.

P11 - "... and if you're going to go in there like a bull in the China shop because you're under pressure now ... show your return on invested capital or your board wants to know, you've invested this amount of money, what's the synergies, what's the return and we want it today. We we're not prepared to take a bit of a more patient view here that can add significantly to the risk in terms of this ..."

P 7 - "... and I think that's a very important point, is not to get sucked into deal fever and carry on, as I said earlier, carry on regardless of any red flags that might pop up, you need to be very clear on what you're trying to achieve and as you go through the due diligence process, if you're not achieving those things you need to step back, you need to be able to step back. We actually need to build things in that force you to step back, because human nature is such that once you start down that avenue is very hard to stop."

P15 - "So we're in a very fortunate position, so we can actually look for gems. And we take advantage of this situation. This, you know, round the corner is something else that's coming our way as well, so there's no desperation and I think that's important. We are not desperate to do a transaction. And we will take our time in making decisions."

The participants also consider the time involved in execution of a BA. They agree that BA execution always takes longer than expected and thus patience is a virtue during the BA process.

P7 – "... the only thing I can say about timing it always takes longer than you think it will. So yeah, I think that it's something that one needs to accept and work with. Things don't happen overnight. ... takes a lot longer than you ever think it will. So, I don't think one should expect overnight miracles ever."

5.5.1.1.3 Organic or inorganic growth

Almost all the participants agree that the AO must clearly outline the reason for using BAs. This dovetails with the strategic objectives category as outlined earlier in section 5.5.1.1.1. The participants concur that organic growth comes from various sources. They agree that BAs can assist in immediately increasing the organisation's revenue and growth. On the other side, the organisation may be struggling with organic growth and utilise acquisitions to facilitate inorganic growth. The strategic objectives must be very clear on why the acquisition is required for the organisation and this must be clearly outlined before the acquisition occurs. This again highlights the importance of the organisation's strategic suitability in having a clear strategy on organic or inorganic growth.

P7 - "You either need to grow the business and you're struggling to do so organically and therefore you need to make acquisitions, or you have parts of the business that are not complete and you need to complete them and to in other words to grow the business and to increase the returns that it generates for the shareholders, you know, those are the considerations that would drive the decision to make acquisitions. But those are almost the easy parts of any acquisition."

P16 – "Organic growth is very good. That's where you make the most money. We not talking about money but gets affected. The cost structure is very stable and fixed costs are fixed costs. You just bring the variable costs and you're going to make your return, your money. It will be organic growth, but, in the long term, that doesn't give you the size and scale that you want to. And that's when we look at the M&A is as well."

P4 – "So strategically the business is positioned in the property market. So we're just specialist property player. And so, over the years there have been a few acquisitions even though the majority of our growth has been organic growth We have gone through three acquisitions in the last 12 years."

P14 – "So what it should look for is obviously most important thing is something that is within its relevance in terms of its market. Alright. So, companies that go outside of their market have a huge learning curve, alright. And so, it is always better in my opinion to develop organically. If you go outside of your market because then you can make the mistakes and failures as part of your research and development, but without the expensive

acquisition where you need a return on that investment."

5.5.1.1.4 Internal philosophy:

The participants agree that the internal TMT must be aligned around the strategic objectives of the AO. This overall explains that the reason for acquisition must stem from the strategic objectives and that the philosophy must be aligned, clear and consistent. Before using BAs as a growth strategy, the organisation must ensure that the leaders are using this tactic to achieve the overall strategic objectives of the organisation.

P1 - "some of the best deals I've done. Are the ones that I haven't done."

P2 - "I think you know the starting point was when you talk internally before you get into an acquisition, you have to have a very clear strategy"

5.5.1.2 Organisational integration plan

The organisational integration plan is defined by the findings as the plan outlined by the AO which is to be considered before the BA. 15 of the 16 participants considered this plan as crucial for systematic integration between the AO and the TO in support effective BAs. The categories that have been identified through the coding process are detailed in Figure 5-5 below in support of the overarching theme being the organisational integration plan. The findings of the interviews have been discussed based on the categories that support the theme of the organisational integration plan.

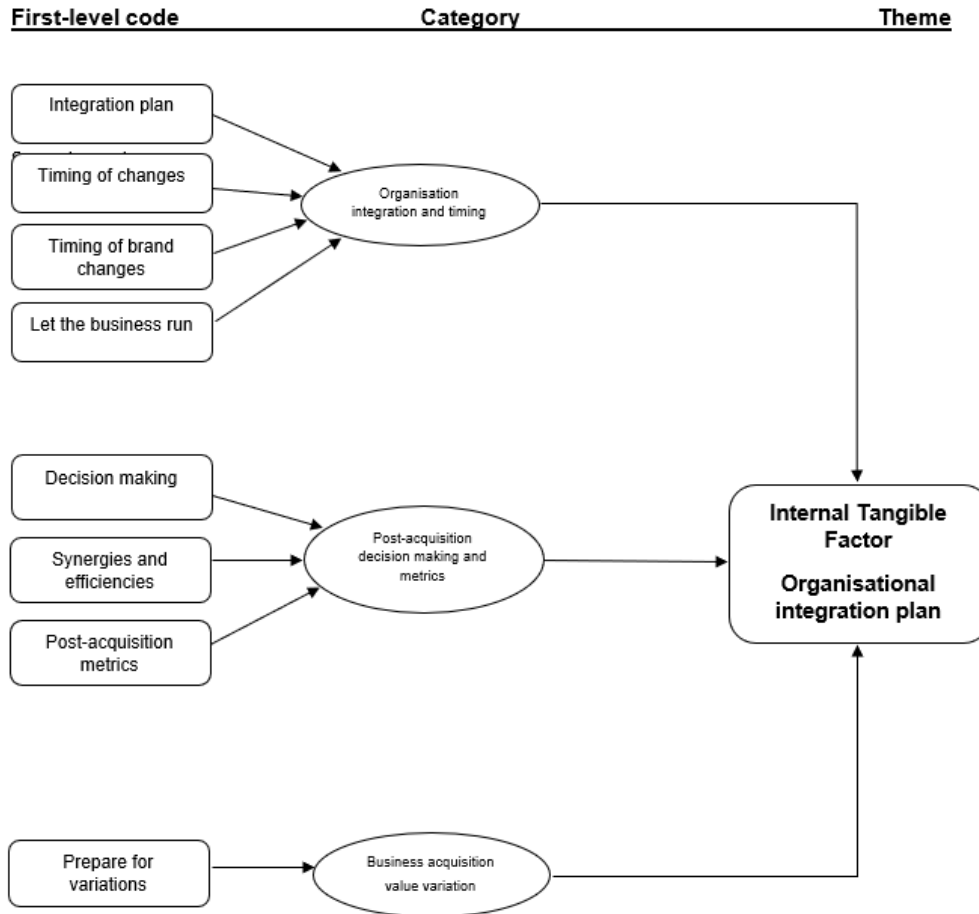


Figure 5-5 - Theme Organisational integration and timing emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.1.2.1 Organisation integration and timing

The participants have found that the organisational integration plan and timing for any changes to brands, systems or processes is important to be determined before the acquisition. The plan according to the participants is the detailed process of integration between the AO and the TO. These plans should include a consideration of the timing of any changes versus the option of allowing the acquired business to operate as it was for a specified period. This dovetails with the strategic suitability of the AO to ensure that the tactics used for integration in is line with the overall AOs strategy. The integration plan must consider that the timing for the execution of the acquisition and this plan creation is not always a very quick process. This timing must be considered and aligned to the initial strategic objectives to allow room for the leaders to evaluate the execution. Leaders are to consider the non-financial factors, which are built into the integration plan, and how it

affects the success of BAs. Time should be spent before the acquisition in determining how the integration will happen.

P6 - *"It's always good to have an idea of how you want to ensure that it will add value to your business, and this is beyond the numbers, right? Practically, how will you work or how will the business integrate to you? Because, I mean, again, just extending this a bit further down, you know, there's all sorts of issues. I'm sure you've heard from other interviews things like post-merger integration and culture issues and all sorts of things. Things don't gel, so you got to think about how much do you want it to gel..."*

P7 - *"... and plan it almost in as much detail as you can with certain benchmarks that you need to achieve over time and check backs to see where you actually have done those things. You need to plan exactly what you want to achieve in terms of integration, in terms of culture, in terms of financial benchmarks. Step one before you even engage with anyone, you come up with this plan, then write it down write down what you are trying to achieve."*

P15 - *"... and around integration. They need to be incredibly clear and upfront in terms of what is required from an integration perspective and that's not just the operational integration, that's understanding the cost of the integration and partly often the integration is not thought about ... everybody starts panicking, you know. So there needs to be absolute clarity on the integration process"*

5.5.1.2.2 Post-acquisition decision making and metrics

As AOs take over the targeted firm, the acquirer will employ practices that are standardised for example ERP systems, governance, and decision-making processes. The TOs decision making processes specifically, is something that the participants find could suffocate the TOs movement and reduce that organisations effectiveness and performance sustainability. This is due to the TO traditionally being able to make decisions quickly and maybe without all the strict governance and controls around decision making. The TO then loses the ability to make speedy decisions and may become despondent to the change, which in turn affects the ongoing performance of the organisation.

P10 - *"So the whole decision-making process within the organisation and that was one of the critiques that actually came out was relatively fast. Now with an American culture coming into this organisation and the whole corporate governance aspect and Sox, the decision-making process took a lot longer..., which then frustrated the people that were the existing management..."*

P6 - *"The other thing is you do not want to constrain them by swallowing this agile start-up who's quick in making quick decisions."*

Participants believe that another non-financial factor, is that post-acquisition metrics that are vital to be carved out and shared with the AO so that the goal posts are not changed after the acquisition when measuring the performance of the BA. This implies that the key metrics are to be aligned with TMT within the AO, and this is used as a metric, post-acquisition. The participants find that when the metrics are not documented before the acquisition what tends to happen is that the TMT tweak the metrics to be able to show value and results that has been created by the acquisition, which may not be the original intended value creation that was envisaged from the acquisition.

P12 - *"The second thing would be the top issues to be considered is how do you tangibly measure the financial reward, the financial returns from this acquisition, because very often the results of the acquired company get intermingled and inter-tangled with the acquirer, and it's very hard to measure the tangible benefits derived from the acquisition."*

When considering the timing of post-acquisition changes to the TO, some participants believe that if the organisation that was acquired is not in financial distress, management of the AO should allow the TO to run as it was without any significant changes made within the first 12 to 24 months. The participants felt that the management team in the TO understands that business ecosystem and that this should be left to run as such and maybe the governance and financial reporting standards should be specifically reviewed and aligned with the AO. When these processes are changed the proper engagement at all levels will assist with the TOs response to the changes and the participants found that this engagement brings more positive response rather than negative response.

P9 - *"And we also do not dictate how the business is run, I mean the fact that you know these people have taken this business to this level, it means that they're capable of running*

the business alright."

P15 - *"And you leave it for 18 to 24 months and you watch how the thing operates. And it doesn't matter how long your due diligence process is and how thick your documents are that you read about the business. Until you've been in the business for two years, you're never going to truly understand it. You know, aim to understand the nuts and bolts of the business. I've always been a firm believer in post-acquisition, you start by going the first route you put your governance and reporting in place. And then you leave it."*

P11 - *"Get them aligned before you can start implementing yours, and you know the view we take is you almost let things run for six months. I mean, as long as you know you're not, you're not having a business which is in a in a business rescue situation, or you know is burning cash at every corner. So, it's a stable business. You go in there, and you almost let things run for six months, cause the last thing you want is to go in there and sit and seem to be as if you are coming and changing things"*

5.5.1.2.3 BA value variation

According to the participants, the AO usually has a pre-determined idea on how the acquisition will turn out. The participants believe that the original value that is expected to be created by an acquisition may shift as the process of acquisition evolves which must be considered by the AO. The participants in the study believe that management's ability to pre-empt and deal with these unknowns is essential for successful acquisitions.

P2 - *"The scope changed a lot versus what was initially put on the table by them."*

P6 - *"...more proactive scenario planning. So you go in with the deal struck, so this is our idea what we want to achieve ... But then you should have fallback scenarios? If 51% doesn't work, what's an alternative?"*

P15 - *"...you know very often. Obviously as a as an acquiring corporate, you want to come in and you want to acquire 100%. But in in certain scenarios, that's just not possible..."*

5.5.1.3 Post-acquisition costs

Seven of the participants had a view that the post-acquisition costs must be part of the non-financial factors that are contemplated for effective BAs. This related to the post acquisitions costs that are related to getting the TO to the standards that are required by the AO.

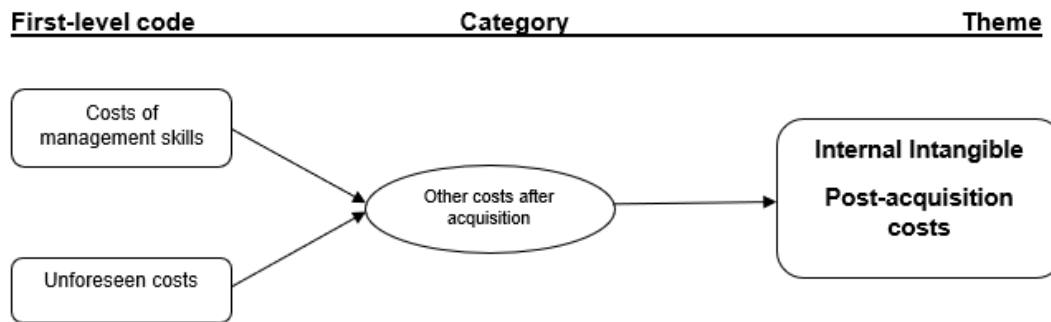


Figure 5-6 - Theme Post acquisition costs emerged from codes and categories, adapted from Fisher et al. (2020)

As depicted in Figure 5-6, the participants spoke about the non-financial costs of the time and effort that the AOs TMT and internal experts need to invest in the TO, which is often overlooked. This specifically important people resources and capacity lens is when you acquire the organisation under a believed value creation and realise post acquisition that the acquired organisation is not what you thought you were buying. The participants said that when this happens the acquisition success is impeded as it takes significant effort from internal management to repair the broken acquisition. Some of the participants discussed that the management team of the AO must do an evaluation of the non-financial standards, like the culture of safety that may want to be achieved or aligned between the targeted and the AOs and outline the resources required for this to be done post acquisition. The participants believe that these items are sometimes forgotten.

P4 - *"If you end up with a donkey and you thought you were getting a racehorse, OK, you committed to this acquisition. It's in your corridors now. So, you've got to now make this thing work. OK? Which means it takes up management time. And if it all right. And therein lies a cost. It's an intangible cost, but it sucks up cost and time and effort... it takes the eye off the ball on management and their ability to go and do other things that would be more value enhancing. It's a soft, very, very soft issue, but I think important in the context*

... Let's say the racehorse wasn't as fast as we thought... We found that some of the management skill that we thought we were getting wasn't up to scratch. So, we had to support it with other management skills. So, there were a lot of those things as well, but we never measured it, OK. And if I look in the rear-view mirror, that's something you need to be very, very careful of. "

P10 - "So what we would have done better was to evaluate the safety standard of Company B and add a cost to that ... To capture this to get to the standard that yes that you believe to be right within that industry as such, because from a from our perspective, we say safety is our priority and we do an acquisition. What do we say to them? Safety is not a priority ...exactly..., so there's a fundamental drive-in order to.... change culture, there's a culture, post-acquisition costs,"

Some participants noted that financial costs that are estimated with the acquisition is higher than expected due to the AO not estimating the post-acquisition capital or operational costs required to ensure that the processes are changed to achieve the acquired organisations standards. As this is a financial factor it will not be included on the researcher's analysis.

P2 - "If we end up buying something which is not towards standards, we have to make sure that we have adequate budget built-in."

P5 - "You still going have some post acquisition capital cost attached to it? You know that cause that that racehorse that you bought, maybe you bought it in Saudi Arabia and you and you in South Africa now it's a certain type of grass and you know drank it different tasty water. So when you bring it here, in order to keep it in that prime position, you've got to not import this that that, that grass and you know. So I know I'm kind of using a different analogy, but similarly, even if you buying a business that's well-oiled is humming they, you know, they still going to be some level of post-acquisition capital investment to align it to your organisation."

5.5.1.4 Summary of the findings of research question 1.1

As quoted from P 1 – *"One man's meat is another man's poison"*, which is aligned to the overarching findings for research question 1.1. The findings have provided answers to

research question 1.1 categorised into three general themes. Participants believed that strategic suitability, organisational integration plan and the post-acquisition costs are non-financial internal tangible factors that are key contributors in support of successful BAs. Strategic suitability pointed out that the AO must have a clear strategy. The organisational integration plan is something that the participants believed is of paramount importance and facilitates a BA. The post-acquisition costs were linked to the time and effort of the AOs TMTs and experts when completing integration of the BA. Most of the participants believed that these three themes are factors that should be considered in support of successful BAs.

5.5.2 Results for research question 1.2

Research question 1.2: What are the internal intangible non-financial factors that are considered to support effective BAs?

The aim of research question 1.2 was to determine the internal intangible factors that are considered by leaders of the AO in support of effective BAs. Figure 5-7 illustrates the different themes prevalent from the interviews that are linked to the internal tangible non-financial factors.

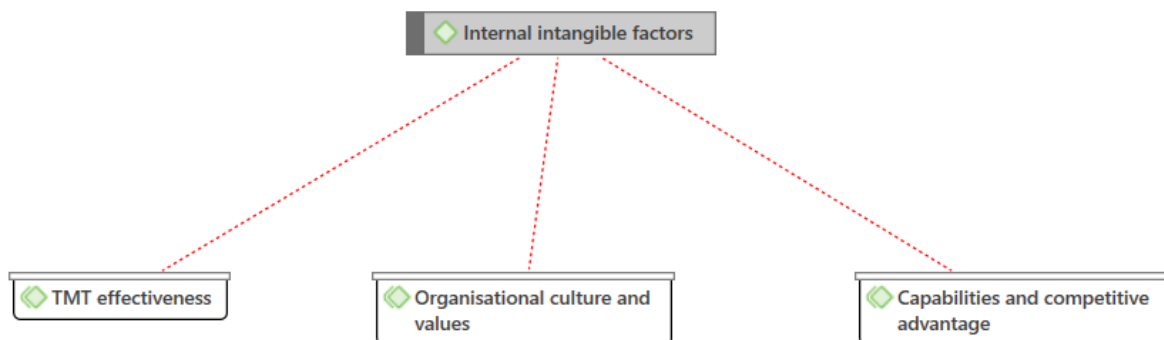


Figure 5-7 - Internal intangible non-financial factors

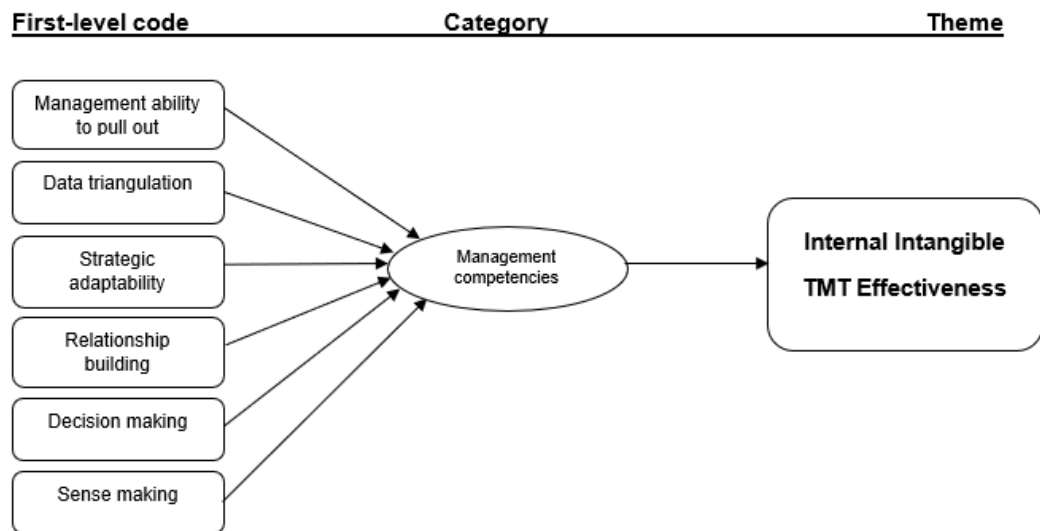


Figure 5-8 - Theme TMT effectiveness emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.2.1 Top management team (TMT) effectiveness

The effectiveness of the AOs top management team (TMT) has been considered by 14 participants to be a crucial player in support of effective BAs. These participants agree that the TMT experience and expert knowledge in the industry or within the business sphere plays an important role. The TMT will be part of the initial assessment process of the TO. The ability to assess relies on the TMT expertise and competencies. The common codes from the participants in the interviews were grouped together by the researcher, with an emphasis on common codes being linked to a specific category. As depicted in Figure 5-8 the first order codes have been grouped into a category of management competencies linking to the overarching theme of TMT effectiveness. The findings of the interviews have been discussed based on this category that supports the theme of TMT effectiveness.

5.5.2.1.1 Management competencies

The participants concur that utilising the strength of the internal management team allows for rigorous and detailed assessment of the TO. The ability of the TMT to understand the ecosystem and the environment in relation to the way an organisation is managed is something that experienced, talented and strong internal management can do. Upskilling the current TMT is also something that the participants complete before

acquiring a new organisation. These TMT skills are believed to become part of the AOs core competencies and is considered an absolute advantage.

P10 - *"My people have the knowledge as to how to operate a business on various levels and bring about the type of returns that we that we're looking for and therefore we will, we will basically implant that knowledge into the new organization."*

P4 - *"You know the reality with these acquisitions in our world is you've got to allocate the best people in your business to do that assessment, and again you can't put the B team on, if you are targeting something you can't put the B team on that target, then you're going to get a C outcome. OK, you've got to put firstly, the right people together"*

There participants discussed that there are different ways to obtain these skilled managers and even if they are recruited as part of the AOs strategy, this is completed to ensure the strength of the internal management team. These competencies allow for the management team to be agile, reorganise and strategize as necessary especially when it is time to integrate the TO.

P16 - *"Before we started on this acquisition trail, we looked at ourselves, looked at the internal situation in terms of staffing, in terms of policies and procedures, in terms of IT I think, That was very important. The plan was that before we acquired a company. We just need to make sure we got the internal capacity to look after anything, we acquired. So we spent at least two years increasing our head office structure. Getting the right people in the right places. And that not only helped us when we acquired a company but helped us when we looked at the companies in what we are acquiring as well. And I think I believe that was very important. So I'm, I'm glad to say that the ones that we've done, Out of that nine, I'll say we got, one dud, and it was such a small figure..."*

P11 - *"Internal is really the strength and depth of your own team. So, I think in terms of getting involved in acquisitions, you need to have a very strong, competency from a management perspective ... and I think it's fundamental, you can't have people who are. involved in running your day-to-day business, now in charge.... Potential for distraction and dilution of effort. Uh, you know, becomes an issue and maybe, influence the success of the potential acquisition."*

P14 - "But again, you know that's less important because if you're going to buy the business from the seller, you can always lose the management team. You can lose the seller, you can lose all those qualitative factors and focus on the metrics to get that value as long as you have a good core team, you get what I'm saying."

5.5.2.2 Organisational culture and values

The internal organisational culture and value set has been considered as one of the key factors by most of the participants in the survey. 13 participants discussed the culture embodied within the AO and the impact it has in support of effective BAs. They viewed the culture to be linked to the ability of the AO to support with the organisational integration plan when completing an acquisition. A culture is not something that is built overnight, and a strong organisational value set is something that develops the culture within the organisation. As depicted in figure 5-9 the researcher has categorised the codes to form a theme of organisational culture and values.

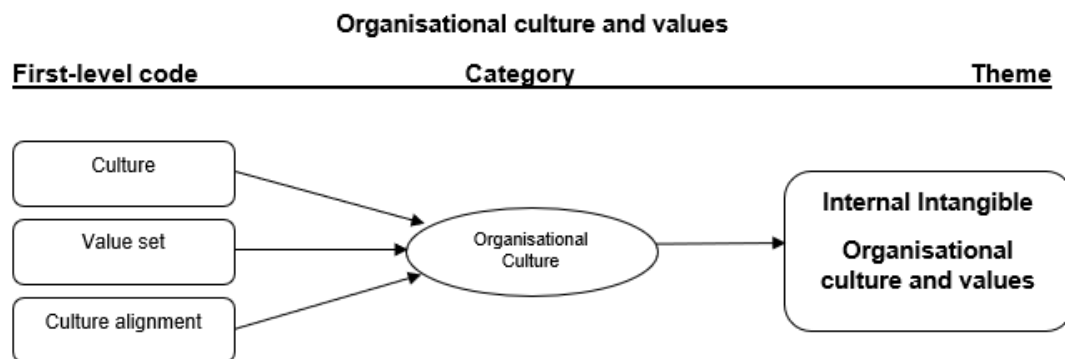


Figure 5-9 - Theme Organisational culture and values emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.2.3 Organisational Culture

The participants concur that the culture, being the “ways of working” of the AO is usually what the acquirer would want to inculcate in the TO. The TO may do things in a different way to the acquired organisation and may resist this culture change which impacts the success of the integration thus impacting the effectiveness of the BA. This resistance is a non-financial factor that may impact the success of the BAs. It is very valuable to understand that there must be cultural alignment to assist with effective BAs. Thus, the participants believe that the AO must include the culture alignment in their

organisational integration plan. During the integration plan there must be sufficient time to plan the culture integration. Participants believe that patience, engagement, and alignment is crucial when trying to integrate culture.

P11 - *"Get them aligned before you can start implementing yours, and you know the view we take is you almost let things run for six months. I mean, as long as you know you're not, you're not having a business which is in a in a business rescue situation, ... cause the last thing you want is to go in there and sit and seem to be, Uh, you know this guy's coming in here and think they know everything and not prepared to listen to us and implementing everything. And you know everything we've done for the past 30 years, essentially throwing out of the window. That's not the right approach. So in the short term you take a more patient approach, but then you start getting the buy in and then you can quite quickly..."*

P7 - *"And so I think, part of the planning should be to set aside enough time post acquisition to start working on the combined culture over the business and start getting it aligned with your values that you want to inculcate in the business? Again, that should be part of the planning process as part of the post-acquisition process."*

P12 – *"... I think the inculcation of the of the existing corporate culture into the target company is very important because often when you acquire a successful business, the management of that, that target business comes with certain perceived sense of self value, which is often in conflict with the acquirer and or potentially unjustified, so the inculcation of the corporate culture is very important to the integration."*

5.5.2.4 Capabilities and competitive advantage

Participants agree that the internal organisation should have a clear understanding of the environment which they operate as well as the competitive advantages and core competencies that they possess. These factors play a role in determining the success of an acquisition as this is sense making of the entire ecosystem of which the organisation would like to enter. 12 of the participants have stressed the importance of this theme and believe that understanding these factors are crucial for effective BA. As depicted in figure 5-10 the researcher has categorised the codes to form the theme of capabilities and competitive advantage.

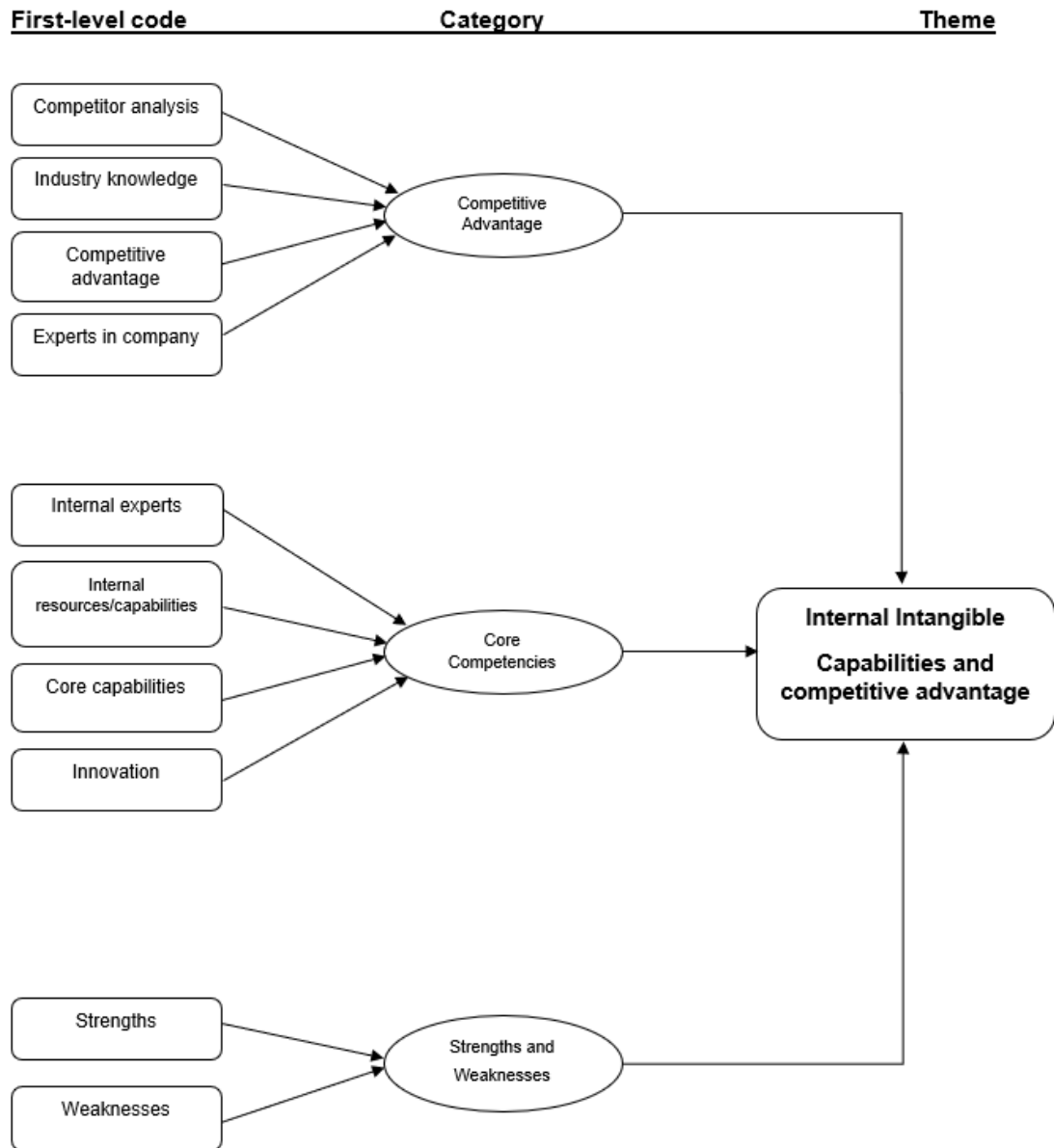


Figure 5-10 - Theme Internal Capabilities and competitive advantage emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.2.4.1 Competitive advantage

The internal organisation must be deliberate on their assessment of their competitive advantages. The participants steered to advantages that include, operating within the industry as well as having TMT that are leaders, possess industry knowledge and experience. Understanding the environment and the industry will allow management to make additional informed decisions. Participates said that it is important to understand the playing field and determining the market opportunities and concentration of customers.

Knowing the risk and opportunities that are prevalent in the industry that is being targeted will assist in determining if we should get into an acquisition within the industry. Even if the acquisition is outside our current business focus, understanding the industry that we want to venture into is crucial. Understanding the industry is a key competitive advantage when considering a BA, which impacts the success of effective BAs.

P5 - *"Kind of the very first steps, right? Well, I suppose looking ... if you're operating a certain industry, ... you should as a management team or a CEO, you should know who's operating in your industry. You should know who your competitors are, right? Who your suppliers are, who your customers are? So, you should have a good feel for your ecosystem."*

P11 - *"Are the key personnel involved? Are there key relationships? Are there key clients and you know, ascertain all those risks? Because I mean, as an example, you know we've looked at a few businesses where the business is flying. And when you think about deeper, you find it's high concentration risk. Setting in one or two key individuals, one or two key networks, one or two key contracts. And you know, you take that out of the equation All of a sudden you are sitting with a donkey."*

P10 – *"Then I would say the risk in doing that type of merger and acquisition is a lot less than, ... one of the other current players which we know that that are on the brink of closure for various reasons. So, then the risk would be too great to go into a new market in a new product that we don't have the institutional knowledge."*

5.5.2.4.2 Core competencies

Participants agree that management of the internal organisation must clearly understand their core competencies. It is crucial to understand internally how the AO can add value to the TO in terms of value creation. Participants link these core competencies to the intangible people competencies. An example of this, is the internal expertise that the AO possess, to be able to add value to the TO. These core competencies are looking at people throughout the organisation and not just the TMT. This lies with experts in different fields within the internal organisation. Using the company's internal core competencies is considered as a key factor to address value creation at the TO. These

internal people competencies are factors within the capabilities and competitive advantage sphere of the AO. These internal intangible factors of capabilities and competitive advantage are considered crucial in support of effective BAs.

P1 - *"When they're bad times, you've got to know how to fix."*

P16 - *"You see, that's why I come back to my internal competencies. That's why I come back to getting my team ready for this thing. I have IT specialists in my team who goes across. And sort it out or he does the initial assessment, it comes back to me. The IT is a mess. We need to put a completely new system so the IT guy goes in, my clinicians go in, they go and look at the policy and procedures, what's happening there and then come back and report to me as well..."*

P4 - *"... and that team would need to be people with a combination of financial skill, Business skill industry, skill and understanding of the intangible components of a business, as you know, the softer issues of a business that we spoke about earlier..."*

5.5.2.4.3 Internal strengths and weaknesses

The innovative character of the internal organisation people is considered as a key element for success of a BA. This innovation characteristic is believed to hold weight in the integration success of the TO. This strength of the capability within the AO is considered crucial. Participants also identify their internal core weaknesses and use this when crafting the integration plan with the TO. This strength and weakness identification is believed to aid the management team to better plan the integration with the TO.

P4 - *"...very good understanding of your business, products, and services that you can offer the market and where your strengths are in products and services that you offer. And, where your weaknesses are..."*

P1 – *"From millions in revenue, *** had no revenue during covid, What did they do? Innovation, ...They tide up a phenomenal deal with *** Because it suited, *** who said that people waiting to buy tickets and there is fraud and all... Can only get tickets through ticket pro."*

5.5.2.5 Summary of the findings of research question 1.2

The findings have provided responses to research question 1.2 categorised into three general themes. Participants believed that TMT effectiveness, organisational culture and values, and capabilities and competitive advantage are non-financial internal intangible factors as key contributors in support of effective BAs. Each of these factors had addressed the capabilities and skills of the TMT and the other employees of the AO. The participants believed that this is a key and aids in the assessment of the TO. These competencies allow management the ability to make sense of the external eco system surrounding the acquisition transaction and with their expertise and experience they can identify potential factors that may impede the value creation of the BA. Coupled with the AOs TMT effectiveness is the overall organisational cultures and values. The AO must sense the culture of the TO and have the sense to integrate culture, rather than pushing the AO culture onto the TO. If this is not completed with due care, this could impact the performance of the people in the TO and this will eventually negatively impact the acquisition success. This also requires TMT capabilities to be able to complete this integration. The organisational culture integration must be part of the overall integration plan. Lastly the internal people capabilities are considered as a competitive advantage, within the AO which participants concur is crucial. The participant believes that these strengths in the internal TMT and experts provide competitive advantage by understanding the industry ecosystem which also assists the TMT when developing the organisational integration plan. It gives TMNT the ability to identify strengths and weaknesses with the AO, which aid in integration success.

5.5.3 Results for research question 1.3

Research question 1.3: What are the external tangible non-financial factors that are considered to support effective BAs?

The aim of research question 1.3 was to determine the external tangible factors that are considered by leaders of the AO in relation to the external (TO) to support effective BAs. Figure 5-11 shows the different themes prevalent from the interviews that are linked to the non-financial external tangible factors.

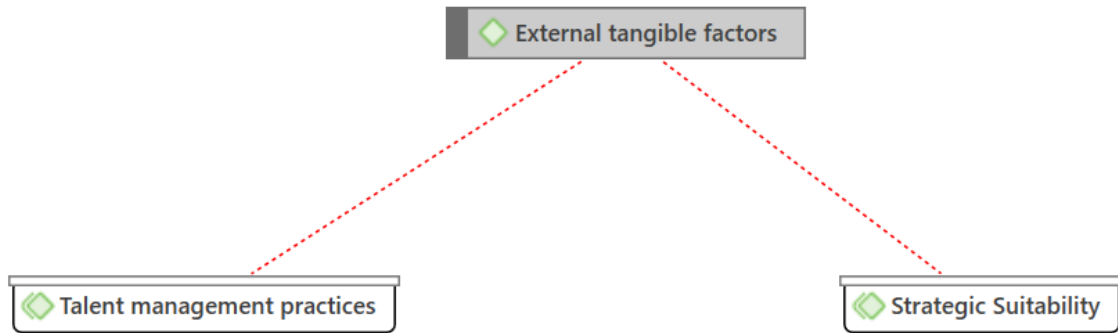


Figure 5-11 - External tangible non-financial factors

5.5.3.1 Talent management practices

An overarching theme was that of talent management practices which were prevalent in 15 of the 16 participants interviews, as an external tangible factor that should be considered in support of effective BAs. Talent management practices are defined with reference to the interview data of the participants, as factors that include the softer elements of the organisations ability to retain talent within the TO post the BA. They believe that the exiting of the TO's TMT or other valuable employee negatively impact the success of a BA. The theme of talent management practices has evolved from codes and categories as depicted in Figure 5-12 below.

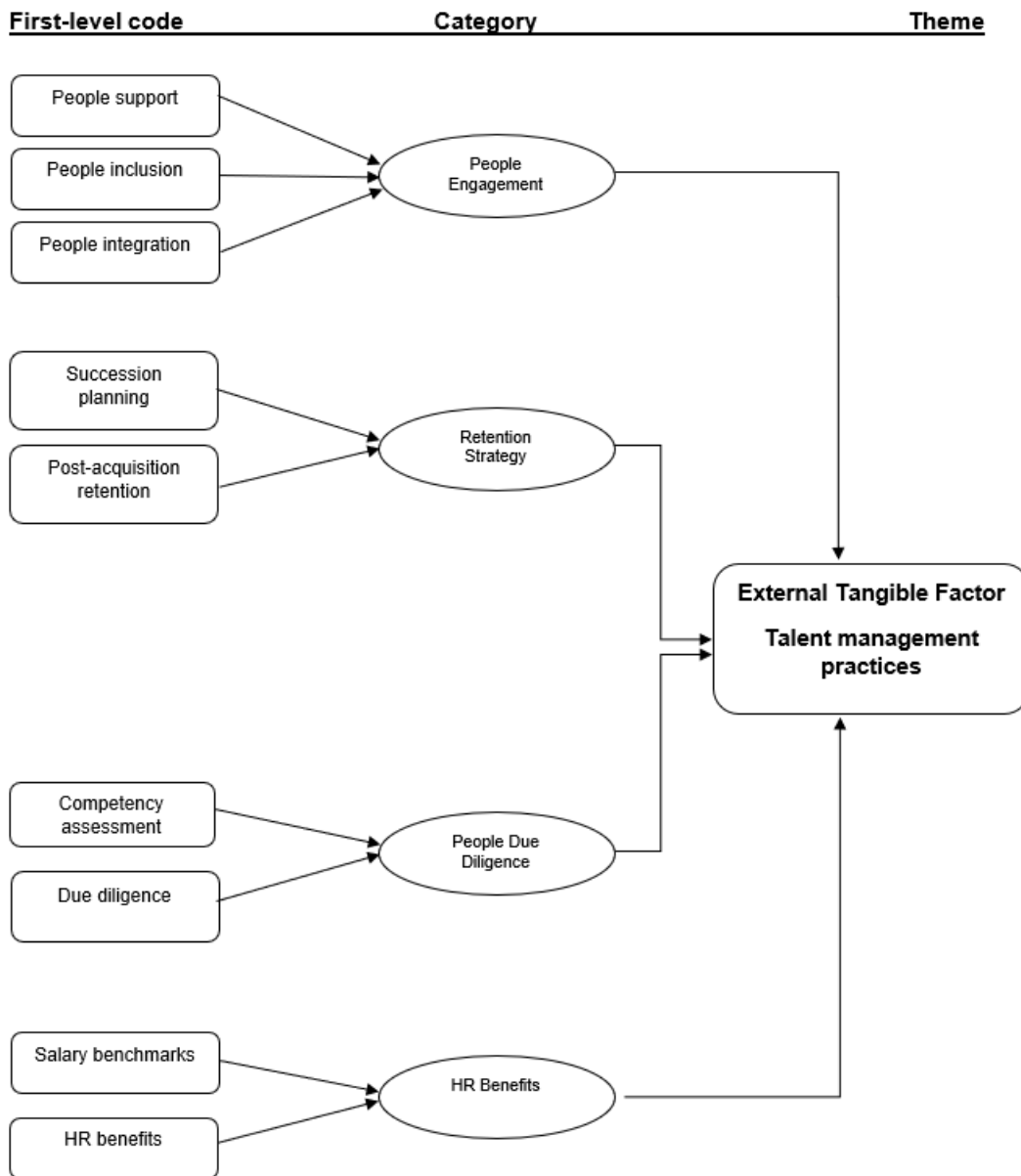


Figure 5-12 – Theme Talent management practices emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.3.1.1 People engagement

According to the participants, engagement, and inclusivity of the TOs people supports the post-acquisition transaction and integration. There are deliberate actions by management of the AO to gain the support of the TOs TMT and employees. This specially refers to the TOs key people resources. During an acquisition the management and employees of the TO become nervous because of the possibility of being replaced. This negatively affects the TOs productivity and thus will impact the value creation that was

originally envisaged by the AO. Participants concur that it is critical to ensure that the key personal of the TO are intact post the acquisition to be able to continually add value to the organisation. This requires upfront people engagement, as well as completing a people due diligence assessment to identify the valuable management and employees. The participants thought that by making people in the organisation part of the journey leads to support from these individuals which in turn will assist with achieving the envisaged value from the BA. This entails engaging with different levels in the organisation and not just the TMT. Taking time to onboard the employees specifically key employees plays a massive role in the organisational integration success and this requires a well-planned and patient approach to integration by management of the AO. Participants agree that inclusivity and reassurance of all levels of employees are crucial.

P3 - "So you want to know that your real core specialist technical skills, who they are, and that they will be on board, and support the transaction post acquisition. I've been in a few where you only get to engage with the management team, and you typically focus on having them aligned and on board. Usually there's resistance post transaction from some specialist team members, and if you lose them, you actually lose a material part of what you were trying to buy and acquire..."

P7 - "you also need to engage them on a personal level and speak to the people. Speak to different levels of people, get your management tiers in to engage with their management tiers and make that part of the process.... one of those conditions could be that you get to know the people and you have an opportunity to speak to the people and understand who does what and how they do it, and so on so forth..."

P 11 - "So in the short term you take a more patient approach, but then you start getting the buy in and then you can quite quickly start implementing your strategy into that business once you've got the buy in it's a far easier process because you've taken the people along the journey."

P8 - "So you need to make sure that you bring that team on board and give them comforts and that they will be part of the new team going forward and give them comforts that there's a sustainable future for them to develop to grow to earn good money."

5.5.3.1.2 Retention strategy

A retention strategy is the process that the organisation utilises to retain talent within the TO. A general view from the participants is that a retention strategy is crucial specifically for key personal of the TO. The retention of talent within the organisation is required to assist with business continuity which is believed to be key by the participants in the study. Key personal may include top management personal as well as experts in the organisation. Participants concur that institutional knowledge is something that cannot be bought and should be nurtured. The retention strategy should lock in employees to at least have a period of handover before then leave. Sometimes there are key personal at the TO that leave post acquisition, and this negatively impacts the success of the overall effectiveness of the acquisition.

P3 - "And definitely the appetite of the founding members to continue staying on post the acquisition or at least have a minimum period of handover before they leave. I think it is disastrous if they exit too quickly."

P3 - "Usually there's resistance post transaction from some specialist team members...So I would definitely say the depth of skill in the organisation and their alignment is important and...And it's usually dealt with via retention-type strategies for specialist staff, but I mean I've seen as well that retention bonuses aren't enough." Patti

P12 "...so other items on the checklist, ... it could be, for example, one could inquire as to the retention policies of key personnel at the target company."

As part of the talent management practices, participants agree that a planned retrenchment strategy is important in a BA. They believed that the sooner this is communicated, the higher the success rate of the acquisition.

P7 - "And you need to plan in terms of retrenchment strategy around the people you don't want. But you have to be very clear, because if you leave people in limbo, if they're unsure whether they stay or go..., it creates massive unhappiness within a firm and it creates a very negative culture"

The participants agree that identifying the employee succession regime at the TO also assists with business continuity. The knowledge and expertise and overall business understanding of the TMT at the TO is at risk when they exit the business. Succession planning aids with the strength and the depth of the management team and lower levels, positively impacting business continuity and thus succession planning is a vital intangible factor to be considered for effective BA.

P9 - "Succession plan, you know, is key. I mean it's one thing we look at and you know the average age and within the organisation especially at the management level as well as supervisory levels ...it's one of the first things that we look at. You know key individuals. Where are they performing at and then is there an Understudy behind him? If it's not there upfront we highlight that and then we want the plan put in place."

P14 – "So what I'd look for typically is I do an evaluation of the management team...you are look at succession planning. Obviously."

In general, aiding the talent management practices, identification of "key" personal at the TOs is key to facilitating the process. The AO must identify which key people they will want to retain and ensure that there is a retention plan for those key people. This is a patient process and will not always be able to identify all key personal, but this process is considered by participants in the study as a vital non-financial intangible factor to consider supporting the effectiveness of BAs.

P7 - "If you can identify those key individuals at different levels and know which ones you need to and want to keep and engage with them timelessly, I think that could help the acquisition strategy immensely. So I think a key part of your planning should be to decide upfront which are the more valuable people, which are the ones you want to keep cause you I think what happens very often is that the best people leave first ..."

P14 - "... but this this is the one thing I would say to you though, is if you can identify people in that organisation that can create exponential value in your existing organization..."

5.5.3.1.3 People due diligence

When categorising the codes from the interviews, there is a category referring to people due diligence which related to in depth assessments of the people in the TMT and key personal in the TO. This is something that takes time during the acquisition but is considered by participants as vital. A starting point would be to perform an assessment on the TMT of the TOs. This will determine to some level, their value to the organisation by assessing their competencies. When assessing the TMT, it is important to also speak to other employees to review their perception of the TMT. This due diligence also allows the management of the AO to gain a high-level sense of adaptability of the TMT of the targeted firm, and this is considered by participants as key for successful BAs.

P7 - "If you can identify those key individuals at different levels and know which ones you need to and want to keep and engage with them timelessly, I think that could help the acquisition strategy immensely."

P10 - "... and it's not like you've got a choice as to who you can take in the merger or not. So you end up with all these people ... The thing is to try and gauge that prior through one way or the other... I think from a people evaluation perspective ... certain people adapt to change quite easily."

Participants believe that focus should be placed on doing a due diligence, not only the TMT but a few levels lower in the TO.

P12 - "What calibre of persons are you acquiring? What roles do they do? How good are they at what they do? That is what you're trying to do when conducting a due diligence of the intangible area or the qualitative factors around staff or employees."

P16 - "We assessing everybody? Assessing the doctors as well..."

P7 - "To do proper due diligence on the people, not only at the very senior level, but a couple of the levels down as well. Because that is where a lot of the problems start manifesting themselves once the acquisition is completed."

5.5.3.1.4 Human resource benefits

The theme of human resource benefits encompasses salary and other benefits that the TO offers. These types of benefits are for example leave, which is considered by participants important to be understood by the AO. Participants have said that this understanding may reveal that these benefits may be significantly different between the acquiring and the TO. When employees of both the acquiring and the TO identify that there are differences this could cause them to become unhappy and may either leave the organisation or this negatively impacts their performance. This will inevitably affect the value creating at these organisations which will affect success of the BA. The view of some of the participants is that standardization of the salary scales and benefits as linked to job profiles and benefit alignment must be considered to keep employees motivated which in turn supports the success of effective BA. The other consideration from some participants, is if the TOs benefits are “better” than the AO, consideration of this must be given in the integration plan, as this affects employee moral which in turn will affect productivity.

P6 - "What are the average salaries ...That's important, especially when you come into a company like ours. We have very clear like salary bands based on the experience, based on the role type. They must sit at a certain level... for example, a junior guy might be earning more than a senior guy, you know that you can't change their salaries, what will be your response in that case?"

P12 - "One could inquire as to the human resource policies and procedures at the target company. What is the policy towards leave, for example? Because typically in a in a typical scenario, if company A was to acquire Company B, more than likely company A would want to exert its influence and standardise employee policies across the greater ... inclusive of A&B, so you would want to inquire at the outset what are your certain policies regarding employees, ... typically the acquirer would want to standardise the employee policies such that all employees are then treated fairly across the greater group ..."

5.5.3.2 Strategic suitability

All of 16 the participants in the study have considered the importance of strategic suitability of the TO. Strategic suitability encompasses the current and future strategy of the TO and the alignment to the AOs strategy. Understanding where they see their

positioning and what are their strategic intents are, is critical to support the success of effective BAs. Figure 5-13 depicts the codes that have been categorised into strategic objectives which transforms to the theme of strategic suitability as an external tangible factor that must be considered.

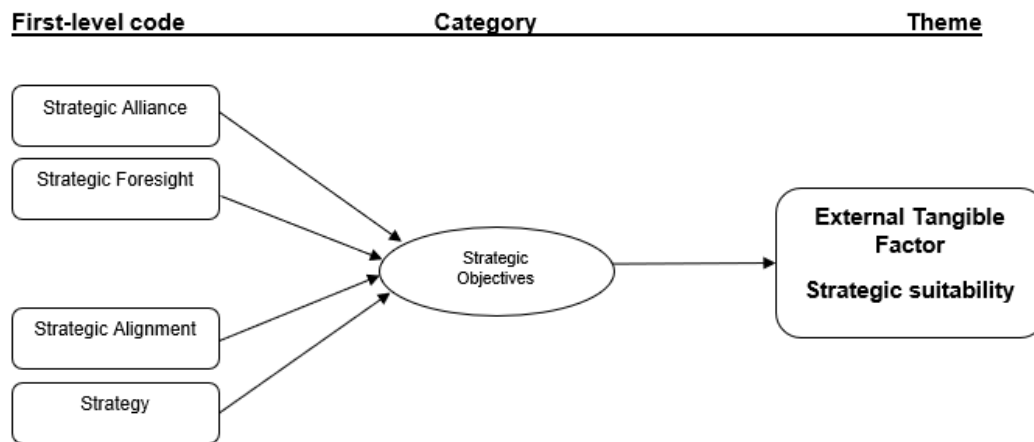


Figure 5-13 – Theme Strategic suitability emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.3.2.1 Strategic objectives

Crafting a strategy is key for business performance and continuity. According to the participants, the TOs strategy must be reviewed by the AOs TMT. This will identify the goals that are relevant for the TO and the TMT of the acquired organisation will contrast this to their strategy to confirm alignment. Identifying any major misalignment in terms of strategic objectives becomes critical to see if the organisations can integrate successfully.

When reviewing the strategy of the TO the TMT of the AO will be able to see how strong and realistic the strategy of the TO is and will understand if there might be a need to change or clearly identify a misalignment between the two organisations. Participants concur that this this allows the TMT to understand the purpose of the TO. By understating the purpose and strategy the AO identifies if the value creation from synergies and competitive advantages expected from the TO are realistic based on their purpose and strategy. This is considered by participants as a non-financial tangible factor that must be considered to support the effectiveness of BAs.

P12 - "... I think the most important is the strategic fit. To what extent does this target that we are trying to acquire as it strategically fit with our existing organisation."

P4 - "So you know your businesses strategy but look at this business strategy and understand where they are thinking. How clear are they on their thought processes? Is it a very well-developed strategy? Is it something where these guys have lived and breath the strategy? Is it successful in your view is it but you've got to get under the skin from a strategy point of view..."

P6 - "When assessing another company. You have to look at their purpose. But what does this company stand for and what are they trying to achieve? You know, sometimes startups aren't very clear on their purpose. They just have a brand and they're just trying to, you know, run, run, run. Uhm, sometimes they do have a purpose, but their purpose should be something that also aligns to your purpose."

When the TMT reviews the targeted businesses strategy this allow the AO to determine if there is a need to change the strategy to ensure growth of that business or to let the business operate on the originally reviewed strategy, is a general view from participants.

P14 - "Have a strategy for that business that you're buying. So once you cut the cost, you optimise them, how are you going to grow that business? So, you can't simply say you're going to absorb that business into your highest strategy because then you're bringing in a whole host of unintended consequences and unknowns. You've got to actually have a strategy for that business in terms of how you're going to grow it."

P15 – "The second approach I would argue is probably the less successful approach because. If you go and change all of those elements within a business that you required. You, you you've fundamentally changed the nature of the business. Very often it is not deeply understood. A lot of things get done to acquired businesses because that's how it happens at the mothership. Uh, it doesn't necessarily make sense for that business. That's been acquired. But they shaped the square pig. To fit the round hole..."

5.5.3.3 Summary of the findings of research question 1.3

The findings have presented responses to research question 1.3 categorised into two general themes. Participants believed that talent management practices and strategic suitability are non-financial external tangible factors as key contributors in support of effective BAs. These considerations by the TMT of the AO are key to the success of effective BA. The talent management practices encompass people engagement and inclusion, retention policies and succession planning, due diligence of TMT and other key people as well as standardised HR practices. A detailed assessment of the people in the organisation specifically the TMT and key personal will influence the strategies that are to be executed by the TMT of the AO. This links to the retention strategy and succession planning that the AO will employ. There is also standardisation of human resource benefits that must be considered between both the organisations, to fuel the success of integration between the organisations.

The strategic suitability and alignment are something that links the overall TOs strategic fit to the AO. This assists the TMT to identify any apparent risks in the TOs strategy. This creates a sense of confidence in the strategy and assists the TMT in understanding how the AOs will fuel growth for the TOs.

The non-financial external tangible factors, talent management practices and strategic suitability, are considered crucial by participants in the study.

5.5.4 Results for research question 1.4

Research question 1.4: What are the external intangible non-financial factors that are considered to support effective BAs?

The aim of research question 1.4 was to determine the external intangible factors that are considered by leaders of the AO in relation to the external organisation (TO) to support effective BAs. Figure 5-14 shows the different themes prevalent from the interviews that are linked to the external intangible non-financial factors.

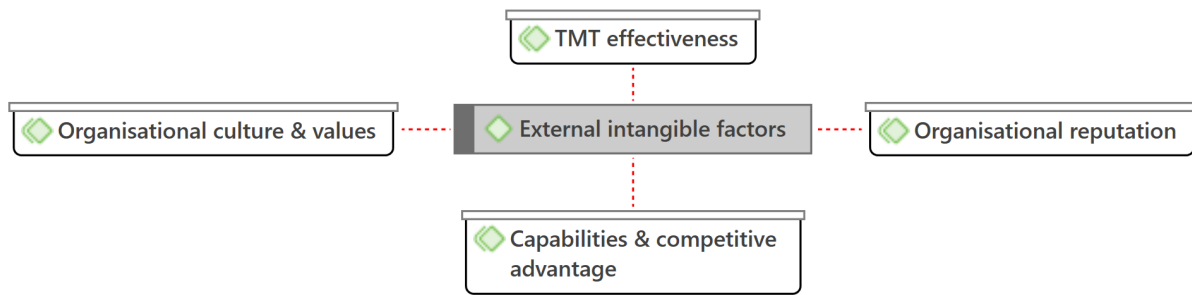


Figure 5-14 - External intangible non-financial factors

5.5.4.1 Top management team (TMT) Effectiveness

The TMT effectiveness of the TO is defined from the interview analysis as ability of the top management team to effectively manage the organisation to create and execute on their strategic objectives. The strength of this team within the TO is of paramount importance in support of effective BAs. Understanding the ethos of this management team allows the AO to perform some sense making around the calibre of the TMT. This calibre, personal traits and ethos is considered by the participants as a determinant of the ability of the team to create and execute strategies in line with the overall organisational strategy, thus impacting the effectiveness of the BA. This was the sentiment of 15 of the 16 participants in the study.

Figure 5-15 depicts the codes that have been classified into categories which relates to the theme of top management team effectiveness an external intangible factor that must be considered.

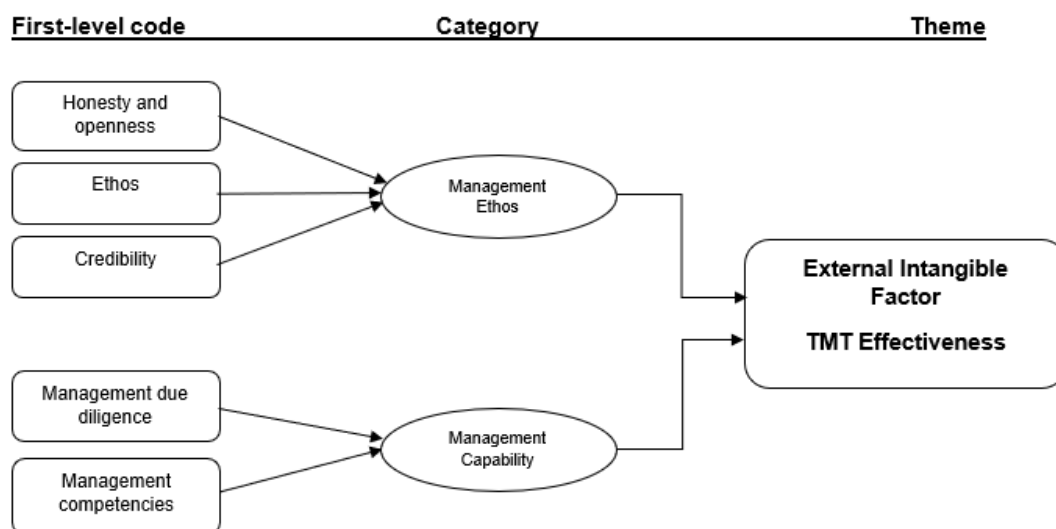


Figure 5-15 – Theme TMT effectiveness emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.4.1.1 Management ethos

Understanding the personal traits, attributes and characteristics of the TMT is important for strengthening the support for effective BA. Almost all the participants stressed the importance of taking time to understand the management ethos. The participants believe that when we understand the TMT, we can determine if there is “chemistry” and this provides a baseline to be trusted and have the sense of a relationship into the future.

P2 - "So do we believe there is the right chemistry, right view of business, the potential to work together, trust, and confidence, a lot of that is qualitative?"

P8 - "The one is, for us and this is a very important thing for me, always is your chemistry with the guys that with the company that you investing in and that you investing in the partners, the other shareholders, the management team, that chemistry and that alignment is extremely important and probably one of the most valuable for me and we have not been able, So we've been put through a rigorous due diligence process and all of that, but we have not been able to get that chemistry going, ... which pans out to be the wrong approach in this transaction."

When discussions are held with the TMT of the TO, the acquiring management team should have deep discussion to get a feel for the TMT team and their integrity. The participants felt that they should also go deep into the business to understand the challenges of the business and usually the TMT will only sell the opportunities rather than the challenges. The transparency of management on the challenges is a key factor to consider when considering the transaction and the support for effective BA. Not only does this show transparency and openness from the TMT team it also shows that the TOs TMT is aware of the eco system and the industry by having the ability to identify risks or challenges that have been faced or could potentially be possible in the future. These non-financial intangible factors are key for support effective BAs.

P3 - "... I'm going to call it the skeletons in the closet... It's a first level of transparency of the target firm in terms of genuinely what their real challenges and issues and risks are, because they share typically what an acquisition is that they play up everything and how wonderful they are. There is often reluctance to maybe disclose some of the challenges

because they're worried it would threaten the transaction ...But if you don't have a meaningful discussion on what the challenges are, then you've got again too many implementation issues or, you don't really get comfort that what you are buying and investing in, you know is really a solid business. "

P8 - "It is spending time with people, both formally and informally, and so you need to understand the person, you need to understand where they come from. Ideally you also want to get into a setup or a conversation where the pressure is a little bit on because people tend to be nice guys, but when the pressure is on, sometimes they pop a little bit and that is where you need to see, you need to be very aware of. So when you go into negotiations and you have a hard point or some hard points, sometimes it's good to just push those a little bit further. Just to see how people react and behave. That's very important. And understand their history, understand where they come from, work history, relationships history, all those kinds of things is very important."

This transparency and openness steer the AO to gauge a sense of trust and honesty between the parties in the transaction. Honesty and trust have been considered by most participants as crucial to support effective BAs. The honesty that is shown and the trust that is built allows the management teams to work together and increases the success of the integration of the two organisations, which is key for effective BAs.

*P7 - "So I mean that is one of the mistakes we made with the *** acquisition or failed *** acquisition, is that we spent a lot of time on financial due diligence, we were on top of the numbers, we understood the business, we understood what needed to be done to make it financially viable, we understood those things very well, but we did not make sure that we understood the person we were dealing with, the person who bought the deal to us. We did not do proper due diligence on him, we did get messages from different people that he is difficult to deal with and this, that and the other. But for some reason we ignored those messages and didn't do a proper due diligence on him"*

The participants however agreed that when the external TMT is assessed from a management ethos standpoint it is key to triangulate the assessment results for confirmation or contradiction.

P8 - *"And if you've got connections in the markets that knows the person or know where the person has come from, he has worked for company X and company X has failed or performed fantastically because of this or that, and those are all good indicators as well."*

P9 - *"Yes, we do due diligence on individuals? And then there's many, many ways of, you know, of doing it. You know, you can go to the creditors, you can go to and you know you interview the staff confidential and you know all of that thing tells the story."*

5.5.4.1.2 Management capability

Participants agree that the TMT capabilities are crucial to drive business performance. Other than management ethos they need to have capabilities to steer the organisation to achieve the strategic objectives. Having the "right" TMT team is something that must be considered by the AO in support of effective BAs.

P4 - *" but ultimately if you don't have the right people and people mix, there's no ways that you're going to be able to grow your business and execute on a on a particular strategy. So, I think that's a critical component just to add on that one."*

P11 - *"we do a quite a in depth understanding of the management team and the capabilities and competencies and also you know we do a broad stakeholder engagement. So, we get a true sense of you know what the relationships are and what are the thinking of key stakeholders around the management team on the ground."*

When reviewing the management competencies this gives the AO a feel of whether the TMT of the TO will be able to continue to execute on the strategic objectives. It was however also noted from participants that when the TMT effectiveness assessment is completed, this allows them to understand the people who are valuable to the organisation and this dovetails with the retention strategy that has been detailed earlier in the chapter. However, if there are TMT members that are considered as non-value adding, this should be dealt with very quickly by the management of the AO.

P11 - *"And, you know as much as you want to take your time making changes. Sometimes you just need to make those changes quickly. So If I give you an example, when we did this, gotten a deal, it was a CEO in place when we got there. And we engage this guy for*

a few months, And we always didn't get a good sense and he would tell you he's got the best relationships and he's doing everything great .So you know, we thought our engagement processes built our own relationships with the key stakeholders and over a period of you know three to four months we started getting the real feedback coming through now. And that feedback, coupled with our own experience and also you know the non-movement from a performance perspective. We move very quickly then to replace a person like that.”

5.5.4.2 Capabilities and competitive advantage

The capabilities of the TO are referenced by the 13 of the 16 participants to be the institutional knowledge, expert skills, intellectual property, and innovative capabilities. This links to provide a competitive advantage to the TO and considered factors that impacts the success of a BA. Figure 5-16 depicts the codes that have been categorised into the theme capabilities and competitive advantage.

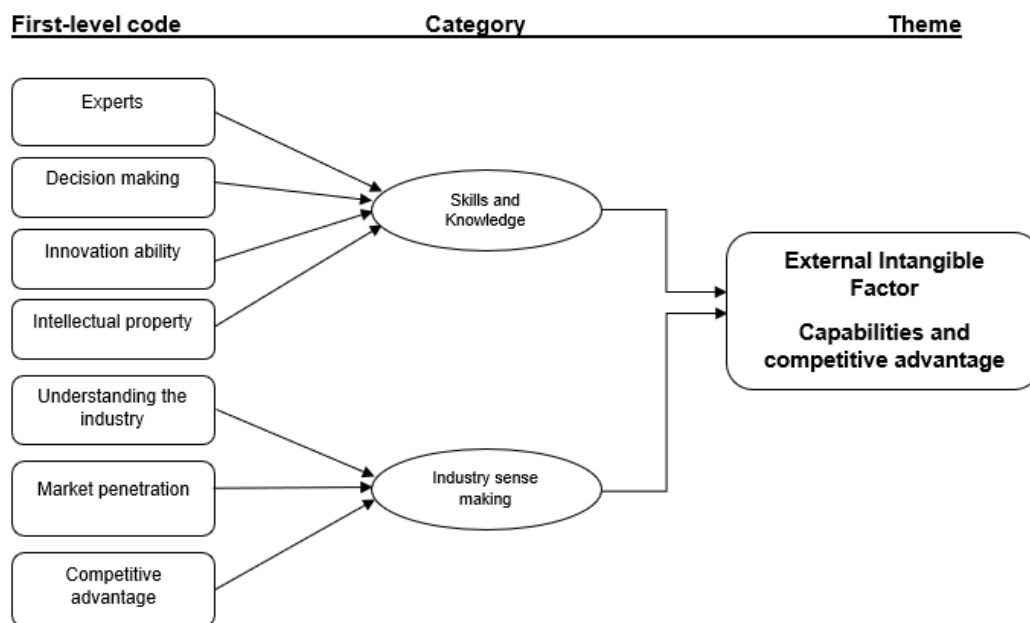


Figure 5-16 - Theme capabilities and competitive advantage emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.4.2.1 Skills and knowledge

Skills are factors that sometimes may not be understood in the level of detail that can provide competitive advantages to the organisation. Participants believe that skills and knowledge of the key members of the TO are essential for organisational growth and sustainability. The participants agree that these skills take an extended time to build and thus this is a key factor that is to be considered in support of effective BAs. Understanding the TOs type of skill set within the people could aid innovation which in turn adds to continuous improvement and fuels business development and growth.

The general view from participants is that this detailed understanding allows the management of the AO to align any skills mismatches when developing the organisational integration plan which is key for success in effective BAs. The skill set of experts within the TO allows tremendous advantages to allow for scaling.

P5 - "... that is a factor because I mean not too long ago, I was talking to client who did consult me about acquiring a business. And I mean look very similar business. So, all this business was going to do is just, you know, give it, give it more scale essentially just bulk it up. But there were certain technical skills in the business that they were looking to acquire that they didn't have. So, they were engineering specific engineering skills that they would have liked. They would like to have, and you know. Instead of just going out into the market and looking for these engineers to hire, acquiring this company with one, give them scale, but also it would bring in the engineers that they need."

P2 - "It will take a lot of time to build that capability. What capability do they have, right? How open are they to newer ideas, to innovation, and stuff?"

P4 - "... innovation, I think, is also something definitively to look at. You know, once again in our environment and again it's a relatively mature industry and people are quite slow at adopting innovations. So, and the level of innovation quite frankly is much below where it could be. It's improving and technology is helping a hell of a lot to improve it."

This process takes time and patience which must be catered for in the transaction process. The participants believe that with this patience comes understanding of the intellectual property of the business and this is something that assists in supporting

effective BAs.

P11 - "The IP sitting on the ground, in our business healthcare business, they're the ones with the relationships on the ground. They're the ones with the networks. They know the lay of the land."

Another category that was common within participants was the deeper understanding of the decision-making processes within the TO. This was linked to the ability of employees to be innovative rather than allow for all decision making to happen within the TMT team. This fuels innovation from within the TO which also supports effective BAs according to the participants in the study.

P10 - " The CEO of the company that they acquired in Spain was very much an entrepreneurial company and was very much a lifestyle business type of company, so the whole decision-making process within the organisation and that was ...relatively fast.... now with an American culture coming into this organisation and the whole corporate governance aspect ...The decision-making process took a lot longer, which then frustrated the people that were the existing management, and it wasn't necessary that they were bad."

5.5.4.2.2 Industry sense making

Participants agree that the industry of the TO must be well understood within the TMT of the TO, as they believe that these factors increase competitive advantage. This sensemaking ability by the TMT of the TO is key as sometimes the AO may not have this skill set, and thus leverage the TOs TMT sense making abilities. This supports effective BAs as the TMT team have competitive advantage to move the business forward.

P15 - "...Under those circumstances, something is going to have to change and unfortunately usually it's the parent company going like which is completely disconnected from the management team now so we're going to replace the entire management team of the company we've acquired. The management team of the acquired company disappear. You put your own people. In place and all of a sudden the business starts underperforming because they actually don't understand the nuance of business..."

P2 - "Our organisation was not confident of being able to create that business in a market like Nigeria."

5.5.4.3 Organisational culture and values

The overall TOs culture and values are considered by 14 of the 16 participants in the study as a vital external intangible factor to be considered when making a BA. These detail the ways of working within the TO and understanding the value set that is used when decision making, which is important for sustainable growth of the TO. Figure 5-17 depicts the codes that have been categorised into the theme organisational culture and values.

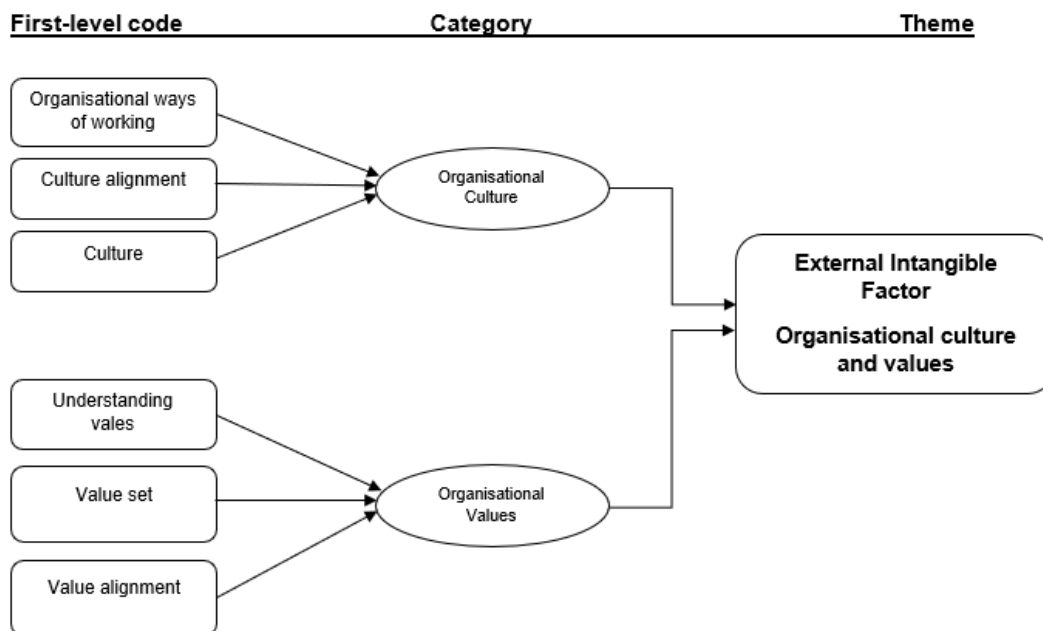


Figure 5-17 - Theme Organisational culture and values emerged from codes and categories, adapted from Fisher et al. (2020)

5.5.4.3.1 Organisational Culture

The participants defined the culture as the ways of working of the TO, which is a factor the is of paramount importance. Understanding this culture as well as the way this culture will be integrated into the acquisition is a key success factor for effective BA. This takes patience and time to understand as well as the TMT of the AO to triangulate data to determine the culture of the TO. In general participants believe that during meetings with the TO, it is vital to be cognisant on how the feel for the organisation is and the overall

“culture” and “vibe” will assist management in decision making before the transaction is complete. The participants believe that while this culture is understood this must then be reviewed to determine cultural fit and alignment with the AO. This factor is sometimes overlooked and impacts the effectiveness of BA.

P3 - *"Important factors would be culture. I mean certainly from experiences, if there isn't a culture or fit then you've got disaster on implementation, and you just lose the people."*

P4 - *"Culture and people's way of thinking and doing ... The culture and how we do things and how we think is very, very deeply entrenched, OK and it's not so easy to take a business, particularly if it's a smaller acquisition and to match these cultures absolutely perfectly. Because a culture is something that is developed over time. It's something that lives in the business. ... it's the intangible components of a business which are critical for performance..."*

P14 - *"So you need to spend some time understanding the culture of the business, the people. So that's that should be able to tell when you walk through, you'll be able to tell the mood of the workforce. Pre-acquisition, when you walk through, you'll be able to see if people are chirpy and happy. If people are looking tired and overworked. If people are looking frustrated. So those are some of the elements."*

Another key element that has been discussed by most of the participants is that when you find a difference in culture, the way that you start driving changes impacts the performance of the people, impacting the effectiveness of the acquisitions at the end of the day.

P11 - *"Get them aligned before you can start implementing yours, and you know the view we take is you almost let things run for six months..."*

P7 - *"And so I think, part of the planning should be to set aside enough time post acquisition to start working on the combined culture over the business and start getting it aligned with your values that you want to inculcate in the business? Again, that should be part of the planning process as part of the Post acquisition process."*

5.5.4.3.2 Organisational values

Many of the participants agree that understanding the culture, digs deep into understanding the values of the TO.

P2 - *"So what are their value principles? What are they? What are their values like?"*

Most participants agreed that understanding the values at the TO, gives a sense of how the future relationship may look. These values are sometimes not considered and play a major role in the success of BAs.

P5 - *"Because you know, I mean, these are things that you actually want to not take for granted, but you'd like to be in place, right? You want to know the people are going to operate in the way you'd like them to operate or in line with certain values."*

P9 – *"You know as you do this acquisition, you want to be able to understand the acquired company's culture, their values and that kind of stuff, if you identify any gaps, as I said, you need to map out, come up with a road map in terms of how you close that?"*

5.5.4.4 Organisational reputation

The TOs overall reputation with stakeholders must be considered in assisting with effectiveness of BAs. Some participants, 8 out of the 16 that were in the study believed that organisational reputation was a factor that is to be considered for the success of effective BAs. The findings suggest that this reputation impacts the overall sustainability. Figure 5-18 depicts the codes that have been categorised into the theme organisational reputation.

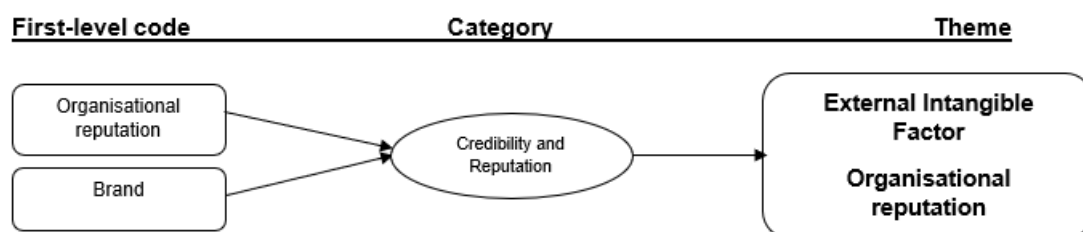


Figure 5-18 - Theme Organisational reputation emerged from codes and categories, adapted from Fisher et al. (2020)

The impact of the way a business is operated and perceived by external stakeholders is considered by the participants as important for successful BA. The brand that the TO holds is important as when the organisations are integrated this reputation of the target could impact future success.

P7 - *"So I guess the major, other intangible that I can think of right now is what is the brand or what is the reputation of the business that you're getting involved with? Does it add or not? Uhm, and if it does, what are you paying for it? And if it doesn't, why are you paying for it and how much you paid for it? So, I think that when you're operating in a certain industry and you're doing acquisition within that industry, you are acquiring somebody else's brand and reputation and I think you need to understand what that is, where this stands for and whether that's a good thing or a bad thing, and if it's a bad thing, You need to manage it."*

P14 - *" Also reputationally what? What do people say about the business? How do they do business? Do they have a high trust?"*

P3 – *"The thing is probably the reputation of both the company and the people on the management team, we haven't spoken about that one. Reputation is quite important. You don't want to end up buying a business with the management team, either the business or the management teams screwed other people."*

5.5.4.5 Summary of the findings of research question 1.4

The findings have presented responses to research question 1.4 categorised into four general themes. Participants believed that TMT effectiveness, organisational culture and values, capabilities and competitive advantage and organisational reputation are non-financial external intangible factors are key contributors in support of effective BAs.

TMT effectiveness included management ethos and is considered as a crucial factor to support effective BAs. Participant 12 even quoted *"do we know the personalities; you know, who are we dealing with? And that should not be underestimated, because very often mergers or acquisitions fail because of personalities rather than because of financial disasters..."*

Participants believe industry sense making abilities coupled with the skills and knowledge within the TO, creates a competitive advantage and is considered as key factor in support of effective BAs.

Participants agree that organisational culture and value set, drives behaviours of the TO, and thus understanding the ways of working is vital for the AOs TMT. This understanding takes patience from the TMT and should be built into the integration plan.

Organisational reputation is a factor that eight participants regard as key for effective BA. They regard this as something to consider when completing a BA.

The non-financial external intangible factors, TMT effectiveness, organisational culture and values, capabilities and competitive advantage, and organisational reputation are considered as vital by most of the participants in the study.

5.5.5 Conclusion

Figure 5-19 is a summary of the key themes both tangible and intangible factors that participants agree impacts the success of BAs. The findings of the interviews have been linked to four themes that are common to both the AO and the TO, specifically, strategic suitability, TMT effectiveness, organisational culture and values, and capabilities and competitive advantage. The figure also illustrates the themes that are applicable to only the AO or the TO. This model evolves from the research question as detailed in chapter three.

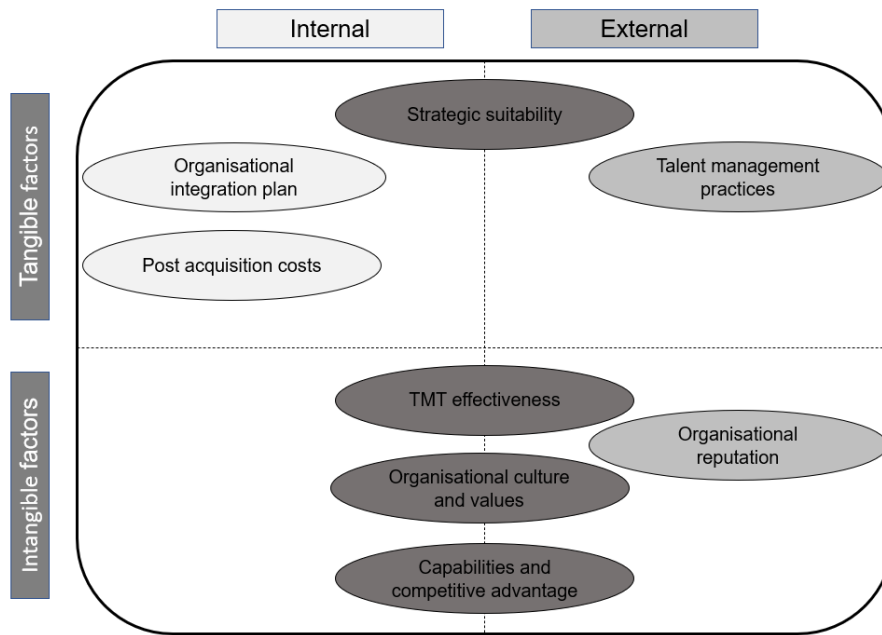


Figure 5-19 - Matrix showing findings of internal and external tangible and intangible factors, including shared factors

6 Chapter 6: Discussion of Results

6.1 Introduction

This chapter reflects an analysis and a discussion of the findings of the semi-structured interviews that have been presented in the preceding chapter. The findings of the interviews have been collected using the methodology as describe in chapter four. The chapter is laid out by providing a discussion of the findings per research question and provides the insights that have been generated from the findings in chapter five. The researcher will discuss these findings and any relationships, and contrast this to relevant academic literature, thereby presenting an analysis either agreeing, disagreeing, or extending existing literature. The insights that have been generated from the findings will contribute to understanding the non-financial factors that leaders should consider in support of successful BAs.

6.2 Discussion of results for research question 1.1

Research question 1.1: What are the internal tangible factors that are considered to support effective BAs?

This research question strived to identify the internal non-financial tangible factors that leaders considered to support effective BAs. For purposes of the study internal refers to the AO. The tangible factors as defined in Chapter two were used as the foundation when documenting the findings of the interviews in chapter five. A discussion of the findings of the research question follows, which stems from the categories which evolved into themes that were evident in the analysis of the findings. Refer to table 6-1 for a summary.

Table 6-1 - Summary of themes of research question 1.1

Category	Theme
Strategic objectives	Strategic suitability
Investment return horizon	
Organic or inorganic growth	
Internal philosophy	
Organisational integration and timing	Organisational integration plan
Post-acquisition and decision-making metrics	
BAs value variation	
Other costs after acquisition	Post-acquisition costs

6.2.1 Strategic suitability

The AO must be crystal clear around the reason for the BA. When considering BAs, and the measurement of the success thereof, there must be a clear business strategic imperative to utilise BAs, and alignment and transparency of metrics to measure success. This clarity of strategic intent and alignment of the TMT of the AO is vital. It should be clear and well documented so that the teams are always aware and aligned on the original reason for the acquisition strategy. If this is not aligned to a clear strategy, then a BA can be utilised as a growth mode due to the CEO's requirements to fuel growth, which may not be part of the overall business plan. When the TMT's investment return horizon is short, this pushes the leader to use this acquisition to assert quick returns. This links to the TMT's enduring patience when considering an acquisition. The strategic alignment in utilisation of a BA must be reviewed, as when BA is used to fuel growth and not aligned to the overall strategy, this impedes success of the BA.

The literature suggests that the AO should consider their strategic intent before deciding to utilise BAs as a mode of growth (Ahammad et al., 2016). AOs have the option to utilise BAs as a growth model (Renneboog & Vansteenkiste, 2019; Xu, 2017). According to Shankar et al. (2022), strategic intent is a crucial phase in the pre-acquisition process. The timing of a BA process must not be underestimated and the planning process can sometimes take a longer period of time (Meglio et al., 2017).

The importance of strategic suitability has been confirmed by the above-mentioned authors and is consistent with the discussion of the findings, where strategic suitability and intent must be considered by the AO based on the overall organisation's strategy. The factors that have been postulated by the above-mentioned authors agree with the discussion that the research has provided on strategic suitability, where the AO must be aligned to use of the BA to their overall organisation strategy, which must be clear to the TMT and the AO's employees. When aligned to the overall strategy there are no other motives involved for the use of BA's and supports the success. Meglio et al. (2017) distinctions around the lengthy time required when planning the acquisition is also consistent with the discussion of the findings. Participants agree that the timing of the implementation is usually long and should not be pushed for execution due to the requirement of the shorter investment horizon.

6.2.2 Organisational integration plan

As the organisation proceeds with the integration post BA, the organisational integration plan and timing of execution of any integration activities, must be well documented and communicated. The integration plan is a fully fledged plan guiding the different functions in the acquiring and the TOs on how the integration plan will be executed. The TO TMT buy in on the integration plan is crucial, thus the integration plan must be well documented and communicated to obtain the buy in of the relevant stakeholders in the TO.

The success of this integration is heavily reliant on the capabilities of the AO TMT. The management of the AO must be cognisant of the patience that is required during integration and evaluate the timing of changes with the TO. When developing an integration plan, management of the AO must complete an assessment of the TO and clearly define the plan and the timing of the integration. Some participants are convinced that when this assessment is completed, sometimes the TO maybe left to run as normal as this has a direct relationship with the TOs performance. The only items that may want to be integrated early in the transaction, will be the financial reporting and governance structures. This could impact the performance of the TO, due to the TOs management team having had a different governance and reporting process and with the changes from the AO, this may stifle the decision-making process of the TO. This decision-making process may affect the performance of the TO negatively, thus reducing the success of

the BA. These are considerations that must be discussed and detailed in the integration plan. The end-to-end integration plan is a detailed and time-consuming process, however the participants believed that this adds positively to the success of the BA.

The participants focused on a theme of business variation value, which means that as variations in the plan or changes in the expected value creation is experienced, management need to be able to absorb and course correct to achieve value creation from the acquisition. Management in the AO must prepare for different scenarios when undergoing the acquisition process. This allows management to refine their expectations of the acquisition before finalising, and when the results are measured post acquisition, it is measured against the revised metrics rather than what management initially thought they would achieve from the acquisition. This skill is linked to the AO's TMT capabilities and skill set.

According to (Bouchikhi & Kimberly, 2012) post acquisition integration usually concentrates on operational concerns including coordinating product lines, financial data, and information about human resources, but little attention is given to the identity of the "new" integrated organisation. As postulated by Graebner et al. (2017) and Jurich & Walker (2019) the competency of management to integrate the acquiring and TOs is a factor that increases the success of BAs. Harapan et al. (2020) posits that acquisition failures occur due to the effectiveness of the integration of the acquiring and TO. The ease of integration between the acquiring and TOs as postulated by Jurich & Walker (2019), is a factor that must be considered for successful BA. BA integration relies on an array of factors one being integration of culture (Bereskin et al., 2018; Steigenberger, 2017).

Coupled with the due diligence process, a longer due diligence assists management to craft a stronger integration plan between the acquiring and the TO (Meglio et al., 2017; Wangerin, 2019). A detailed integration plan allows the AO to identify the strategic outcomes as well as ensure that there is sufficient managerial capacity to execute the integration (Meglio et al., 2017). Bereskin et al. (2018) posit that it is crucial that the AO have a clear, well defined integration plan that includes the non-financial factors as well as the financial, legal, and commercial factors. Harapan et al. (2020) and Howson (2003) suggest that the current due diligence process primarily concentrates on the financial, legal, and commercial factors, and is limited in detail on the non-financial factors as part of the due diligence process.

There is academic consensus from the above-mentioned authors on the importance of organisational integration plan and its relationship to BA success. The factor of management capacity to execute the plan to create and execute this plan (Meglio et al., 2017) is as discussed by participant as a post-acquisition costs, which is described below. The skills and capabilities of the TMT to craft this integration plan will be discussed under the intangible factors section. According to Li (2017), skill and knowledge is crucial for the AO's TMT to possess. This is something that business variation and the ability for TMT to identify this is also part of the skills that are required by the TMT and will be discussed in the intangibles section.

6.2.3 Post-acquisition costs

Post-acquisition costs are defined by the participants as financial and non-financial. Participants believe that these costs are sometimes overlooked however they impact the success of a BA. These costs are specifically related to the time and effort that is required from skilled personal or the TMT at the AOs when they are required to "fix" the TO. This time and effort spent by the people from the AO, may negatively impact the AOs business performance and will impact the overall success of the BA.

(Meglio et al., 2017) posits that there is a view that management of the AO believe that they will be able to manage the TO better than the TOs management team. This dovetails with the participants view in that the AO's management team's involvement requires the capacity of the management team to complete this task. Managers of the AO have the accountability to maintain the momentum of the ongoing operations within the focused AO, in addition to managing the integration process of the focal target organisation (Zorn et al., 2019). The post-acquisition capacity required from management is something that participants also agree impacts the performance of the AOs, which can impact the overall BA success. This is a cost that is not considered by the AO when completing an acquisition.

As described above participants view on capacity of management agrees with literature from Meglio et al. (2017) and Zorn et al. (2019), that this factor should be considered to impact the success of effective BAs.

6.2.4 Summary of discussion of research question 1.1

The research study has concluded that the non-financial, internal tangible factors that should be considered by leaders in support of effective BAs are firstly, focussed on strategic suitability of the AO. The participants and the literature converged in agreeing that the reason for the acquisition must be aligned to the overall organisational strategy.

Secondly the post-acquisition management capacity of the AO is a cost that is sometimes not considered. This time and effort that is required to either fix the TO or integrate both organisations must be a non-financial factor that is considered in support of effective BAs.

Thirdly, and very importantly, the organisational integration plan must be well crafted, documented and aligned with the acquiring and the TOs. This integration plan is crucial to BA success. The process of crafting this plan is long winded but participants and academia as described above, considered this as a crucial factor for BA success. It is astonishing how much time and money is spent on repairing these issues post acquisition, when a little forethought before an acquisition could have solved these issues (Bouchikhi & Kimberly, 2012).

6.3 Discussion of results for research question 1.2

Research question 1.2: What are the internal intangible factors that are considered to support effective BAs?

This research question endeavoured to identify the internal non-financial intangible factors that leaders considered to support effective BAs. These intangible factors as defined in chapter two, were used as the foundation when documenting the findings of the interviews as analysed in chapter five. A discussion of the findings of the research question follows, which stems from the categories which evolved into themes that were evident in the analysis of the findings. Refer to table 6-2 for a summary.

Table 6-2 - Summary of themes of research question 1.2

Category	Theme
Management competencies	TMT effectiveness
Culture	Organisational culture and values
Competitive advantage	Capabilities and competitive advantage
Core competencies	
Strengths and weaknesses	

6.3.1 Top management team (TMT) effectiveness

The TMT of the AO should possess capabilities namely, experience, management expertise, industry knowledge coupled with a sense of the external environment and the overall business sphere. These internal TMT skills crafts the path for these managers to increase the competitive advantage by holding this industry knowledge which allows them to sense the risk and opportunities when reviewing the TO. The competencies assist with initial assessment of the TOs, the organisational integration planning and the ability to form and shape organisational culture. These skills are either internally developed or can be extracted from the externally through recruitment. This positions the AO into a plight of high skill and competency levels of the AO's TMT and considered by participants as vital in support of effective BAs.

Cui & Chi-Moon Leung (2020) posits that the TMT of the AO skills are crucial for success in evaluation of the investment decisions for the organisation. These internal skills and competencies increase the ability of the TMT management to perform the integration planning the overall assessment of the TO (Renneboog & Vansteenkiste, 2019).

Achtenhagen et al. (2017) and Field & Mkrtychyan (2017) posited that experience in acquisitions is a key characteristic of management. The participants however did not specifically call out past acquisition experience as a factor to be considered, however they rather viewed the TMT holding industry knowledge and experience is a factor. This is in line with the view from scholars Graebner et al. (2017), who suggested that prior acquisition experience from TMT is not a crucial factor for BA success. Conversely, Li

(2017) and Trichterborn et al. (2016), suggest that the TMT experience with acquisitions and knowledge produce essential managerial and strategic resources and competencies which is related to greater BA performance. These contradictions will be a proposed research agenda for future research.

Additionally, it has been demonstrated that managerial traits have a significant impact on both acquisition performance and decision-making (Haleblian et al., 2009). The personalities and histories of AOs TMT affect the acquisition integration process is a crucial subject for future research (Graebner et al., 2017). This is consistent with the extent to which performance signals influence behaviour, depends on how TMTs perceive performance data and carry out a coordinated reaction (Kolev & Mcnamara, 2022). These traits are factors that the participants agree is a key element for the TMT to possess.

The literature review concludes that TMT knowledge, experience and capabilities are crucial to impact the effectiveness of BAs, not only with management of the process, but the with effectiveness of the BA integration. However, there is a contrasting view from the scholars above, on whether prior BA experience is vital for acquisition success, and notably the participants have not specifically zoned into acquisitions experience, but rather the overall industry and functional experience was the sentiments. We can conclude that knowledge, experience, and capabilities are important for BA success, however future research might want to unpack the relationship between industry experience verses prior acquisition experience and the impact it has on success of BA.

6.3.2 Organisational culture and values

The AOs culture is key as this plays a role with the integration planning and execution of this plan by the AO. The ways of working that are prevalent in the AO promotes the success of the organisational integration plan. However, the participants have said that the AOs must not push this culture onto the TO as this may cause resistance, this resistance then negatively impacts the performance of the TO which may lead to an unsuccessful BA.

Doukas & Zhang (2021) postulates that the inherent capabilities and competencies of managers of AOs have greater ability to shape the organisational culture. Managers play a crucial role in the assessment and the alignment of the acquiring and TOs culture. It is

key for managers of the AO to identify differences between the AO and the TOs (Groysberg et al., 2018). Once these assessments are made the managers then review the culture for fit and should decide on an integration plan.

Another factor that managers must consider when integrating culture of the organisations, is that during BA integration, the speed at which the culture is aligned and improved is linked to value creating for the acquisition (Groysberg et al., 2018). The author goes on to postulate that the culture integration is often undervalued during the acquisition. The authors work revealed that culture between organisations usually have some commonality, however the assessment of culture is key. Management must ensure this is well thought out and addressed in the organisational integration plan is crucial (Groysberg et al., 2018).

When comparing the participant findings to the literature, there seems to be a common thread between success factors for BAs, being the cultural alignment and integration planning between the two organisations. The scholars and the participants agree that the cultural integration must also form part of the overall organisational integration plan, and that management competencies on shaping culture are key. Joshi et al. (2020) posits that many researchers have tried to identify the reasons for BA failure and culture alignment has been a common failure factor, as agreed by the participants. The participants recognise that resistance from the TO is possible if culture is pushed onto them, which affects performance and this is related to the literature which advocates that the speed at which this culture alignment happens impacts value creation (Groysberg et al., 2018). Thus, organisational cultural alignment and integration planning must be part of the overall organisational integration plan, and this assessment requires capabilities to execute by the AO TMT.

6.3.3 Capabilities and competitive advantage

These focussed strongly on the AOs people knowledge, skills and capabilities which were believed to be core competencies to the AO. These core competencies allowed the organisations to foster an innovative culture and the ability of the TMT ability to identify risks and opportunities within the TOs environment. These internal capabilities and competencies of people within the AO is considered as competitive advantage that the participants believe is an important intangible factor that support effective BAs. These

advantages are linked to the TMT effectiveness as discussed earlier to in the chapter. This is consistent with Choi & Mcnamara (2018) and Shankar et al. (2022), who agree that the organisations TMT knowledge is important for overall organisational success. However, the Choi & Mcnamara (2018) refers to the combined knowledge and skills of the acquiring and TO increases innovativeness of the overall organisation. These findings will be detailed later in the chapter when discussing the TOs tangible and intangible factors.

6.3.4 Summary of discussion of research question 1.2

The research study has concluded that the non-financial, internal intangible factors that should be considered by leaders in support of effective BAs. The factors firstly focussed on TMT effectiveness of the AO. We can conclude that from the literature and the participants views, knowledge, experience, and capabilities are important for BA success. However, different to the participants views, the literature refers to experience as acquisition experience versus functional experience. This relationship to BA performance is for future research. Secondly, the organisational culture of the AO and the ways of working promotes success of the BA. The culture alignment with the TO must be assessed and an alignment integration plan must be developed. There is consensus from the participants and scholars that this integration may cause resistance from the TO which may negatively impact the BA success. Thus, this integration must be well managed by capable TMTs of the AO and ensure a detailed and aligned integration plan is crafted. This capability dovetails with the internal competitive advantages, of which is described as the internal people capabilities, being a key driver for BA success. This skill set has a relationship with the ability to integrate organisational cultures, and this alignment of culture are factors that must be considered for BA success.

6.4 Discussion of results for research question 1.3

Research question 1.3: What are the external tangible factors that are considered to support effective BAs?

This research question endeavoured to identify the external non-financial tangible factors that leaders considered to support effective BAs. Tangible factors as defined in Chapter two, were used as the foundation when documenting the findings of the interviews in chapter five. A discussion of the research question follows which stems from the

categories which evolved into themes that were evident in the analysis of the findings. Refer table 6-3 for a summary.

Table 6-3 - Summary of themes of research question 1.3

Category	Theme
People engagement	Talent management practices
Retention strategy	
People due diligence	
HR benefits	
Strategic objectives	Strategic Suitability

6.4.1 Talent management practices

Participants have agreed that the people at the TO impacts the success of a BA. They concur that people engagement and inclusivity, retention and succession planning, a people due diligence assessment as well as standardised human resource policies between the organisations, are crucial factors to be considered for successful BAs. The overall identification of valuable and key employees at the TOs is a slow process, but participants agree is a vital step. Identification of these personal including the TMT, allows the AO to create retention strategies for these valuable employees. Knowing that there is succession planning in place at the TO always aids when people leave, which impacts the sustainability of the performance of the TO. These are some for the key factors that participants concur are essential for successful BAs.

The scholars Freeman et al. (2021) and Rodríguez-Sánchez et al. (2019) confer that people are a key consideration at the TOs. These authors agree that people have negative sentiments during an acquisition and that the AO should ensure that retention, restructuring, and employee resistance is a consideration to assist with effective BAs. Li et al. (2018) also posits that the knowledge from the TOs personal is a key factor for BA success. Rodríguez-Sánchez et al. (2018) also suggested that the HR practices between the organisations must be reviewed and aligned, will clear communications to the AO and the TO, this reduce the stress on employees, which is considered as a non-financial factor that supports the success of BA's.

As the scholars above and the participants views are aligned, the people management practices are a consideration that impacts the success of a BA and should be considered by leaders during the acquisition process.

6.4.2 Strategic suitability

The strategic suitability of the TO must be reviewed for alignment and must be clearly understood by the TMT of the AO. This aids the TMT to gauge the strength of the TOs strategy, including the realism as well their plan to remain competitive and drive business performance. This understanding allows the TMT to decipher the projected performance of the targeted business and allows the TMT to evaluate the effectiveness of the acquisition, and course correct as required if there is misalignment. This course correction early in the process impacts success of an acquisition.

When engaging with literature from scholars Ahammad et al. (2016) and Meglio et al. (2017), they concur that it is crucial to understand the strategic intent of the targeted organisation. Shankar et al. (2022), suggest that strategic fit is a crucial phase in the pre-acquisition process and agrees that the TOs strategy must be clearly understood by the AO. Shankar et al. (2022), also posits that when this understanding is sort after by the TMT of the AO this process must be well handled with the TMT of the TO to avoid undue resistance.

The above-mentioned scholars and the participants share consensus that strategic suitability at the TO, must be understood to gauge a sense of the future of the TO as well as understanding of the realism and sustainability of the plans, are factors to be considered as support for effective BAs.

6.4.3 Summary of discussion of research question 1.3

The research study has concluded that the non-financial, external tangible factors that should be considered by leaders in support of effective BAs are the talent management process and strategic suitability of the TOs. People management and engagement at the TO gives a sense of security to the employees. These factors are considered important for successful BAs.

6.5 Discussion of results for research question 1.4

Research question 1.4: What are the external intangible factors that are considered to support effective BAs?

This research question attempted to identify the external non-financial intangible factors that leaders considered to support effective BAs. Intangible factors as defined in chapter two, were used as the foundation when documenting the findings of the interviews in chapter five. A discussion of the research question follows which stems from the categories which evolved into themes that were evident in the analysis of the findings. Refer table 6-4 for a summary.

Table 6-4 - Summary of themes of research question 1.4

Category	Theme
Skills and knowledge	Capabilities and competitive advantages
Industry sense making	
Management capability	TMT effectiveness
Management ethos	
Organisational culture	Organisational culture and values
Organisational values	
Credibility and reputation	Organisational reputation

6.5.1 Capabilities and competitive advantage

Like the AO, the capabilities, and competitive advantages of the TO are described by the participants as the inherent people skills and knowledge. This relates to institutional knowledge, expert skills, intellectual property, and innovative capabilities. These skills and knowledge as well as the industry sense making ability of the people within the TO is consider as key for successful BAs. This creates the platform for the TO to continue to create value which impacts the success of the BA.

A key capability that has been identified by Choi & Mcnamara (2018) is organisation knowledge and skills. The authors agree that knowledge of one organisation when

combined with another organisation increase overall innovativeness. Shankar et al. (2022) agrees that the knowledge base within the TO's has benefits. Advantages that an organisation possesses are directly linked to the success of the BA model (Jiang et al. 2021; Sahni, 2019). This overarching institutional knowledge of the TO is considered key to the success of BA's.

6.5.2 Top management team (TMT) effectiveness

The effectiveness of the TMT of the TO is considered a key determinant of a successful BA. This entails understanding the overall management ethos, which delves into the trust, integrity, and credibility of the TMT. These traits and characteristics are believed to provide a foundation of which a future relationship is grounded on. Management capabilities of the TO must also be identified and assessed. These capabilities take a long time to build, and they impact the ability of the TMT to execute on the strategic objectives of the organisation.

In BA transactions, AO managers are at a drawback due to lack of information from the target organisation due to the TOs management team holding back information that may be detrimental to the transaction (Wangerin, 2019). This links to the participants views that understanding the traits and integrity of TMT of the TO is crucial. This management ethos and trust is supported by Graebner et al. (2017) who posits that trust of the TMT at the TO is a factor to be considered in support of effective BA's.

In line with the of the participants that the TOs TMT capabilities must be assessed, Harapan et al. (2020) suggests that a capability assessment is to be completed on the personal of the TO which impacts the future success of the organisation. In seminal work from Penrose & Slater (1980), the author discusses the capabilities of management as a crucial factor for acquisition integration. In support of these, Sahni (2019), found that a common barrier to utilising different growth modes are the lack of specialized capabilities.

The findings from participants agrees with literature that the TMT ethos and trust, and capabilities are a factor to be considered in support for effective BAs.

6.5.3 Organisation culture and values

Understanding the culture and values of the TO must be led by the TMT of the AO.

This take patience to understand but the participants believe this to be a key factor to aid in the success of BAs. This allows the TMT of the TO to be able to identify the cultural fit. Once the fit is assessed these aids the TMT of the acquired organisation to craft this into the overall organisational integration plan.

Doukas & Zhang (2021) has agreed that culture impacts organisational success, thus this shares consensus with the findings that understanding the culture of the TOs is important for effective BA. Groysberg et al. (2018) agree that identifying the TOs cultural and its fit is important for success. The authors also agree that this assists with building an integration plan which supports effective BAs.

6.5.4 Organisational reputation

Reputation of an organisation is a factor that should be considered when reviewing the TO. The way that the organisation carries out their business and the impact they have to stakeholders is a determinant of the reputation of the organisation, which in the process impacts the performance of the organisation.

Alhenawi & Stilwell (2017) proposed that the organisation reputation is a factor to be considered when reviewing the success of effective BA. The findings from the authors confirm that the AO's TMT must review the of reputation of the TO to determine if they want to continue a relationship. This assessment which may include and understanding the way the business is conducted at the TO is a characteristic that is important to review, which determines the reputation of the organisation (Busuioc & Rimkute, 2020).

Although only half of the participants have agreed that reputation is important for organisational success, the literature also suggests that it is a factor to be considered for organisational success.

6.5.5 Summary of discussion of research question 1.4

The research study has concluded that the non-financial, external intangible factors that should be considered by leaders in support of effective BAs are capabilities and competitive advantage, TMT effectiveness, organisational culture and values, and organisational reputation of the TOs. These factors are considered important for successful BAs.

6.6 Conclusion

This chapter provided an analysis of the summary findings from chapter five and compared these findings to academic literature. This resulted in a consistent view from participants and the literature. Refer figure 6-1 below for a summary of the tangible factors between the participants and the scholars. There have been no contradicting views that these factors and themes will be considered as part of the model that will be presented in Ch7.

Tangible factors	AO	TO	Overall Concepts	Scholar consensus	Scholar contradiction
Strategic suitability	X	X	Strategic intent Timing Realism of strategy	Ahammad et al. (2016) Shankar et al. (2022) Meglio et al. (2017)	N/A
Organisational integration plan	X		Non-financial factors Competent management Integration plan Managerial capacity Integration detail	Bouchikhi & Kimberly (2012) Jurich & Walker (2019) Graebner et al. (2017) Bereskin et al. (2018) Steigenberger (2017) Meglio et al. (2017); Wangerin (2019)	N/A
Post-acquisition costs	X		Management capacity	Meglio et al. (2017) Zorn et al. (2019)	N/A
Talent management practices		X	People Retention HR Practices Knowledge	Freeman et al. (2021) Rodríguez-Sánchez et al. (2019) Li et al. (2018)	N/A

Figure 6-1 – Summary of similarities and differences on the tangible factors for the AO and TO in support of effective BAs

Refer figure 6-2 below for a summary of the intangible factors between the participants and the scholars. There was a contradicting view between participants and literature on BA experience as a trait for TMT effectiveness. In the study the participants did not specifically call out TMT past BA experience as a key factor for successful BAs. This was the different to the literature from Li (2017) and Trichterborn et al. (2016), who posit that TMT experience with acquisitions produce essential managerial and strategic resources and competencies which is related to greater BA performance. In contradiction to this,

Graebner et al. (2017), who suggested that prior experience from TMT is not a crucial factor for BA success. These were the only contradictions and will be proposed for future research. The other non-financial intangible factors will be included in the framework that will be presented in chapter 7.

Intangible factors	AO	TO		Scholar consensus	Scholar contradiction
TMT Effectiveness	X	X	Skill set Internal people competencies Integration execution Prior TMT acquisition experience (contradiction)	Cui & Chi-Moon Leung (2020) Renneboog & Vansteenkiste (2019) Kolev & Mcnamara (2022) Doukas & Zhang (2021)	Achtenhagen et al. (2017) Field & Mkrtchyan (2017) Graebner et al. (2017)
Organisational culture and values	X	X	Capabilities Managers shape culture Culture misalignment identification Integration plan	Doukas & Zhang (2021) Groysberg et al. (2018)	N/A
Capabilities and competitive advantage	X	X	Knowledge Skills All employees	Choi & Mcnamara (2018) and Shankar et al. (2022),	N/A
Organisational reputation		X	Stakeholder feeling Reputation character	Busuioc & Rimkute (2020) Alhenawi & Stilwell (2017)	N/A

Figure 6-2 - Summary of similarities and differences on the intangible factors for the AO and TO in support of effective BAs

7 Chapter 7: Conclusion and Recommendations

7.1 Introduction

The research study aimed to provide an understanding of the non-financial factors that could be considered by organisational leaders in support of successful BAs. The use of BAs as a growth strategy is continually being utilised by organisations (Achtenhagen et al., 2017; Rabier, 2017; Simpson & Sariol, 2022; Xu, 2017). However, the challenge faced by organisations is that the success rate of BA's is rather low (Joshi et al., 2020; Jurich & Walker, 2019; Thompson & Kim, 2020). Harapan et al. (2020) suggested that the financial factors as part of the due diligence process is the primary assessment when leaders utilise BAs as a growth strategy, and Marshall et al. (2019) postulated that there has been a fair amount of research completed on these financial factors. Whereas, Renneboog & Vansteenkiste (2019) and Rodríguez-Sánchez et al. (2019) have posited that the non-financial factors are factors that also impact the success of BA's. A further review from scholars Alhenawi & Stilwell (2017), Graebner et al. (2017) and Joshi et al. (2020) suggested that these non-financial factors have been researched, however the consolidation of these non-financial factors is limited. This gap in the literature was considered by the researcher when crafting the research questions and the results documented in a framework that contains the non-financial factors that can be considered by leaders of organisations in support of successful BAs.

The chapter reflects the related conclusion to these research questions based on the findings and analysis of the interview data, and further presents a proposed framework, followed by the implications for academia and business. The chapter then closes with limitations to the research study and recommendations for future research.

7.2 Summary of research questions

The qualitative, exploratory study that has been conducted has answered the overarching research problem by developing a framework of the non-financial factors that can be utilised by organisations to increase the success rate of BAs, as described in chapter one. This framework was developed through answering the research questions which is summarised below.

The overarching research question was linked directly to the problem statement. What are the non-financial factors that are considered by leaders to support the effectiveness of BAs? To gather a deeper understanding of these non-financial factors the research question was answered in four parts. The findings of these questions have been summarised below.

7.2.1 What are the internal tangible non-financial factors that are considered to support effective BAs?

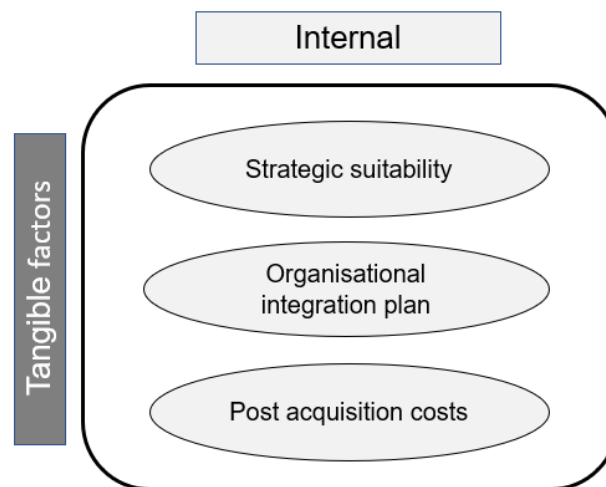


Figure 7-1 - Internal tangible factors

Figure 7-1 summarises the key factors that can be considered to support the success of business acquisitions. Strategic suitability requires the organisation to review the objective of utilising a BA to ensure that the reason for use stems from the overall organisational strategy of the AO (Shankar et al., 2022). The organisational integration plan is a key document that the TMT of the AO must compile for the integration of the two organisations (Meglio et al., 2017). This plan is an iterative process and includes other non-financial factors such as management capabilities, HR practices and culture. This plan is the culmination of the non-financial factors and the execution plan to ensure successful implementation. The post- acquisition cost is specifically related to the management capacity of the AO, and this consideration must also be understood, ensuring that the management of the AO is not overloaded with normal day to day activities as well as accountable for the integration of the originations (Meglio et al., 2017). These factors should all be considered to support successful BA's.

7.2.2 What are the internal intangible non-financial factors that are considered to support effective BAs?

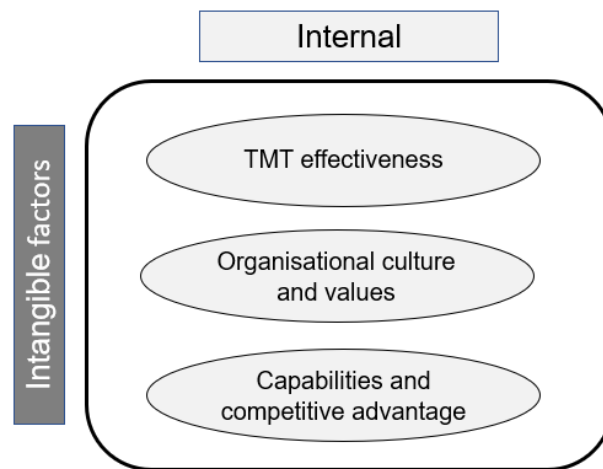


Figure 7-2 - Internal intangible factors

Figure 7-2 summarises the key factors that can be considered to support the success of business acquisitions. TMT effectiveness identified the skills and competencies that is required by the TMT of the AO (Jurich & Walker, 2019). This included overall industry knowledge, business acumen and management expertise, which is considered vital for the AO to support the success of BA's. The TMT also required the ability to compare the AO and TO cultures and include the cultural alignment plan as part of the overall integration plan (Bereskin et al., 2018). The internal capabilities and competitive advantages referred to the overall AOs people capital. Having a complement of highly skilled employees creates and advantage (Shankar et al., 2022). These factors support the success of BA's.

7.2.3 What are the external tangible non-financial factors that are considered to support effective BAs?

Figure 7-3 below summarises the key factors that can be considered to support the success of business acquisitions. Talent management practices refers to the engagement and inclusivity of the employees are the TO. The view is that the AO TMT is to perform assessments of the TMT and other key positions at the TO early in the acquisition stage to identify valuable personal. This assessment leads to retention and exit strategies that must also be applied (Zorn et al., 2019). Identification of succession plan at the TO is also

beneficial for business continuity (Dunford et al., 2001). Overall management of the people at the TO is crucial for support on BA success (Graebner et al., 2017). The assessment may also allow management to decide on the speed of the integration depending on the risk profile from the people assessment. Strategic suitability of when the AO TMT take the time to understand the strategic choices of the TO and build a confidence level based on the realism and sustainability of the strategy (Ahammad et al., 2016).

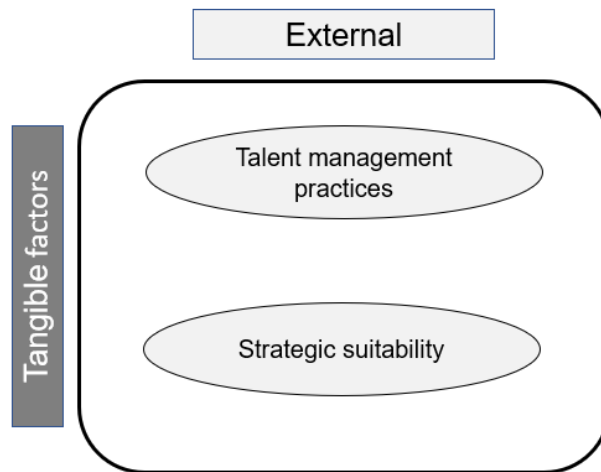


Figure 7-3 - External tangible factors

7.2.4 What are the external intangible non-financial factors that are considered to support effective BAs?

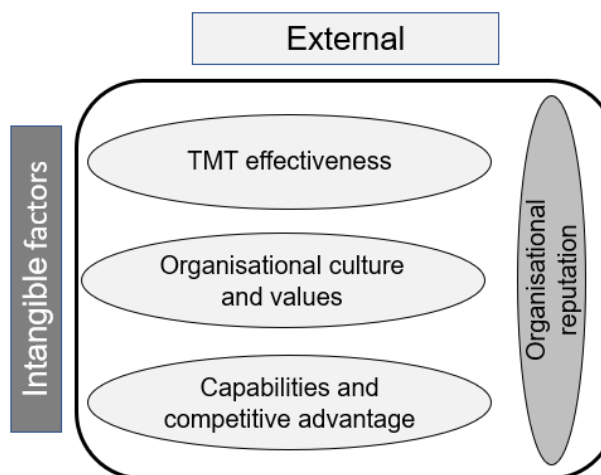


Figure 7-4 - External intangible factors

Figure 7-4, TMT effectiveness related mainly to the TO's TMT ethos. The credibility and integrity must be assessed to see in the AO and the TO can build a successful

relationship (Graebner et al., 2017). The culture and reputations must be review by the AO TMT to understand if the ways of working and value set is something that the AO can integrate (Groysberg et al., 2018). The internal capabilities like institutional knowledge from experts and other employees in the team should be assessed and captured by the AO using the talent management practices (Choi & Mcnamara, 2018). These factors impact the success of BA's.

7.3 Proposed framework

The internal and external, non-financial, tangible and intangible factors described in study and reported in section 7.2 above, were considered and figure 7.5 is the proposed framework to be utilised to support the success of BA's. Some of the factors share similarity between the AO and the TO, but the proposed framework suggests that they are considered independently.

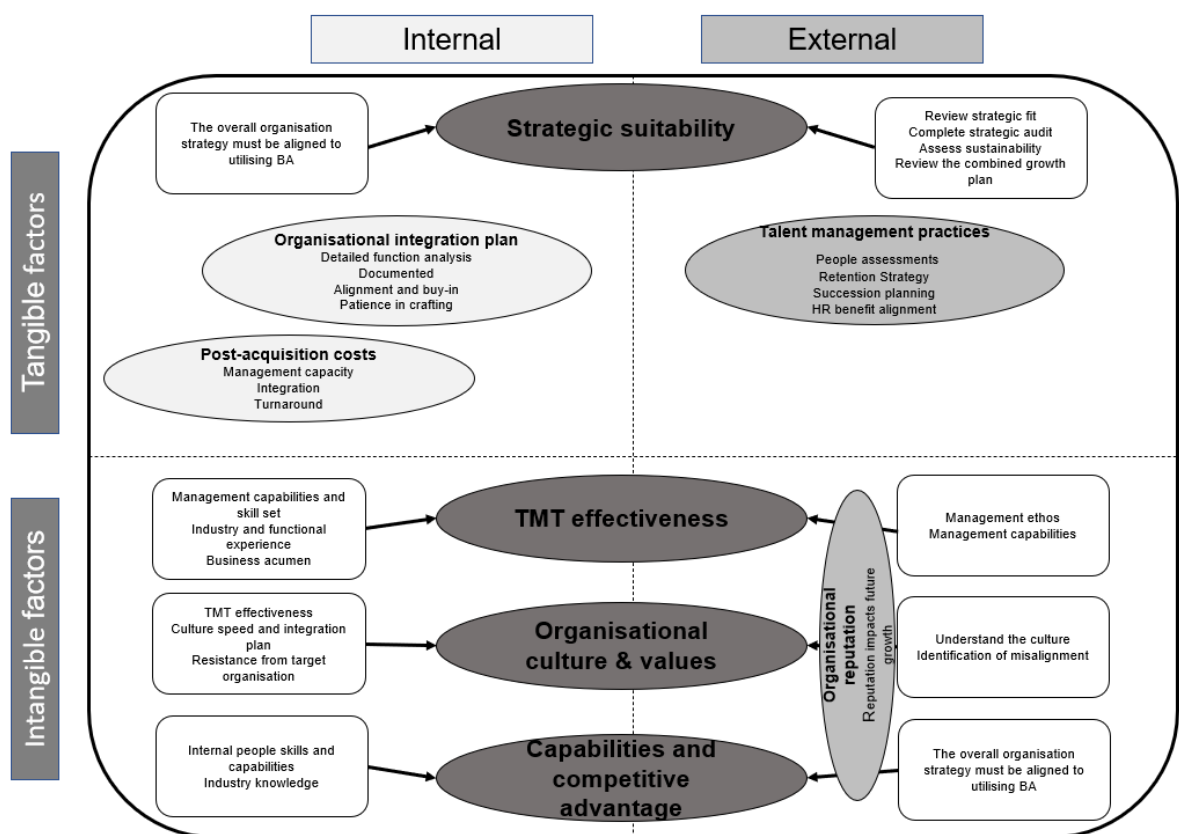


Figure 7-5 - Proposed framework in support of successful Bas

7.4 Research contributions

7.4.1 Contributions to scholarly advancement

The research that has been undertaken contributes the body of literature around the success and failures of BAs. There has been a significant amount of literature on the financial factors however there has been a limited amount of research that has consolidated the key non-financial factors that are to be considered in support of BAs (Alhenawi & Stilwell, 2017; Graebner et al., 2017; Joshi et al., 2020). The proposed framework will add to this body of literature as a contribution to scholarly advancement.

7.4.2 Contributions to leaders and organisational competitiveness

BAs is a growth mode that organisational leaders continue to utilise (Achtenhagen et al., 2017; Rabier, 2017; Simpson & Sariol, 2022; Xu, 2017). The success rate of these BA's remains relatively low (Joshi et al., 2020; Thompson & Kim, 2020). The research contributes to the toolkits that leaders and organisational have available to assess BAs. It has been presented through the model depicted in figure 7-5, which highlights the non-financial factors that leaders and organisations can consider in support of successful BAs.

7.5 Limitations

This research study has limitations that can be a proposal for future research (Brutus et al., 2013).

The researcher found a limitation when completing the semi- structured interviews, as according to Queirós et al. (2017), the results are not generalisable. The researcher continuously probed the interviewees to try and triangulate data that was received during the interviews, to limit this risk.

Another limitation to the research was that the researcher classified tangible and intangible factors based on the literature, and by using the researcher's judgement for this classification. This limitation on the study could be due to the classification differences between tangibles and intangibles.

The interviews were leaders that have taken over organisations, and this sample did not specifically require the view of leaders that were from the targeted organisations. This limitation may have given further non-financial factors that should be considered.

7.6 Recommendations for future research

After consideration of the views generated from this study the following are proposed future research proposals.

Firstly, the framework that has been recommended may be further researched to consolidate the detailed tactics that management can utilise to achieve success for the proposed non-financial factors that are to be considered.

Secondly, there was a factor that was observed where the interviewees did not speak about past acquisition experience of the TMT team and the impact it has to the success of BAs. However, Achtenhagen et al. (2017) and Field & Mkrtchyan (2017) confirmed that prior acquisition experience is an important factor. Conversely, Graebner et al. (2017), who suggested that prior acquisition experience from the TMT is not a crucial factor for BA success. With these tensions around this phenomenon future research maybe be useful to academia and business leaders in identifying of TMT require prior acquisition experience to add to the success of BAs.

Finally, participants on the study felt that it may be a good decision to let the TO operate for a lengthy period without any changes exerted from the AO. Future research could review the performance impact of this decision versus implementing of changes to the targeted organisation swiftly.

7.7 Conclusion

The researcher has proposed a framework that can be utilised by leaders and organisations to support the success of BAs. The qualitative exploratory study conducted with 16 participants has given rich insights into the non-financial factors that could be considered, which allowed the research to propose this model. BAs is a growth model that is commonly utilised and the current due diligence process focuses primarily on the financial, legal and commercial aspects (Harapan et al., 2020). The proposed framework

can be an extension of the research already conducted on non-financial factors, that can be considered in support of the overall BA success.

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9 Appendices

9.1 Appendix 1 – First order codes from Atlas.ti

Scholar	Key concept
Achtenhagen et al. (2017)	BA motives
	BA used for external growth
	Growth strategies
	Leaders skills and capabilities
	Motives for growth
	Organisations continue using BA
Ahammad et al. (2016)	People retention
	Strategic fit
Alhenawi & Stilwell (2017)	BA success low
	Non-Financial factors for BA success
	Organisational reputation
	Organisations continue using BA
Ansoff (1957)	Growth strategies
Barney (1991)	RBV
Bereskin et al. (2018)	BA Culture
	BA integration
	Leaders skills and capabilities
	Organisational reputation
Birkinshaw et al. (2000)	Growth definition
Bouchikhi & Kimberly (2012)	BA Culture
	BA success, non-financial factors
	Due Diligence
	Financial factors used for BA

	Other factors
	Strategic fit
Busuioc & Rimkutė, 2020	Organisational reputation
Choi & Mcnamara (2018)	Leaders skills and capabilities
	People skills and capabilities
Christensen et al. (2011)	BA success low
Collis & Montgomery (2008)	People important for success
	Tangible/Intangible
Cui & Chi-Moon Leung (2020)	Definition of people
	Financial factors used for BA
	Leaders accountability
Dagnino et al. (2017)	Growth motives
	Internal and external growth definition
	Strategic review for growth
DePamphilis (2019)	Governance and BA
Dhir & Dhir (2015)	Diversification
Doukas & Zhang (2021)	BA Culture
	Organisational reputation
Dunford et al. (2001)	Innovation
	People in BA
	People skills and capabilities
	Tangible/Intangible
Eggers (2020)	Growth strategies
Field & Mkrtyan (2017)	Leaders skills and capabilities

Freeman et al. (2021)	Definition of people
	People in BA
Graebner et al. (2017)	BA integration
	Factors for BA success research required
	Leaders skills and capabilities
	Management traits
	People emotions
Graham et al. (2022)	BA Culture
Groysberg et al. (2018)	BA Culture
Haleblian et al. (2009)	Management traits
Harapan et al. (2020)	BA integration
	BA success, non-financial factors
	Due Diligence
Howson (2003)	Due Diligence
Jensen & Meckling (1976)	BA used for external growth
Jiang et al. (2021)	BA success low
	Leaders skills and capabilities
	RBV
Joshi et al. (2020)	BA Culture
	BA integration
	BA success low
	BA success, non-financial factors
Jung & Shin (2019)	Types of diversification
Jurich & Walker (2019)	BA Culture
	BA success low
	Financial factors used for BA

	Leaders skills and capabilities
	Non-Financial factors for BA success
	Organisations continue using BA
Kamasak (2017)	Tangible/Intangible
King et al. (2004)	BA success, financial and non-financial factors
	BA used for growth
Kirtley & O'Mahony (2020)	Strategic review for growth
Kolev & Mcnamara (2022)	Management traits
Kor & Mahoney (2004)	RBV
Koza & Lewin, 2000	Growth definition
Lamont & Anderson (1985)	BA used for external growth
Li (2017)	Leaders skills and capabilities
Li et al. (2018)	Factors for BA success research required
	Leaders skills and capabilities
	People in BA
Mahoney & Pandian (1992)	RBV
Marshall et al. (2019)	Financial factors used for BA
Meglio et al. (2017)	BA integration
	Due Diligence
	Existing relationship
	Manager capacity
	Timing of BA
Morck et al. (1990)	BA used for external growth

Penrose & Slater (1980)	Leaders skills and capabilities
	Management capacity for BA integration
Penrose (1955)	Growth strategies
Penrose (2009)	BA used for growth
	Leaders skills and capabilities
	RBV
Perdana et al. (2022)	Strategic fit
Pfarrer et al. (2010)	Organisational reputation
Rabier (2017)	BA motives
	Factors for BA success research required
	Organisations continue using BA
Renneboog & Vansteenkiste (2019)	BA Culture
	BA used for growth
	Financial factors used for BA
	Leaders skills and capabilities
	Non-Financial factors for BA success
	Organisations continue using BA
Rodríguez-Sánchez et al. (2018)	Due Diligence
	Leaders skills and capabilities
	Organisations continue using BA
Rodríguez-Sánchez et al. (2019)	BA success, non-financial factors
Roll (1986)	BA used for external growth
Sahni (2019)	BA integration
	Factors for Diversification
	Growth strategies
	Leaders skills and capabilities

	Motives for diversification
	RBV
Schilke et al. (2018)	RBV
Schoenberg (2006)	BA success low
Schuler & Jackson (2001)	BA integration
	BA success, non-financial factors
	Leaders skills and capabilities
Setyawan (2017)	Strategic review for growth
Shankar et al. (2022)	Non-Financial factors for BA success
	People skills and capabilities
	Strategic fit
Shein (2010)	BA Culture
Simpson & Sariol (2022)	BA used for external growth
	BA used for growth
	Financial factors used for BA
	Growth definition
	Internal growth options
	Non-Financial factors for BA success
Steigenberger (2017)	BA integration
Tarba et al. (2019)	Factors for BA success research required
Trau (2017)	Growth definition
Trichterborn et al. (2016)	Leaders skills and capabilities
Wangerin (2019)	BA success, non-financial factors
	Due Diligence
	Management traits

Xu (2017)	BA used for external growth
	BA used for internal growth
	Organisations continue using BA
Yip (1982)	BA used for external growth
Zorn et al. (2019)	BA integration
	BA success, financial and non-financial factors
	Leaders skills and capabilities
	Manager capacity
	People retention
Zubair et al., 2020	Growth strategies

9.2 Appendix 2 – Other due diligence topics

<i>Due diligence topic</i>	<i>Focus of enquiries</i>	<i>Results sought</i>
Human Resources and culture	Make-up of the workforce, terms and conditions of employment, level of commitment and motivation, organizational culture	Uncovering any employment liabilities, assessing the potential Human Resources costs and risks of doing the deal, prioritizing the HR issues that need to be dealt with during integration, assessing cultural fit, costing and planning the post-deal HR changes
Management	Management quality, organizational structure	Identification of key integration issues, outline of new structure for the combined businesses
Pension	Various pension plans and plan valuations	Minimize the risks of underfunding
Tax	Existing tax levels, liabilities and arrangements	Avoid any unforeseen tax liabilities, opportunities to optimize position of combined business
Environmental	Liabilities arising from sites and processes, compliance with regulations	Potential liabilities, nature and cost of actions to limit them
IT	Performance, ownership and adequacy of current systems	Feasibility of integrating systems; associated costs. IT plans for operational efficiency and competitive advantage
Technical	Performance, ownership and adequacy of technology	Value and sustainability of product technology
Operational	Production techniques, validity of current technology	Technical threats; sustainability of current methods; opportunities for improvement; investment requirements
Intellectual Property Rights (IPRs)	Validity, duration and protection of patents and other IPRs	Expiration; impact and cost
Property	Deeds, land registry records and lease agreements	Confirmation of title. Valuation and costs/potential of property assets
Antitrust	The various national filing requirements (some of which can be expensive if not complied with); degree of market/information sharing with competitors	Merger control filings and clearance; an assessment of any antitrust risks posed by the target's activities; an assessment of the enforceability of the target's contracts
Insurance/Risk	Present, future and, most importantly, past exposures of the business. The structure and cost of the existing programme	The costs and benefits of retaining risk versus transferring it

Sourced from (Harapan et al., 2020)

9.3 Appendix 3 – Interview Guide

Area or focus	List of interview Questions
Individual suitability	<ol style="list-style-type: none"> 1. For record purposes please can you state your name. 2. What is your current seniority level? 3. What seniority level were you on when you completed a BA (BA) as a diversification strategy? 4. For data analysis, please can you state your: <ol style="list-style-type: none"> a. Age b. Gender c. Number of years of BA experience d. The industry for which you completed BA e. The approximate number of employees in the acquiring company f. How many have you done? g. What was done in the recent 5 years? h. What is the value of these in the recent 5 years?
Factors influencing BAs as a diversification tool	<ol style="list-style-type: none"> 5. Apart from financial motivations, what are the key factors that influenced you as a leader to utilise BA as a diversification strategy? Please elaborate your responses from the following dimensions: <ol style="list-style-type: none"> a. Internal tangible factors b. Internal intangible factors c. External tangible factors d. External intangible factors 6. What are the factors that influenced how you as a leader decide if the capital should be invested into BA for diversification rather than increase the internal competencies?

9.4 Appendix 4 – First order codes from Atlas.ti

#	Code
1	E I - Additional detail of key departments
2	E I - Company Life cycle
3	E I - Competitive advantage
4	E I - Culture
5	E I - Experts support (communication/buy in)
6	E I - Honesty
7	E I - IP
8	E I - Management due dilligence
9	E I - Management openness
10	E I - Managment credibility
11	E I - People depth (sucession planning)
12	E I - People due dilligence
13	E I - People engagement
14	E I - Quickly replace incompetent people
15	E I - Transparency of challenges
16	E I - Understand value set
17	E I I - Value alignment
18	E T - Cost of using man skills to fix new bus
19	E T - Shareholders intention
20	E T - Timing of returns
21	E/I - I - Competitor analysis (understanding)
22	E/I - I - Startegic adaptability
23	E/I - I - Timing of Brand Transcription
24	E/I - I - Timing of process changes
25	E/I - I Decision making process post acq
26	E/I - T - Post acquisition metrics
27	E/I I - Chemistry
28	E/I I - Communication up and down
29	E/I I - Culture
30	E/I I - Culture alignment
31	E/I I - Defensive acquisition
32	E/I I - HR benefits alignment or comparison
33	E/I I - Industry Knowledge
34	E/I I - People
35	E/I I - People competency assessment
36	E/I I - Relationship building
37	E/I I - Retention strategy
38	E/I I - Shareholders alignment
39	E/I T - Contract detail
40	E/I T - Diversification avenue
41	E/I T - Office location
42	E/I T - Strategic alignment
43	E/I T - Strategic Alliance
44	E/I T - Strategic Foresight
45	E/I T - Synergies and Operational efficiencies
46	E/I T - Value set
47	EI - People intergration
48	EI - Brand value
49	EI - Company reputation
50	EI - Deeper company analysys (Decision framework audit)
51	EI - Experts in company
52	EI - Innovative
53	EI - Internal resources/capabilites

#	Code
54	EI - Management Ethos
55	EI - Regulatory
56	EI - Sucession planning
57	EI - Trust
58	ET - Due Dilligence
59	ET - Infrustructure
60	ET - Management competencies
61	ET - Market penetration
62	ET - Post Acquisition Reviews
63	ET - Strategy
64	ET T - Post Acquisition costs
65	II - Competitive advantage
66	II - -Prepare for variations
67	II - Consultants and specialists
68	II - Honesty
69	II - Incentive and suces alignment
70	II - Internal resources/capabilites
71	II - Internal weaknesses
72	II - Let the aquired business run
73	II - Management ability to pull out
74	II - Product life cycle
75	II - Risk appetite
76	II - Stakeholder support
77	II - Strenghts
78	II - Triangulation of data
79	IT - Budget available to spend on acquisitions
80	IT - Business intergration plan
81	IT - Growth requirement
82	IT - Ignoring red flags to ensure closing of deal based on Fin Due Dilligence
83	IT - Organic or Inorganic growth
84	IT - Post Acq skill retention strategy
85	IT - Salary benchmarks
86	IT - Systems and Technology
87	IT - Timing of returns
88	IT - Wanting to get deal done quick
89	I/T - Strategy application
90	II - Experts in company
91	II - Innovative
92	II - Management competencies
93	II - Timing of execution
94	IT - Core Competencies
95	IT - Philosiphy
96	IT - Planning
97	IT - Strategy