Understanding Multiple Mergers and Acquisitions' Completion or Abandonment by Serial Acquirers: Analysis from Institutional and Organizational Learning Perspectives

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Abstract

Mergers and Acquisitions (M&As) have gained in popularity over the last few decades and are one of the most widely researched topics in finance. BCG (2011) reports that of all M&As, multiple acquirers constitute almost a quarter of all M&As and most larger acquisitions are also undertaken by serial acquirers. However, Thomson Financial Merger & Acquisition database (2017) shows that announced M&As worth US$5.3 trillion were abandoned, accounting for 14% of the total worldwide value of announced acquisitions, between 2006 and 2016. Thomson Financial Merger & Acquisition database (2017) reports that 11,374 multiple acquisitions conducted by 355 serial acquirers were abandoned between 2006 and 2016. This raises a serious question regarding what factors influence serial acquirers to continually withdraw multiple acquisitions.

Based on institutional theory, in Chapter 3, we discuss the pre-acquisition stage by using a sample containing 7,751 announced cross-border M&As — comprising both completed and abandoned deals—by serial acquirers in the global market between 2006 and 2016. We investigate whether the host country's institutional environment influences the decision of serial acquirers to terminate subsequent cross-border M&A deals in the pre-acquisition stage. The findings suggest that multiple cross-border M&A transactions are more likely to be abandoned in target countries where there is a more complex institutional environment. The findings discussed in Chapter 3 provide strong evidence and understanding of a large number of multiple cross-border M&A deals abandoned by serial acquirers from institutional perspective.

In Chapter 4, based on the organisational learning theory, we examine how acquisition frequency patterns[1] influence the likelihood of domestic and cross-border acquisitions made by serial acquirers from the Asia-Pacific to be abandoned. We find that acquisition rate and time interval negatively impact on the multiple acquisitions withdrawn. The findings of Chapter 4 contributed to an improved understanding of the role of acquisition rate and time interval which explained why serial acquirers from Asia-Pacific continually terminate their acquisitions.

[1] We followed prior studies to measure acquisitions rate and time interval as a proxy for acquisition frequency patterns (Laamanen and Keil, 2008; Hayward, 2002).

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CHAPTER 1 Introduction

Mergers and acquisitions (M&As)[2] play a critical role in market economies (Caiazza and Pozzolo, 2016). Over the last two decades, it has become apparent that a significant number of firms increasingly use M&A as an important vehicle to achieve international expansion (Reus and Lamont, 2009). BCG (2011) reported that serial acquirers make almost a quarter of all M&A transactions. One of the remarkable and often overlooked features in the M&A market is that most acquisitions worth over US$25 million are made by serial acquirers (BCG, 2011); 37% of these acquisitions are conducted by moderate acquirers, which buy two or three targets every three years, while 23% are conducted by high-frequency acquirers, who buy at least four targets every three years. On average, serial acquirers make 5.2 acquisitions worth over US$25 million every three years, and a significant number of these acquirers make over 20 acquisitions in three years (BCG report, 2011). These figures clearly show that serial acquirers actively participate in M&As.

However, previous research has noted disappointing outcomes in post-acquisition performance (Deng and Yang, 2015; Lee et al., 2015; Dikova et al., 2010). For example, 50%–80% of all successful M&A deals fail in terms of both short-term and long-term post-acquisition performance as well as face decreases in revenues or net profits (Schoenberg, 2006; Bruner, 2004). Extant literature largely focuses on post-acquisition performance in both the short- and long-terms. In recent years researchers have begun focusing on the pre-completion stage of an M&A. A few previous studies (see, e.g., Dikova et al., 2010; Zhang et al., 2011) document that between 1982 and 2009, 25%–31% of M&A deals were abandoned at some point before completion of the M&A. Similarly, other researchers report that 33% of announced acquisition deals failed in BRIC countries (grouping acronym referring to the countries of Brazil, Russia, India and China) (Zhou et al., 2015), 19% domestic M&A deals failed in the UK (O'Sullivan and Wong, 1998), and 25% domestic M&A deals failed in the US (Cotter, Shivdasani, and Zenner, 1997).

[2] A merger is defined as a deal to unite two existing companies into a single larger company. The combination of two firms involves a transfer of ownership, also through a stock exchange or cash payment between two firms. Acquisitions are defined as taking place when the bidder owns less than 50% of the target's voting shares before the takeover and increase its ownership to at least 50% after the takeover (Conn et. al., 2004). UNCAD (2000) suggest that Mergers and Acquisitions (M&As) basically mean acquisitions. In this study both terms are used interchangeably.

The M&A database of Thomson Financial Merger & Acquisition database (2018) indicates that 11,374 domestic and cross-border acquisitions with a total value of US$5.23 trillion have been abandoned from 2006 to 2016. Of this total value, 7,301 single acquirers[3] terminated deals amounting to a total value of US$2.68 trillion. Further, 1,324 serial acquirers terminated 4,073 domestic and cross-border acquisitions from 2006 to 2016, with a total value of US$2.55 trillion. These figures indicate that the value of M&As withdrawn by serial acquirers is relatively much larger than that of single acquirers. Typically, the average transaction value of each acquisition made by serial acquirers is double the value of each acquisition made by a single acquirer. Moreover, 3,478 cross-border M&A deals worth US$2.2 trillion, 1,021 multiple cross-border acquisitions made by 355 serial acquirers with a total value of US$0.8 trillion, and 1,994 single cross-border acquisitions with a total value of US$1.4 trillion were abandoned from 2006 to 2016. However, the average value of cross-border acquisitions made by serial acquirers is US$2.4 billion, which is three times larger than the average value of a single cross-border acquisition (US$0.7 billion) (author's own calculation based on the sample from Thomson's Financial Merger & Acquisition Database).

Previous studies argue that the completion or abandonment of M&A deals after the announcement is a critical issue for both acquirers and target firms (Lim et al., 2014). Dikova et al., (2010) argue that more attention must be given to the pre-merger stage. It is only recently that researchers have begun to study the pre-completion stage of M&As. Most of the limited available pre-completion studies have largely focused on withdrawal by single acquirers. Existing literature has identified several factors that affect the completion or abandonment of single acquisitions and some of the most pronounced factors are related to institutional quality (Zhang et al., 2011), formal and informal and institutional distance between home and host countries (Dikova et al, 2010), completion experience (Dikova et al., 2010), composite success experience, and composite failure experience (Muehlfeld et al., 2012).

[3] Single/Individual acquisition defines as if acquirer makes only one acquisition and frequent/multiple/serial/subsequent acquisitions define as if acquirers make at least two acquisitions of targets within a five-year period.

In addition, as mentioned earlier, serial acquirers are responsible for a large number of withdrawn M&As. Therefore, following existing studies on the completion or abandonment of single acquisitions, the central purpose of our thesis is to examine why a significant number of serial acquirers continue to abandon subsequent acquisitions and intend to investigate potential factors that affect the outcomes of their attempts in the pre-merger stage. We attempt to shed new light on the role of the institutional environment by examining the completion or abandonment of multiple cross-border M&A transactions under pressure in different institutional environment frameworks. Moreover, we also attempt to reveal the role of the frequency patterns of acquisitions, referring to the acquisition rate and time interval in order to examine how the learning-by-doing process influences serial acquirers in abandoning domestic and multiple cross-border acquisitions in the Asia-Pacific market.

Our understanding of the abandonment of acquisitions made by serial acquirers remains rather limited compared to that of previous research on the completion or abandonment of a single-acquisition M&A. Specifically, the following key questions remain unanswered:

(1) Why do serial acquirers abandon announced acquisition deals in the pre-completion stage? Which factors play critical roles in influencing serial acquirers to terminate subsequent acquisitions?

(2) Do existing factors affected by the withdrawal or completion of a single acquisition also impact the withdrawal or completion of multiple acquisitions?

In this study, we attempt to answer these questions in the context of multiple cross-border acquisitions in the global market (discussed in Chapter 3), as well as domestic and multiple cross-border acquisitions in the Asia-Pacific market (Chapter 4).

We select multiple acquisitions steered by serial acquirers in the global market

(chapter 3) and the Asia-Pacific market (chapter 4) between 2006 and 2016 for several reasons. First, to the best of our knowledge, very limited studies have previously focused on the impact of the institutional environment on the abandonment of multiple cross-border acquisitions in the global M&A market. Most previous studies have only examined the relationship between institutional influence and the completion or abandonment of single acquisitions in either emerging or developed markets (Zhang et al., 2011; Dikova et al., 2010; He and Zhang, 2018). Related literature on international business, management, accounting, and economics have shown that the institutional environment of a particular country plays a significant role in economic and business activities across countries (Habib and Zurawicki, 2002; Brockman et al., 2013; Mauro, 1995). Thus, in chapter 3, we choose multiple cross-border acquisitions in the global market as the setting for our analysis.

Secondly, M&A activity in Asia-Pacific rose by 15%, with the total value of deals increasing from US$791 million to US$908 million in the first half-year of 2018. The Chinese government pressurizes Chinese firms to curb cross-border expansion ambitions, while substantial acquisitions in Japan and India pushed total volumes in Asia-Pacific to a record high in 2015. Table 1.1 presents overview data of Asia-Pacific M&A activities from 2006 to 2016. It shows that the most recent values of merger waves peaked in the years 2007 and 2015. In addition, Table 1.1 also shows evidence of a number of multiple and single acquisitions withdrawn in the Asia-Pacific market. It shows that from 2006 to 2016, 553 serial acquirers abandoned 1,913 domestic and cross-border acquisitions, which accounted for 35% of the total withdrawn acquisitions. The total value of multiple withdrawn deals is US$496 billion, which accounted for up to 41% of the total value of withdrawn deals in Asia-Pacific. Our sample set enables us to evaluate the role of organizational learning for both domestic and cross-border M&A deals. Thus, in chapter 4, we choose domestic and multiple cross-border acquisitions in Asia-Pacific as the setting for our analysis of outcome in the pre-acquisition stage.

Table 1.1 The number of worldwide single and multiple M&A deals and values of withdrawn M&As in the Asia-Pacific region between 2006 and 2016

Year	The total number of announced M&A deals in Asia-Pacific	The total value of announced M&A deals in Asia-Pacific (in bill. USD)	The total number of withdrawn deals in Asia-Pacific	The total value of withdrawn deals in Asia-Pacific (in bill. USD)	The total number of single withdrawn deals in Asia-Pacific	The total value of single withdrawn deals in Asia-Pacific (in bill. USD)	The total number of multiple withdrawn deals in Asia-Pacific	The total value of multiple withdrawn deals in Asia-Pacific (in bill. USD)
2006	10481	474	357	54	236	29	121	26
2007	12112	794	485	260	301	84	184	176
2008	12099	565	678	92	417	63	261	29
2009	11539	489	514	151	300	91	214	60
2010	12223	695	412	64	271	49	141	15
2011	11356	531	344	46	213	36	131	10
2012	10659	519	374	67	216	47	158	20
2013	10407	568	303	54	202	36	101	18
2014	12447	845	454	77	276	36	178	41
2015	14618	1362	694	187	430	123	264	64
2016	15421	1111	815	169	655	132	160	37
Total	133362	7953	5430	1221	3517	725	1913	496

Source: Author's own calculation based on Imaa M&A Statistics, between 2006 and 2016 (2017)

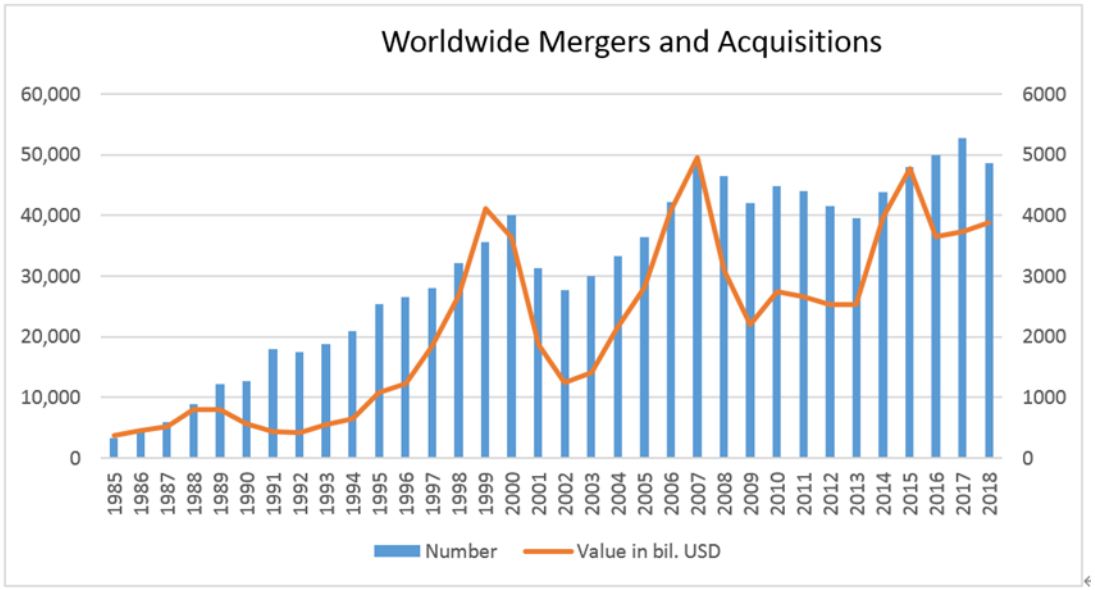
1.1 General Background on M&As

M&As include different transactions such as mergers, acquisitions, consolidations, purchase of assets, and management acquisitions in which the ownership of companies, business organizations, or their operating units are transferred or combined. Under normal conditions, M&A activity involves two companies—an acquiring firm and a target firm; the former makes an offer to purchase the latter in its entirety or only some of its assets in order to enable both companies to develop, shrink, improve competitive position, gain market share, increase profitability in terms of market worth, or change the nature of its business. M&As are concerned with aspects

of strategy management, corporate finance, and business management, dealing with the buying, selling, dividing, and combining of companies which have similar entities that can contribute to a company growing rapidly in its field.

M&As have long attracted the attention of academics and non-academics, such as practitioners and policymakers. The critical reason for focusing on M&A activity is its economic significance. For example, cross-border acquisition valuation is an essential feature of the past foreign direct investment (FDI) cycle, which often occurs during the period covered by resources. M&A represents substantial capital reallocations, which estimated the aggregate value of US$1.34 trillion per year (Bonaime et al., 2017). Figure 1.1 illustrates the annual data of the worldwide M&As from 1985 to 2018. At the peak of the wave in the year 2007, corporations spent over US$4.9 trillion, which constitutes 4.47% of world GDP (in market exchange rates), in worldwide acquisitions globally; this exceeded the second-highest merger wave in 2015 with US$4.7 trillion accounting for 5.64% of world GDP (J.P. Morgan, Bloomberg LP and IMF GDP, 2017; Imaa, 2017). Therefore, this study chooses the sample period of 2006 to 2016 as it contains the most recent peak of M&A activities.

Figure 1.1 Overview of Worldwide M&As activities, between 1985 and 2018

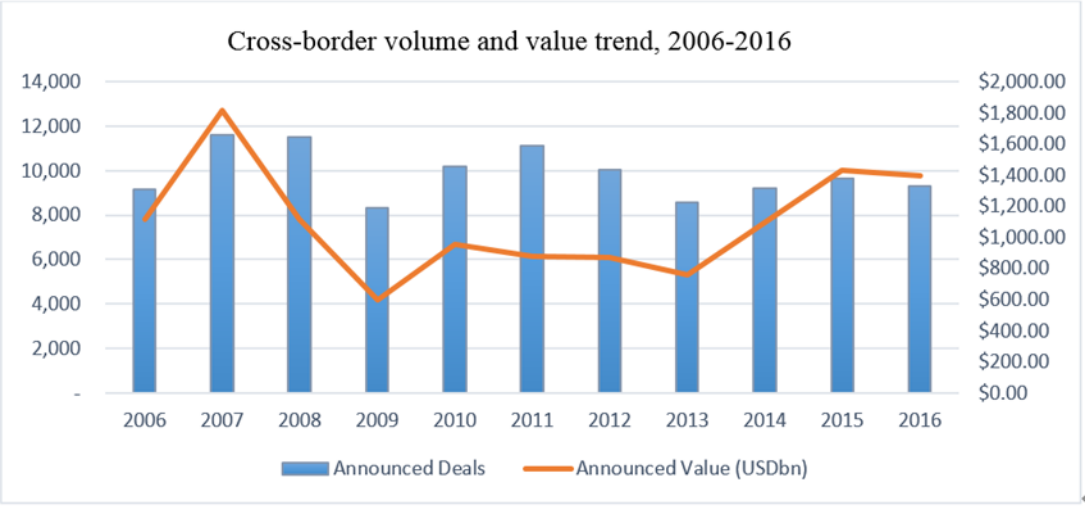


Source: Author's own calculation based on Imaa M&A Statistics (2019)

In addition, cross-border M&As activities have increased considerably in developed

(i.e. UK, US) and emerging countries (i.e. China, India) and become significant in transition economies. Cross-border deals continue to provide a source of value creation, accounting for 36% of total M&A volume in 2016 (J.P. Morgan, 2017). Between 2010 and 2015, cross-border M&A deals worth US$5.8 trillion were conducted (Deloitte, 2017). Figure 1.2 presents the overall value and volume of cross-border M&A activities in the recent 10 years; the value of cross-border acquisitions reached its highest level in 2007, with US$1.8 trillion accounting for 35% of the value of worldwide cross-border transactions (KPMG, 2017). In 2015 alone, cross-border M&A exceeded US$1.38 trillion, comprising over 31% of the total annual M&A transaction value (Deloitte, 2017).

Figure 1.2 Cross-border volume and value trending between 2006 and 2016

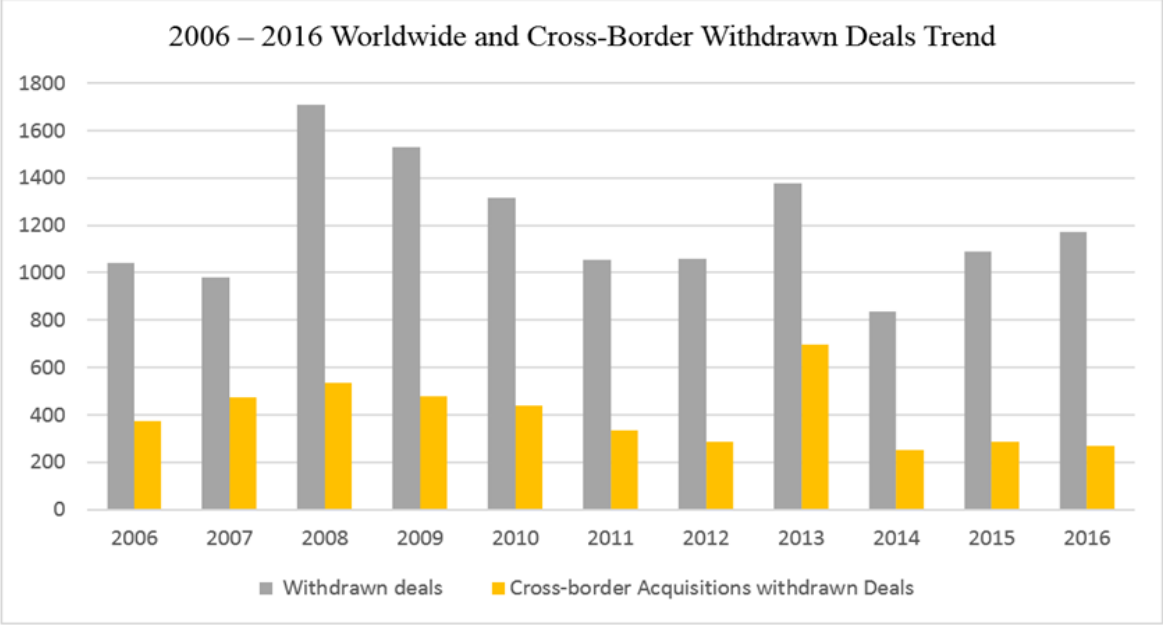


Source: Author's own calculation based on KPMG (2017)

Cross-border M&A is an effective tactic for international growth and a quick way to enter new markets; thus, there has been massive growth in this field in recent years. However, a significant number of cross-border M&A deals are abandoned after being announced (Zhang, Zhou & Ebbers, 2011). In 2017, the total volume of withdrawn transactions was US$658 billion, which is 15% higher than the volume in 2015 and 23% lower than that in 2016 (JPMorgan, 2017). Figure 1.3 illustrates the announced cross-border M&A acquisitions that were withdrawn in the global market between 2006 and 2016. The number of cross-border acquisitions that were abandoned reached

their highest level in 2013. New trends in globalization have spurred an increase in the number of studies on the impact of certain determinants (i.e. institutional quality; institutional differences; natural resources; acquirer's prior cross-border acquisition experience on the completion or abandonment of cross-border mergers and acquisitions in developed or emerging countries.

Figure 1.3 An overview of worldwide announced withdrawals and cross-border withdrawn deals, between 2006 and 2016



Source: Author's own calculation based on Imma M&A statistics (2019) and Thomson Financial Merger & Acquisition database database (2019)

Further, in terms of regional patterns, we reviewed the performance distributions of acquisitions withdrawn by regions from the acquirer's perspective for the period between 2006 and 2016. We focus on critical trends that are likely to affect the global M&A transactions landscape. Table 1.2 presents the number of M&A transactions that are withdrawn each year from 2006 to 2016 from a geographical perspective. The leading region of acquisitions withdrawn is Asia-Pacific, with 5,430 deals accounting for 41% of worldwide acquisitions withdrawn. Thus, in chapter 4, we examined the

factors that affected serial acquirers from the Asia-Pacific market terminated subsequent acquisitions.

Table 1.2 Distribution of acquisition deals withdrawn (single and multiple) from regions in the global M&As market between 2006 and 2016.

Year	Asia-Pacific	Americas	Europe	Japan	Africa/Middle East/Central Asia	Unknown
2006	357	278	215	57	14	45
2007	485	354	250	70	23	54
2008	678	501	341	104	53	93
2009	514	498	250	72	49	110
2010	412	392	238	43	38	114
2011	344	355	210	29	51	104
2012	374	392	179	31	40	121
2013	303	351	134	19	41	106
2014	454	276	121	24	32	62
2015	694	256	152	17	44	71
2016	815	165	163	19	46	82
Total	5430	3818	2253	485	431	962

Source: Author's own calculation based on Imma M&A statistics (2019) and UNCTAD (2017)

Further, in terms of industry pattern, Table 1.3 shows that the three leading sectors that witnessed the largest number of acquisitions withdrawn between 2006 and 2016 were financials, materials, and industrials. The finance sector has long been the sector with the highest likelihood of abandonment in the industry, accounting for a steady 20% of global activity between 2010 and 2016 (Baker & Mckenzie, 2017). The leading sector for acquisitions withdrawn is financials, with 4,996 deals being withdrawn,

thereby accounting for 38.83% of worldwide acquisitions withdrawn. The industries are classified by the Standard Industrial Classification (SIC)[4] codes.

[4] The Standard Industrial Classification (SIC) is a system for classifying industries by a four-digit code. Established in the United States in 1937, it is used by government agencies to classify industry areas.

Table 1.3 The sectorial distribution of acquisitions withdrawn between 2006 and 2016

Year/Sector	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Financials	366	440	656	573	519	444	460	397	289	386	466
Materials	80	105	246	261	211	198	231	178	157	157	155
Industrials	85	94	129	132	93	86	86	66	67	86	113
High Technology	79	89	122	101	79	46	68	57	59	93	120
Energy and Power	72	73	100	90	91	77	99	62	79	69	79
Consumer Staples	31	38	78	58	48	53	39	38	48	52	58
Healthcare	35	38	65	62	36	43	47	40	35	49	52
Consumer Products and Service	39	43	74	54	46	35	34	23	39	50	51
Real Estate	26	42	61	49	28	45	26	41	31	55	52
Media and Entertainment	55	58	51	40	25	33	23	24	24	41	40
Retail	33	39	40	36	35	25	19	21	14	32	27
Telecommunications	20	39	33	30	34	20	22	24	17	31	26
Government and Agencies	7	0	0	13	4	3	3	0	0	0	2
Total	928	1098	1655	1499	1249	1108	1157	971	859	1101	1241

Source: Author's own calculation based on Imma M&A statistics (2019) and UNCTAD (2017)

1.2 Research Motivations

Accelerating globalization has prompted scholars to expand their research areas to include M&A activities (Di Giovanni, 2005; Lim and Lee, 2016). Existing literature shows that abandonment of acquisition during the negotiation process or particularly after the public announcement is a crucial issue, which may lead to tangible or intangible damage to the parties involved (Luo, 2006; Lim and Lee, 2016). Termination of an announced M&A deal can severely damage the acquiring firm and acquired firm's both reputation and credibility, also causing monetary and time losses (Luo, 2008). Rosenkranz and Weitzel (2005) claim that the cancellation cost (the costs may include payment to lawyers or financial advisors) of an announced acquisition can be as high as 6% of the purchase value of firms. Moreover, the abandonment of cross-border M&As may imply higher costs because the two countries involved have different political, institutional, cultural, legal, economic, and trade environments, which require more resources and time in the pre-completion stage (Zhou et al., 2016). The termination of an announced M&A transaction may result in considerable financial loss, such as payment of financial, accounting, or legal agency services to the acquirer and the target company. If terminated announced acquisitions could harm acquirers' reputation, credibility and entail significant cost to the firm, why do so many serial acquires continually withdrawn multiple acquisitions?

North (1990) argues that in order to learn how to 'play a good game', organizations need different types of skills and capabilities, mostly obtained in a learning-by-doing manner; this is done by developing coordination routines that result in repeated interaction. Dikova et al. (2010) state that acquirers that have previous acquisition experience with public takeover processes in different countries may encourage the completion of an acquisition in a new location. Hence, their study argues that acquirers that accumulate richer or more diverse prior acquisitions experience may have more capable of dealing with different significant issues, which acquirers face after the initial announcement. However, our sample setting presents that even some serial acquirers have a varied acquisitions experience, but their acquisitions' outcomes in the pre-acquisition completion stage still have unsatisfactory outcomes. Previous data also shows that the percentage of abandonment of announced cross-border acquisitions

from 1982 to 2009 was as high as 31% (Thomson Financial Merger & Acquisition Database, 2011; Zhang et al., 2011). The contradiction between business activities and research findings in the real world motivates us to investigate which factors impact the termination of acquisitions by serial acquirers.

On the other hand, certain scholars believe that the completion of announced acquisitions could be an important indicator of firms' capability to manage acquisitions (Holl and Kyriaziz, 1996; Muehlfeld et al., 2012; Lim and Lee, 2006). Abandoning an announced M&A transaction may result in a decline in the reputation of managers as company leaders, which may result in lower management pay and negatively impact future career prospects (Doan et al., 2016; Haspeslagh and Jemison, 1991). Lim et al. (2014) indicate that the severity of damage affects not only to acquirers but also causes long-term damage to target firms, because the target firm must continue managing a company that was intended to be publicly sold. The withdrawal of the acquisition may cause internal or external problems in the target firm, as its intentions to give up the ownership of the company are exposed. Thus, the target firm may face numerous threats in continuing to manage the business—for example, employee agitation, customer churn, and damaged reputation—which may have a lasting long-term impact on the business (Lim et al., 2014).

Previous studies recommend that an examination of the acquisitions frequency pattern and institutional environment could provide valuable insights for potential acquirers of announced M&A transactions (Dikova et al., 2010; Zhang et al., 2011). Thus given the global spread of M&A activities and the contradiction between business activities and research findings in the real world, the central purpose of this thesis is to examine the impact of different determinants of the completion or abandonment of multiple M&A deals from comprehensive perspectives.

1.3 Research Gaps and Potential Contributions

We aim to fill existing research gaps and make significant contributions to the general literature on institutional, organizational learning and multiple M&A deals in the following ways.

First, the predominant focus of extant research has been single acquisition or multiple M&A transactions and their post-acquisition performance implications. Previous studies have concentrated on investigating the determinants of short-term or long-term post-acquisition performance from financial and accounting perspectives (Stiebale and Trax, 2011; Zollo and Meier, 2008; Vaara et al., 2014; Goranova et al., 2017; Yang and Ren, 2015). Even though investigating post-acquisition performance is undoubtedly useful, some scholars indicate that more attention must be given to the pre-acquisition stage, because empirical evidence shows that acquirers still abandon as much as 25% of acquisition attempts at some point in the pre-acquisition completion stage (Dikova et al., 2010; Holl and Kyriazis, 1996). Only a limited number of previous studies have focused on the abandonment or completion of single acquisitions. In this study, we attempt to fill this gap and contribute to this portion of the institutional literature by providing direct evidence related to the outcome of multiple cross-border acquisitions in the pre-completion stage within the context of the global M&A market.

Second, the extent to which frequency patterns and learning curves affect the outcome of the pre-completion stage of multiple acquisitions is determined by an unresolved empirical issue that we address in this thesis. We believe that multiple M&A deals have a feature that is particularly helpful to analyse the outcome of acquisitions in the pre-acquisition completion stage. As argued by Hayward (2002), acquirers can adaptively learn from the nature and timing of past experience with acquisitions, and learning is the process of resolving the problems that ensue when organisations modify their behaviour. Other scholars also argue that the acquisition rate and time interval are essential characteristics of multiple acquisitions, which reflect the temporal distribution of transactions in a stream of acquisitions (Laamanen and Keil, 2008; Hayward, 2002). Only a limited number of previous studies have paid attention to how acquisition

frequency patterns affect the performance of multiple acquisitions (Laamanen and Keil, 2008). Herein, we attempt to fill this gap and contribute to this aspect of the organisational learning literature by evaluating direct evidence related to the outcome of domestic and multiple cross-border acquisitions in pre-completion stage within the context of the Asia-Pacific M&A market.

Third, in recent years, the completion or abandonment of announced single M&As has been the subject of empirical research, which pays more attention to identifying the determinants of the success or failure of acquisition (Dikova et al., 2010; Zhang et al. 2015; Wong and O'Sullivan, 2001). Generally, previous studies have drawn insights mostly from management, international business, human resources, culture distance, finance, corporate governance, and legal literature to research on specific M&A industries in the context of developed countries (e.g. UK and US) or employ a general sample of cross-border acquisition in emerging countries (e.g. China and India), which reflect the current condition of studies on M&As (Dikova et al., 2010; Zhang et al., 2015). Dikova et al. (2010) suggest that a greater variation or complexity in the institutional environments of acquisitions possibly alter the results of the research. The bias in their findings may be caused by the nature of the examined M&As deals, which is between firms originating from developed countries or fast-growing emerging countries, such as a country differenced in terms of the extent of self-selection into acquisition events (Dikova et al., 2010). Therefore, we intend to fill these gaps by expanding our sample set, including cross-border M&A deals in the global market to examine multiple cross-border M&A deals withdrawn in different and comprehensive institutional contexts. However, the sample set of our study is more heterogeneous and our findings are more generalizable.

Fourth, existing studies tend to focus on acquisition completion or abandonment in a specific industry. For example, Dikova et al. (2010) used 2,389 announced deals, obtaining samples in the international business service industry between 1981 and 2001. Caiazza and Pozzolo (2016) analysed the determinants of failed M&A operations in a large sample, which includes domestic and cross-border transactions in the banking sector that were announced in the global market between 1992 and 2010. Muehlfeld et al. (2007) studied the likelihood of completion or abandonment of announced transactions by using a sample of M&A deals from the newspaper industry

between 1981 and 2000. They find that the attitude of the deals (hostile or friendly) is a critical factor; other factors like the method of payment and the percentage sought by the acquirer also influence the completion or abandonment of M&A deals. Although studying single M&A completion or abandonment is undoubtedly useful, we argue that more attention to repetitive acquisition activities by serial acquirers is necessary because repetitive acquisitions withdrawal can seriously harm acquirer firms and their manager's reputation and can also cause considerable financial damages to either acquirer or target firms.

We have earlier shown that serial acquirers are the most active in M&As. However, to the best of our knowledge, there are very few empirical investigations on the completion or withdrawal of multiple M&A deals. This thesis fills these gaps and aims to identify comprehensive determinants such as the institutional environment, the role of the acquisition rate, time interval, learning-by-doing, and industry relatedness from different perspectives and intend to identify how these determinants affect the completion or withdrawal of multiple acquisitions.

1.4 Structure of the Thesis

This thesis has five chapters; the structure of the thesis and the summary of each chapter is presented below.

In Chapter 1, entitled the Introduction, we introduce the general research topic, research background, and the theme of this thesis. We also outlined the current situation of the M&A market and stated the research questions and research aims of this thesis. Finally, we identify the importance of this thesis and state the research gaps and motivations of our study.

In Chapter 2, entitled “General Literature Review and Empirical Evidence”, we present a general literature review and empirical evidence of previous M&A research. We define multiple M&As, the motivation of serial acquirers engaged in multiple acquisitions, and overview the factors that affect the completion or abandonment of a single acquisition. We also briefly introduce institutional and organisational learning theories in this chapter.

In Chapter 3, entitled “A study on completion or abandonment of cross-border mergers and acquisitions by serial acquirers: institutional perspectives and evidence,” we study the completion or abandonment of multiple cross-border M&A deals by serial acquirers in the global M&A market from institutional perspectives and provide evidence in this regard. In this chapter, we examined the role of the institutional environment in the host country as a country-level factor, which affects the abandonment of multiple cross-border acquisitions in the global M&A market, based on the institutional theory. The institutional environment includes government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, the prevalence of corruption, bureaucratic quality, internal conflict, external conflict, military in politics, and religious and ethnic tensions in the host country. The measure captures the general environment of institutions.

In Chapter 4, entitled “Completion or abandonment of M&A by serial acquirers in the Asia Pacific region: the role of acquisition rate and time interval,” we study multiple completion or abandonment M&A deals by serial acquirers from the Asia-Pacific region based on the organizational learning theory. The Asia-pacific M&A market appears to have a significant proportion of M&A activities during this period (see Figure 2). We reviewed each region’s acquisitions completion or abandonment outcomes from an acquirer’s perspective for the period between 2006 and 2016 in the Asia-Pacific market as a critical trend that is likely to affect the global M&As transactions landscape. Our data set reports that 35% multiple acquisition attempts in the pre-acquisition stage are still abandoned in the Asia-Pacific region. We provide an empirical analysis of the role of acquisition rate and time interval as internal factors, which affects the abandonment of multiple acquisitions, based on the organisational

learning theory. In this chapter, we find that the acquisition frequency pattern negatively effect on the abandonment of multiple M&A transactions.

In Chapter 5, entitled “Conclusion,” we summarise the key findings of this thesis. We provide the contributions and implications of this thesis. Moreover, we discuss the limitations of this study and suggest potential research avenues to extend future research in the M&A area.

In contrast to previous studies, the purpose of this thesis is to focus on the abandonment of multiple M&As from different perspectives, that is, institutional and organisational learning to narrow the research gap and conduct empirical research. We examine a large feasible period, from 2006 to 2016, which provides an updated insight into the M&A activities included in the M&As boom of the current age. Thomson Financial Merger & Acquisition database’s M&A database has data available for the global M&A market of multiple M&A activities.

CHAPTER 2

General Literature Review and Empirical Evidence

2.1 Introduction

M&A has increasingly become a focus of research in finance. However, extant research largely focuses on aspect of cross-border M&A—that is, post-acquisition performance. In the finance literature, scholars mostly focus on evaluating the relationship between M&A activity and firm performance in order to evaluate whether M&As added value to the firm (Carper, 1990; Haleblian et al., 2009). The appearance of event study methodology in this period has been applied for investigating short-term market expectations of future cash flows associated with discrete events (Brown & Warner, 1985; Haleblian et al., 2009). Because of the different sample sets and methodologies used by different scholars, the empirical evidence is mixed. The previous studies conducted by Dodd (1980); Jarrell and Poulsen (1989); Moeller, Schlingemann, and Stulz (2003); Seth, Song, and Pettit (2002); Pablo, Sitkin, and Jemison (1996); and Langetieg (1978) found that M&As reduce the bidding firm's value. Bidding firms earn significant negative abnormal returns and usually erode the firm's value and produce highly volatile market returns (Haleblian et al., 2009). Conversely, some other scholars provided contrary results. They find that M&As activities bring positive abnormal returns for the shareholders of acquiring firms and that the announcement of M&As usually results in a positive stock market reaction (Tao et al., 2016; Floreani & Rigamonti, 2001; Faccio et al.,2006; Lang, Stulz, and Walking,1991).

In addition, a significant number of earlier studies focused on the short-term performance of firms and also evaluated the long-term performance of acquiring or target firms. Several authors found that M&As transactions can improve acquiring or target firms' long-term post-acquisition returns (Healy et al., 1992; Healy et al., 1997; Linn and Switzer, 2001). However, others found a negative return in the long-term after the announcement of the M&A (Papadakis and Thanos, 2010; Lu et al., 2004; Dickerson et al.,1997). Andre et al. (2004) studied the long-term performance of 267 Canadian M&A deals between 1980 and 2000. They find that Canadian acquirers significantly underperform over the three year post-event period. Francoeur (2007) evaluates the long-term financial performance of acquiring firms in the Canadian cross-border M&A market. Their results present no sustained gains or losses during

the post-acquisition period for Canadian acquirers. Further, Agrawal et al. (1992) found that stockholders of acquiring firms suffer a statistically significant loss of approximately 10% over a five-year post-acquisition period. Loughran and Vijh (1997) studied 947 M&A deals during the period from 1970 to 1989; the results show that M&S deals with average firms that have completed stock mergers earn significantly negative excess returns of -25% over five years. Firms that complete cash tender offers earn significantly positive excess returns of 61.7%. In the US market, Moeller and Schlingemann (2005) found an insignificant negative change in cash flow performance five years after mergers and that cross-border acquirers underperform as compared to domestic acquirers.

In contrast, based on 413 US M&A deals, Linn and Switzer (2001) found that the change in performance of the firms is significantly larger for cases in which the acquiring firms offered cash as compared to stock offers. Boubaker and Hamza (2014) analysed the long-term performance of UK acquiring firms in the UK by examining a sample of 40 takeovers over the period 1996–2007. Their result shows that both the buy-and-hold abnormal returns and bidder’s portfolio return approaches indicate positive and significant wealth effects over the long run. Herman and Lowenstein (1988) studied US hostile offers from 1975 to 1983. They find that bidders' return on capital (ROC) decreases, while their return on equity (ROE) increases.

Beginning from the mid-1990s, a large number of cross-border M&A deals emerged in the global M&As market. In both developed and developing countries, cross-border M&As was a new primary strategy and essential component of foreign direct investment (FDI) for firms, which eventually became popular (Xu, 2017). Cross-border M&A is an effective means to occupy a strong and dominant position in the global market, involving some or all of the acquired or existing mature company's capital, debt, and target country's assets combined from the home country (Whitaker, 2016). Previous research has examined the influencing factors of cross-border M&As transactions, which is complicated both for academia and actual operators. Cross-border M&A transactions are a typical type of risky event with potentially significant consequences for decision-makers of both acquiring or target firms. It involves high

levels of complexity and uncertainty because of differences in the institutional, economic, and cultural characteristics of the home and host countries involved in the transaction (Hofstede, 1983; Shimizu et al., 2004). Further, time-invariant or slow varying aspects such as national culture, legal systems, accounting standards, institutional environment, market openness, stock market valuations, political uncertainty, and foreign exchange rates are known to influence cross-border acquisitions between different countries (Rossi and Volpin, 2004, Dikova et al., 2010; Erel et al., 2012, and Ahern et al., 2015). Reddy et al. (2016) claim that the theory of information asymmetry that influences cross-border acquisitions is often related to target valuation uncertainty and reducing the risk of acquirer overpayment as well as signalling acquirer value or quality.

Not all announced M&As are successfully completed. A high number of M&A transactions are withdrawn because of valuation misalignment between buyers and sellers; this is because buyers and sellers have a big difference with regard to the transaction price of the underlying asset. According to previous studies, there are four main elements in this regard: buyer/seller valuation misalignment, lack of adequate research regarding acquisition targets, inability to secure adequate financing, wrong acquisition target prediction of cross-border M&As in the pre-acquisition stage. For acquirers, the valuation of the target company is an important condition in the pre-M&A stage. Simultaneously, a reasonable transaction price is an essential element for the success of the M&A, as an exorbitant transaction price is a critical reason for the failure of numerous M&A deals. Moreover, the acquisition premium is identified as a significant variable (Krishnan et al., 2007; Sirower, 1997). The acquisition premium implies that the price paid for a target firm exceeded its pre-acquisition market value. While the merging firm pays a premium to the target company, they may be unable to earn sufficient returns to compensate for the premium (Mathew et al.,1997). Once this happens, managers in the acquiring company face tremendous pressures and are likely to achieve positive returns in a short time after an M&A. In addition, certain scholars argue that cross-border M&As may create value for bidding firms to get benefit from an imperfect financial market, thereby reducing investment and costs of operating (Buckley and Casson, 2002; Rugman, 1980). Moreover, it can reduce the

risk of business failure through better income diversification (Agmon and Lessard, 1977; French and Poterba, 1991).

However, hubris theory suggests that some optimistic managerial behaviour result in over-confidence managers continue engaged in a large number of M&A activities may destroy the value of firms (Roll, 1986; Francoeur, 2006). Jensen (1986) claims that managers' remuneration or non-cash benefits are related to the size of the firm being managed. Cross-border M&As are an effective way to expand business and control power. Serial acquirers may conduct multiple acquisitions to expand their power and benefits in a firm. Nevertheless, certain serial acquirers cannot make profit in the post-acquisition phase or continue to abandon deals in the pre-acquisition stage. However, these acquirers are insistent on investing in areas which make their abilities indispensable in order to achieve higher remuneration and decrease the likelihood of being replaced (Shleifer and Vishny, 1989; Francoeur, 2006).

Further, certain scholars apply the signalling theory to capture market reactions by considering the influence of different institutional determinants (Tao et al., 2016). According to the signalling theory, Spence (2002) indicates that information is not made available to all parties simultaneously. The theory is relevant to reducing information asymmetry among different parties. It can explain how decision-makers interpret and respond to situations where information is incomplete and asymmetrically distributed among different parties. Based on the signalling theory, Tao et al. (2017) examine how investors respond to announced cross-border M&As deals by buying and selling shares in the stock market. They find that announced cross-border acquisitions result in a positive stock market reaction. Floreani and Rigamonti (2001), Moeller and Schlingemann (2005), Faccio et al. (2006), Masulis et al. (2007), and Schwert (2000) have similar findings. Conversely, other scholars found contrary results (Mitchell and Stafford, 2000; Langetieg, 1978; Walker, 2000). They found that bidding firms earn significant negative abnormal returns or abnormal returns to shareholders of bidder firms are virtually zero.

In accordance with the knowledge-based view, Thompson (1990) argues that cross-border M&As is an engine for change in firms. Acquirers that engage in cross-border acquisitions need to change routines and transfer knowledge because routine development may produce inertia and rigidity (Fowler and Schmidt, 1989; Wang et al., 2017). Moreover, certain scholars argue that outdated knowledge, procedures, and routine are sources of incompatibility in the international M&As market (Tsang and Zahra, 2008; Yildiz et al., 2010; Wang et al., 2017). Argote and Miron-Spektor (2011) indicate that the accumulation of experience has the advantage to change managers' capabilities to make subsequent cross-border M&As. Moreover, the accumulation of experience is considered to contribute to change in organisational knowledge (Argote and Miron-Spektor, 2011). One widely accepted view of organisational learning experiences in given routines is that it generates familiarity and increases the likelihood of routines being reused, thereby resulting in refinement and inertia (Collins et al., 2009; Finkelstein and Haleblian, 2002; Haleblian et al., 2006). Levitt and March (1988) argue that firms have been traditionally considered as routine-based historical dependence systems, where organisational behaviour is guided by past actions.

Other researchers argue that because of the different institutional and cultural background and double-layered acculturation, cross-border M&A activities are more uncertain and complexity than domestic acquisitions (Barkema et al., 1996; Barkema and Drogendjik, 2007; Shimizu et al., 2004). Rugman and Verbeke (2011) argue that internationalisation, described as a learning and routine-dependent process in the foreign market entry mode, is driven by experience and knowledge base. Previous scholars suggest that cross-border acquisition experience positively affects the likelihood of subsequent cross-border deals conducted by serial acquirers, while the potential for global expansion is not unlimited (Hitt et al., 1998; Gomes and Ramaswamy, 1999). Galavotti et al. (2017) argue when the experience goes from low to medium, the effect on subsequent cross-border acquisitions is positive. Firms engage in a large number of cross-border transactions after they have accumulated a large number of experiences. Thus, governance costs can rise rapidly to a point at which the pursuit of further global expansion is discouraged. Therefore, Galavotti et al. (2017) argue that the relationship of experience with cross-border M&As and multiple cross-border acquisitions are represented by an inverted U-shaped curve.

In addition, research on the completion or abandonment of cross-border M&As has grown rapidly during the past two decades. The majority of previous studies on M&As focus on three primary streams of research. These can be identified within the strategic and behavioural literature, the issues of strategic fit and post-acquisition integration, and organisational fit and the acquisition process itself (Cartwright and Schoenberg, 2006). Shimizu (2004) claims that cross-border M&A deals are dynamic learning processes which the complicated processes including such as due diligence, negotiation, and integration. It is important for acquirers to improve related knowledge of how to use different processes efficiently to reach a successful conclusion. Shimizu et al. (2004) mentioned that there must be a better understanding in the area of learning from the relatively high failure rate of cross-border M&As. There needs to be an increased understanding of the learning mechanisms that are present in complicated cross-border M&As in the pre-acquisition stage. Moreover, firms must be prepared more for unforeseen issues and respond to the high failure risk of M&As (Shimizu et al., 2004).

Peng et al. (2009) indicate that modern M&As research remarkably lacks institutional theory to support and examine the effect of the significant determinant (i.e. institutional environment) on the completion or abandonment of cross-border M&As deals. This is probably because the most FDI originates in developed markets which have established, sophisticated, and stable institutions. The institutional context of acquiring firms is significant and there may be a reluctance to undertake M&As activities in weak institutional environments (Ferreira et al., 2014). Dikova et al. (2010) argue that higher institutional differences or uncertainty has a negative influence on the completion of cross-border acquisitions. Zhou et al. (2016) argue that the differences in political, trade, and legal environments have a significant effect on the completion of inbound M&As deals, while there is a much weaker effect on outbound M&As in emerging countries.

2.2 Definition of multiple M&As

In the literature, there are various views on when M&As are considered multiple M&As. For example, Fuller et al. (2002) define that an acquirer that conducts at least five acquisitions within a three-year window is labelled as a frequent acquirer. Conn et al. (2005) refer to several acquisitions made by one acquirer as a 'series'. They group acquisitions according to acquirers that make a single acquisition and label them single acquirers and those that make two or three acquisitions are labelled 'moderately acquisitive'. Acquirers that make more than three acquisitions are regarded as 'highly acquisitive' (Conn et al., 2005). Following existing literature, in this study, frequent or multiple M&As are defined as at least two acquisitions acquired by one acquirer within a three-year observation window. Infrequent, individual, or single acquisition is defined as one acquirer acquiring only one target firm within three years.

2.3 Motivations underlying multiple acquisitions by serial acquirers

Although several new studies have focused on firms' post-acquisition performance and M&As activities, more recent scholars have begun to centre research on the motivations underlying the decisions of acquiring firms to engage in multiple acquisitions. For example, Croci and Petmezas (2009) assess four potential motivations which may cause acquiring firms to engage in serial M&As deals, such as ''managerial overconfidence, superior managerial acquisition skill, managerial empire building behaviour, and whether the acquisitions comprise a single plan''. Roll's (1986) hubris hypothesis indicates that serial acquirers prefer to conduct multiple acquisitions because they have an overly optimistic opinion of their capability to create value. In the context of emerging countries, Abraham and Pradhan (2004) state that the reasons underlying Indian serial acquirers conducting a serial of cross-border M&As are entering the international market, accessing technology, and obtaining human skills in order to obtain advantages from operational synergies to overcome constraints from limited domestic market growth and survive in a competitive business environment.

On the other hand, some other scholars find that multiple acquirers outperformed individual acquirers during the 1990s. Billett and Qian (2008) claim that hubris developed from previous M&As experience causes engagement in more frequent M&As transactions by overconfident managers. Croci and Petmezas (2009) suggest that managers become overconfident after a good performance. When serial acquirers engage in repetitive acquisitions, this may lead to strategy momentum that can last for a few years and create significant value for shareholders (Amburgey and Miner, 1992; Frick and Torres, 2002; Rovit and Lemire, 2003). The hubris hypothesis suggests that managers engage in numerous acquisitions with an over-optimistic view of their acquisition ability to improve post-acquisition performance (Roll, 1986).

Further, certain scholars consider asset augmentation, asset exploitation, and market seeking as the primary motivations for driving firms to engage in M&As in the domestic or international markets (Dunning, 2006; Yiu et al2007). Schipper and Thompson (1983) claim that firms frequently engage in serial M&As to execute their business strategy. Irrespective of the motivation driving firms engaging in M&As transactions, they can utilise this expansion strategy to obtain natural resources, human resources, knowledge, and more advanced technology to improve their capabilities and competitiveness. Also, several recent studies on multiple M&As find evidence for self-attribution bias as a source of overconfidence associated with serial M&As (Doukas and Petmezas, 2007; Billett and Qian, 2008).

2.4 Previous studies on completion or abandonment of single acquisitions

Luo (2005) indicates that M&A deals withdrawn during the negotiation process could result in tangible or intangible damage and monetary and time losses to acquiring and target firms. Moreover, if there is abandonment of M&A deals after a public announcement, it may cause dramatic future losses—for example, damage to firms' reputation and credibility, substantial penalty, or the exposure of corporate strategy (Officer, 2003; Luo, 2005). In this regard, cross-border M&A transactions have a significant impact on the acquirer that may result in more severe damage than

domestic acquirers. Initiating and completing cross-border transitions involve more complicated processes and a higher level of uncertainty because of cultural, institutional, legal, economic, and even language differences between home and host countries. Given the spread of cross-border M&A activities in the world market, prior studies proposed three dimensions—institutional-level, industry-level and firm-level determinants—affecting the likelihood of the completion or abandonment of acquisitions.

From the institutional perspective, previous research on M&As indicates that the outcomes of cross-border acquisitions attempts are significantly affected by the institutional environment. In particular, cross-border acquisitions, including multiple parties in different countries attract the attention of institutional stakeholders (North, 1990; He and Zhang, 2018; Peng, 2012). Peng et al. (2008: 922) claim that 'institutions govern societal transactions in the field of politics, laws and society'. Prior scholars argue that the political environment of countries is emphasised in political risk literature. Countries have different levels of political risk, which affects the stability of their markets (Simon, 1984).

In light of these motivations underlying M&As, some other researchers have also given attention to the completion and abandonment of single acquisitions. As previous scholars sought to uncover the effect of different factors on acquisitions' completion and abandonment, Dikova et al. (2010) evaluate how the formal and informal institutional environment impacts the likelihood of cross-border acquisitions completed or abandoned in developed countries. They found that differences in national formal and informal institutions explained part of the likelihood of completion or abandonment of announced cross-border deals. However, in more different institutional environments, this depends more on experience and drawing of inferences from completed transactions, while unnecessarily relying on knowledge and skills to handle local procedural complexities. Zhou et al. (2016) investigate the failure to complete inbound and outbound cross-border transactions in emerging countries. They argue that the differences between home and host country strongly influence the failure rate of cross-border deals. They find that country-level determinants such as legal,

regulatory, political, and trade environments strongly influence the abandonment of inbound deals but has a much weaker impact on outbound deals. Conversely, prior acquisition experience has a stronger effect on the completion of outbound acquisitions than on inbound transactions. Zhou et al. (2016) also find deal-level factors, such as cash payment method and stake sought impact on both inbound and outbound acquisitions.

Jacobsen (2014) studied chief executive officers (CEO) abandon M&As bids when the price becomes increasingly high and investigated the market response to the decisive revelation of CEO quality. Zhang et al. (2011) evaluate how institutional determinants impact the likelihood of how Chinese cross-border transactions are completed. They find that when the target country has poorer institutional quality, the target industry is sensitive to the country's security and the acquirers that are state-owned would significantly influence the abandonment or completion of acquisition by Chinese firms. They argue that Chinese acquirers completing cross-border acquisitions is a result of multi-level institutional event. Generally, previous studies pay attention mostly to institutional, international business, management, finance, institutional, human resources, and corporate governance in the context of developed countries or rather fast-growing emerging countries.

In addition, from deal and firm perspectives, Fuad and Gaur (2019) study that the effect of acquisition announcement and entry-timing within cross-border M&As wave on the outcome of deals in the pre-acquisition stage. They find that acquisition announcement within M&As wave as compared to outside of merger wave is negatively impact on the likelihood of acquisitions' completion. They also suggest that inverted U-shaped relationship between entry-timing and the acquisitions' completion within M&As wave. Ngo and Susnjara (2015) reinforced precious studies on domestic acquisitions in the US they document that hostility deals negatively effect on the likelihood of deal completion. Also this negative relationship would become stronger if the substantial information leakage about the acquisition. Furthermore, Amel-Zadeh and Meeks (2019) suggest that for the stock-financed M&As, the pro-forma earnings forecasts by acquirers during transactions are related to the higher likelihood of

acquisitions' completion, accelerated transaction closing, and with lower acquisition premium.

2.5 M&As and the institutional theory

Cross-border M&As have been a popular expansion strategy for firms and have become increasingly popular over the past few decades (Shimizu et al., 2004). Cross-border M&As are an implementation instrument for the global and diversification strategies of companies (Shimizu et al., 2004). A significant number of serial acquirers frequently engage in subsequent domestic or cross-border M&A transactions to execute their expansion strategy in the home or global markets. In Chapter 1, we showed that a high percentage of announced acquisitions were withdrawn before the completion of the M&A. Previous literature on M&As indicates that the dynamics of cross-border M&As are largely similar to domestic M&As. However, cross-border M&As face unique challenges, such as different economic conditions, customer preferences, business practices, regulatory environment, cultural structures, and institutional aspects (Shimizu et al., 2004; Hofstede, 1984; House et al., 2002). Therefore, the primary focus of Chapter 3 of this thesis emphasizes that the institutional environment plays a crucial role in multiple cross-border M&A deals that are withdrawn by serial acquirers.

Prior research argues that the study on the influence of institutional environments, which influences cross-border M&As, is still in its nascent stage (Peng et al., 2008). Based on the institutional theory, acquirers' activities and outcomes are substantially affected by the institutional environment that they are embedded in (He and Zhang, 2018; North, 1990). North (1990) and Scott (1995) indicate that the theoretical foundation of the institutional theory can be traced to both economics and sociology. According to North (1996: 344), 'Institutions are the humanly devised constraints that structure human interaction'. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behaviour, conventions, self-imposed

codes of conduct), and their enforcement characteristics. Taken together, they define the incentive structure of societies and specifically economies. Scott (1995: 33) defines institutions as 'cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour'. North (1990) and Scott (1995) agree that both formal institutions (regulations and laws) and informal institutions (codes of conduct and norms) structure the political, social, and economic relationships in a society or country. In this sense, institutions govern transactions in society (ethical norms and attitudes toward entrepreneurship), politics (corruption and transparency), and law (economic liberalisation and regulatory regime) (Peng et al., 2008).

Dikova et al. (2008) argue that rules and procedures exist not to constrain economic activity but to simplify the process of 'deciphering the environment' and enable the conduct of value-enhancing transactions which would otherwise not take place. While institutions are nation-specific, the rules of the game reduce the uncertainty of economic activity in different countries. Therefore, firms conducting cross-border M&As encounter environmental complexity, which cannot be fully deciphered by merely relying on local knowledge and skills (Dikova et al., 2008). Therefore, the degree of institutional environment complexity in a specific type of increasing economic exchange makes it more difficult for acquirers to complete cross-border acquisitions. In addition, for serial acquirers acquiring target firms in different countries, there is more pressure to comply with the various rule and laws of different host countries, some of which are difficult to understand for foreign acquirers. This may lead to abandonment of deals. Because, rules governing the business and institutional environments vary across nations (Zhang et al., 2011).

However, other previous studies suggest that in a developed institutional environment, the uncertainty of socio-economic activities in countries is low; as such institutions can create order and reduce the uncertainty of promoting economic exchanges and cooperation (Williamson, 1985; North, 1990). Meon and Sekkat (2008) claimed that in a well-developed institutional environment, countries are better able to promote international business. Moreover, better quality of governance with a stable political

regime could better control corruption, which is positively related to enabling international transactions (Slangen and Tulder, 2009). A better developed institutional environment provides clear rules of investing in the international market, which reduce costs and saves time for acquirers to understand general procedures, laws and regulations, antitrust regulations, corporate governance, securities laws, and disclosure obligations (Zhang et al., 2011). A better institutional environment provides strong legal enforceability to protect the acquirers' interests and reduce costs entailed by asymmetric information (Zhang et al., 2011).

Taken together, in Chapter 3, we argue that a critical characteristic of serial acquirers to complete their subsequent acquisitions lies in the formal institutional environment of the host country. Therefore, the current research examines an important question in research on cross-border M&As: How does the institutional environment in host countries influence the abandonment or completion of multiple cross-border acquisitions by serial acquirers? How does the institutional environment in host countries in terms of the industrial and firm-level factors influence the abandonment or completion of multiple cross-border acquisitions?

2.6 M&As and the organizational learning theory

Lant (2000) and Huber (1991) claim that organisational learning is a dynamic process that organises inferences to encode past experiences to build knowledge and practices in order to guide future behaviour. Barkema and Schijven (2008) defined organisational learning as the transfer of acquirers past experiences with acquisitions from one event to another in terms of M&As. It indicates that acquirers learn from cumulative transactions experiences and, hence, develop routines to conduct subsequent acquisitions. Argyris and Schon (1978) indicate organisational learning as diagnosing and correcting organisational errors. Moreover, Fiol and Lyles (1985) provided a more precise definition of 'learning' as improving actions by drawing on better knowledge and deepening understanding. Dodgson (1993: 375) describes organizational learning as 'a way for firms to build knowledge systems, complement

knowledge and skills and organise routines around their activities and corporate culture which is a way to develop organisational effectiveness by making extensive use of the skills mastered by employees'.

Previous studies show that routines arising from past M&A experiences lead to an increase in the number of transactions that serial acquirers engage in (Chao, 2014; Collins et al., 2009; Halebilian et al., 2006). Hayward (2002) argued that the learning curve effects from past M&A experiences do not necessarily occur. Other scholars propose that learning curve results in the operational setting are considered to be the source of superior performance (Dutton et al., 1994; Chao, 2018). In the context of strategic levels, M&A transactions are far more complex than business activities at the operating level (Chao, 2018). In order to resolve the cultural ambiguity related to how acquirers can learn from past experience with acquisitions, researchers have moved beyond organizational learning influences which were mainly measured by the amount of acquisitions experience (Dikova et al., 2010). Moreover, they also examined the frequency of the acquisition pattern (Laamanen and Keil, 2008), the proportion of related acquisition experience (Chao, 2014), and the acquisition experience background of the acquirer's performance (Hayward, 2002) to resolve the learning ambiguity regarding how acquirers can learn from past acquisitions experience. Advancing the literature, in Chapter 4, we assume that the outcomes of multiple acquisitions in the pre-completion stage is the function of (1) the acquisition rate, (2) the time interval between deals, (3) the institutional environment of the home country, (4) the firm's past completed and withdrawn acquisitions experience, (5) acquisition program relatedness.

CHAPTER 3

A study on the completion or abandonment of cross-border mergers and acquisitions by serial acquirers: institutional perspectives and evidence

3.1 Introduction

M&As have gained popularity in recent decades. In particular, in recent years, cross-border M&A activity has become popular (please see table 3.1 for the overall value and volume of worldwide cross-border M&A activities for 11 years). Firms consider that cross-border M&As provide great opportunities to access the global market. Firms spend a large number of resources and time to prepare and implement M&A transactions. However, a significant number of cross-border M&A transactions cannot completed and abandoned in the pre-acquisition stage. Table 3.1 shows that from 2006 to 2016, the total value of withdrawn deals was US$5.2 trillion, thereby accounting for 14% (ranging from 7%–19% each year) of the total value of M&As worldwide. The total value of multiple cross-border withdrawn deals between 2006 and 2016 is US$835.5 billion, thereby accounting for 38% of the total value of cross-border withdrawn deals. The withdrawal of an announced M&A deal could be very expensive and increases the financial burden to both acquiring and target firms. For example, between 2006 and 2016, 364 acquirers paid US$22 billion in termination fees, and 214 target firms paid US$19 billion in termination fees to cancel announced deals (Thomson Financial Merger & Acquisition database, 2018).

Table 3.1 presents announced, completed, and withdrawn acquisitions in the global market between 2006 and 2016. The number of withdrawn M&A deals worldwide accounts for 3.8% of the number of worldwide completed deals, but the value of withdrawn M&As accounts for 22% of the total value of completed deals between 2006 and 2016. Apart from the number and value of withdrawn M&A deals accounting for a large proportion in the global M&A market, we also find that the average size of a withdrawn deal is much larger than the completed average deal size. Between 2006 and 2016, the average size of a withdrawn deal was US$0.46 billion, while the average completed deal size was US$0.08 billion, thereby making the average size of an abandoned deal almost six times larger than the average size of a completed deal. The above figure suggests that most of the large announced M&A deals were abandoned. Moreover, a comparison of domestic and cross-border deals that were withdrawn reveals that the average deal size of cross-border withdrawn deals is US$0.64 billion, while that of domestic withdrawn deals is U$0.38 billion.

Table 3.1 The volume of completed and withdrawn deals worldwide, trending between 2006 and 2016. (values in US$ billion)

Year	Number of announced worldwide deals	Worldwide value in billion USD	Number of announced cross-border deals (%)	Cross-border value in billion USD (%)	Number of announced domestic deals (%)	Value of domestic deals in billion USD (%)	Number of announced deals that were withdrawn (%)	Value of withdrawn deals in billion USD (%)	Number of announced domestic deals that were withdrawn (%)	Value of domestic transactions in billion USD (%)	Number of announced cross-border deals that were withdrawn (%)	Value of cross-border transactions in USD
2006	41405	4031	12797 (31)	1442 (36)	28608 (69)	2589 (64)	929 (2)	605 (15)	620 (67)	323 (53)	309 (33)	282 (47)
2007	47455	4920	15287 (32)	2275 (46)	32168 (68)	2645 (54)	1197 (3)	911 (19)	822 (69)	434 (48)	375 (31)	478 (52)
2008	45173	3078	13808 (31)	1269 (41)	31365 (69)	1809 (59)	1551 (3)	480 (16)	1089 (70)	251 (52)	462 (30)	229 (48)
2009	40710	2192	10336 (25)	650 (30)	30374 (75)	1542 (70)	1261 (3)	342 (16)	860 (68)	207 (60)	401 (32)	136 (40)
2010	43197	2719	12580 (29)	1092 (40)	30617 (71)	1627 (60)	1120 (3)	332 (12)	749 (67)	143 (43)	371 (33)	188 (57)
2011	42578	2638	12709 (30)	941 (36)	29869 (70)	1697 (64)	972 (2)	296 (11)	631 (65)	198 (67)	341 (35)	98 (33)
2012	40354	2516	11871 (29)	977 (39)	28483 (71)	1540 (61)	942 (2)	197 (8)	650 (69)	110 (56)	292 (31)	88 (44)
2013	38641	2522	10616 (27)	783 (31)	28025 (73)	1739 (69)	760 (2)	297 (12)	546 (72)	208 (70)	214 (28)	90 (30)
2014	42939	3951	12155 (28)	1466 (37)	30784 (72)	2485 (63)	959 (2)	758 (19)	709 (74)	477 (63)	250 (26)	281 (37)
2015	47138	4756	13191 (28)	1731 (36)	33947 (72)	3025 (64)	1069 (2)	752 (16)	780 (73)	473 (63)	289 (27)	280 (37)
2016	48972	3642	13940 (28)	1403 (39)	35032 (72)	2238 (61)	614 (1)	256 (7)	440 (72)	195 (76)	174 (28)	62 (24)
Total	478562	36965	139290 (29)	14028 (38)	339272 (71)	22936 (62)	11374 (2)	5227 (14)	7896 (69)	3018 (58)	3478 (31)	2209 (42)

Source: Author's own calculation based on KPMG (2017) and Imma (2017)

The rise in the value of cross-border M&A transactions is mainly based on the growing strength of the stock markets and continued increase in the asset value of firms. The higher stock prices, increasing purchase power of acquirers, and the desire of acquirers to capture a growing market share in international competition have resulted in a further increase in the number of mega-transactions (a mega-transaction is an announced cross-border acquisition worth over US$1 billion). Table 3.1 provides details of both domestic and cross-border announced, announced acquisitions, and announced withdrawn deals in both numbers and values in US dollars. In addition, Table 3.2 shows that 286 mega-transactions were abandoned, valuing two trillion US dollars and accounting for 14% of the total value of announced cross-border M&A deals between 2006 and 2016. In 2006 alone, 37 mega cross-border M&As were abandoned, with a value of US$262 billion accounted for 18% of the total value of announced cross-border M&A deals.

The data presented in Tables 3.1 and 3.2 clearly shows the need for studying the pre-acquisition stage of M&As, because a great number of deals did not go through in the pre-completion stage. However, most of the extant literature has mostly focused on post-acquisition performance, and the pre-acquisition stage is under-researched. Prior researchers argue that M&A abandonment is not entirely understood and this phenomenon deserves more scrutiny. Dikova et al. (2010) state that although investigating post-acquisition performance is certainly useful, more attention must be given to pre-acquisition activities. The above figures clearly show that it is interesting to investigate why such a large number of mega-transaction M&As are abandoned each year and what factors affect such withdrawal in cross-border border acquisitions?

Table 3.2 Withdrawn cross-border M&As over USD one billion between 2006 and 2016

Year	Number of withdrawn mega deals	Percentage of the total number of withdrawn cross-border deals %	Value of mega deals (USD billion)	Percentage of the total value of withdrawn cross-border deals %
2006	37	13	262	13
2007	36	13	452	23
2008	36	13	197	10
2009	25	9	113	6
2010	32	11	170	9
2011	20	7	78	4
2012	22	8	67	3
2013	14	5	75	4
2014	19	7	263	13
2015	30	10	261	13
2016	15	5	51	3
Total	286	100	1990	100

Source: Author's own calculation based on Thomson Financial Merger & Acquisition database M&A database (2017)

3.1.1 Motivation

The outcome of announced M&As (i.e. successful completion or abandonment) is crucial to the business and may impact both acquirers and target firms for a number of years. It is important for acquirers to know what determinants may affect the successful completion of M&A deals at the pre-acquisition stage. Prior scholars have investigated different factors which could impact the outcome of acquisitions, that is, the completion or abandonment of cross-border acquisitions. The empirical findings suggest that specific determinants, such as competing bids, methods of payment, firms' financial distress, deal relatedness, industry life cycle, past experience, acquisition premiums, target firm size, overconfidence manager and ownership structures determine the outcome of cross-border M&As transactions (Zhang, Zhou

and Ebbers, 2011; Croci and Petmezas, 2009; Zhang and Ebbers, 2010; Aguilera and Dencker, 2008; Malmendier and Tate, 2008; Laamanen and Keil, 2008; Fidrmuc, 2013; Hayward, 2002; Jacobsen, 2014; Hietala et al., 2012; Aguilera and Dencker, 2008). Generally, existing studies draw insights mostly on the completion or abandonment of single cross-border acquisitions from financial, organizational behaviour, or corporate governance perspectives (Dikova et al., 2010; Zhang et al., 2014; Zhou et al., 2016; Jacobsen; 2014; Wong and O'Sullivan 2011; Hitt and Harrison, 1998).

This study adopts a similar approach as that used in previous studies on the withdrawal of single acquisition (Dikova et al., 2010; Zhang et al., 2014) to study the withdrawal of multiple cross-border acquisitions by drawing insights from institutional perspective. The study focuses on the withdrawal of multiple cross-border M&As for three reasons, which are described below.

First, we have shown earlier that a large percentage of cross-border M&As are frequently abandoned in the pre-acquisition stage. Thomson Financial Merger & Acquisition database reported that only 68.7% of worldwide M&A deals announced between January 1982 and March 2009 were completed (Thomson Financial Merger & Acquisition database, 2009). Table 3.1 presents 3,478 cross-border deals withdrawn, which accounted for 31% of abandoned worldwide acquisitions between 2006 and 2016. The total value of withdrawn cross-border deals is US$2.2 trillion, which account for 42% of the total value of withdrawn deals worldwide and 16% of the total value of announced cross-border acquisitions between 2006 and 2016. Thus, globalisation and the undesired outcome of M&As transactions has stimulated several studies to examine different determinants of the completion or abandonment of cross-border M&As in developed and emerging countries. In order to improve the understanding of the current international investment market, it is very important to explain and evaluate the potential reasons or factors which may bring about an unsatisfactory outcome of cross-border acquisitions (He and Zhang, 2018).

Second, cross-border M&As are becoming a new strategy—that is, an essential component of FDI—for firms and have become increasingly popular in both developed and emerging markets (Xu, 2017). Cross-border M&As are an effective means to build a strong and dominant position in the global market and involve the partial or whole acquisition or the merging of capital, liabilities of existing firms, and assets in a target country by firms of the acquiring country (Whitaker, 2006). However, cross-border acquisitions are often more complex and more extensive than domestic transactions, which implies that they have a higher degree of information opacity, higher organisational and legal costs, and are often opposed by national authorities (Serdar, Dinc, and Erel, 2013). Further, cross-border M&A transactions are a typical type of risky event with potentially significant consequences for the decision-makers of both the acquiring or target firms, which involves high levels of complexity and uncertainty because of the differences in the institutional, economic, and cultural characteristics between home and host countries (Hofstede, 1983; Shimizu, Hitt, Vaidyanath, and Pisano, 2004). On the other hand, we find that the average size of withdrawn cross-border deals is much larger than the average size of a withdrawn domestic deal. We find that the average volume of withdrawn cross-border deals is US$0.64 billion, while the average size of a domestic withdrawn deal is US$0.38 billion, which is almost twice as large as the average size of a withdrawn domestic deal.

Third, previous studies on M&As mostly investigated post-acquisition financial performance or the completion or abandonment of a single acquisition in the pre-acquisition stage (Dikova et al., 2010; Zhang et al., 2011). Although studying the outcomes of single acquisitions in the pre-acquisition stage is certainly significant, we argue that compared to the single acquirer, serial acquirers face more serious reputational damage by abandoning multiple acquisitions and undertaking heavier financial burden. Hence, the analysis of the withdrawal of multiple cross-border deals could enable an understanding of a company's outcome or performance subsequent to the next acquisition activity better than only a study on single acquisition activities. The motivations underlying cross-border M&As activities have attracted a significant number of empirical researches, which have paid attention to identify the reasons why so many managers engage in undertaking multiple M&As deals (Schipper and Thompson, 1983; Frick and Torres, 2002; Rovit and Lemire, 2003; Amburgey and

Miner, 1992; Doukas and Petmezas, 2007; Billett and Qian, 2008; Croci and Petmezas, 2009). Their findings show that self-attribution bias, hubris of managers, and managerial overconfidence are the main reasons for multiple M&As. Further, the hubris hypothesis suggests that managers engage in numerous acquisitions with an over-optimistic view of their acquisition ability to improve post-acquisition performance (Roll, 1986). However, an announced cross-border M&A deal abandoned in the pre-acquisition stage could prove very expensive and increase the financial burden to both acquirers and target firms. We find that 355 acquirers have paid US$1.3 billion in termination fees and 214 target firms have paid US$1.85 billion in termination fees to cancel announced deals between 2006 and 2016 (Thomson Financial Merger & Acquisition database, 2018). In Table 3.3 and Figure 3.1, we present numbers related to the withdrawals worldwide, cross-border, and multiple cross-border deals from 2006 to 2016. Table 3.3 and Figure 3.1 presents the number and value of multiple cross-border deals withdrawn. Abandoned M&As account for a large proportion of worldwide cross-border acquisitions. The total value of multiple cross-border withdrawn deals between 2006 and 2016 is US$835.48 billion, which accounted for 38% of the total value of cross-border withdrawn deals; the total number of withdrawn multiple cross-border deals accounted for 43%. Table 3.4 presents that 355 serial acquirers abandoned 4.2 deals, on average, worth US$2.4 billion each; single acquirers abandoned an average of 1,994 deals worth US$0.7 billion each. In particular, in 2006, 18 serial acquirers abandoned 161 multiple acquisitions with a total transaction value of US$168 billion, and the average abandoned deal size was US$9.3 billion (depicted in Table 3.4). The table clearly shows that the average value of acquisitions made by serial acquirers is almost four times larger than the value of acquisitions by single acquirers. Hence, this study will be beneficial for serial acquirers. Taken together, this chapter examines the following research question: why are a significant number of multiple cross-border M&A deals abandoned by serial acquirers? The findings of this study provide an understanding of why a large number of multiple M&A acquisitions are abandoned by serial acquirers from an institutional perspective. The findings of our study could also help in avoiding abandonment of multiple acquisitions, thereby resulting in saving costs and time and energy spent on unsuccessful repetitive acquisitions.

Table 3.3 Number, value, and average deal size of withdrawn worldwide, cross-border, and multiple cross-border acquisition deals between 2006 and 2016

Year	Number of withdrawn deals worldwide	Value of withdrawn deals worldwide in billion USD	Average size of withdrawn deals worldwide in billion USD	Number of withdrawn cross-border deals	Value of withdrawn cross-border deals in billion USD	Average size of withdrawn cross-border deals in billion USD	Number of withdrawn multiple cross-border acquisitions	Value of withdrawn multiple cross-border deals in billion USD	Average size of withdrawn multiple cross-border deals in billion USD
2006	929	605	0.7	309	282	0.9	161	168	1.1
2007	1197	911	0.8	375	478	1.3	193	118	0.6
2008	1551	480	0.3	462	229	0.5	190	121	0.6
2009	1261	342	0.3	401	136	0.3	208	72	0.4
2010	1120	332	0.3	371	188	0.5	181	33	0.2
2011	972	296	0.3	341	98	0.3	108	30	0.3
2012	942	197	0.2	292	88	0.3	93	14	0.2
2013	760	297	0.4	214	90	0.4	118	38	0.3
2014	959	758	0.8	250	281	1.1	78	181	2.3
2015	1069	752	0.7	289	280	1.0	82	33	0.4
2016	614	256	0.4	174	62	0.4	72	27	0.4
Total	11374	5227	0.5	3478	2209	0.6	1484	835	0.6

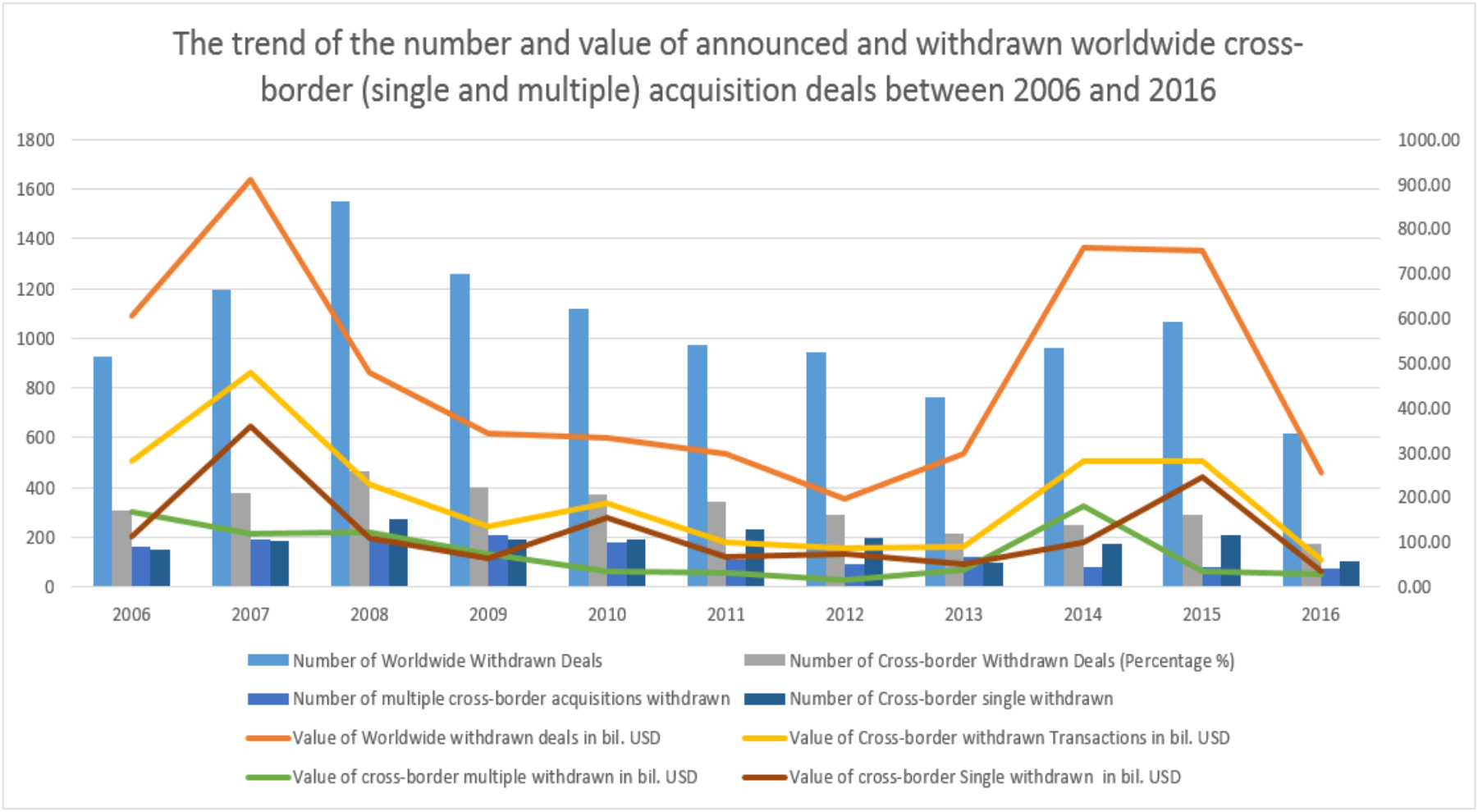
Source: Author's own calculation based on Thomson Financial Merger & Acquisition database (2018) and UNCTAD (2017)

Table 3.4 Number of worldwide, multiple cross-border, and single deals, values of withdrawn deals, and average deal size by serial and single acquirers between 2006 and 2016

Year	Number of serial acquirers	Number of withdrawn multiple cross-border acquisitions	Value of withdrawn multiple cross-border acquisitions in billion USD	The average deal size done by serial acquirers	Number of single acquirers	Number of withdrawn cross-border single acquisitions	Value of withdrawn single cross-border acquisitions in billion USD	Average deal size of a single acquirer
2006	18	161	168	9.3	148	148	113	0.8
2007	29	193	118	4.1	182	182	360	2.0
2008	33	190	121	3.7	272	272	108	0.4
2009	38	208	72	1.9	193	193	64	0.3
2010	42	181	33	0.8	190	190	155	0.8
2011	41	108	30	0.7	233	233	68	0.3
2012	38	93	14	0.4	199	199	73	0.4
2013	22	118	38	1.7	96	96	51	0.5
2014	33	78	181	5.5	172	172	100	0.6
2015	36	82	33	0.9	207	207	247	1.2
2016	25	72	27	1.1	102	102	35	0.3
Total	355	1484	835	2.4	1994	1994	1374	0.7

Source: Author's own calculation based on Thomson Financial Merger & Acquisition database M&A database (2017) and Imma (2017)

Figure 3.1 An overview of the number and value of announced and withdrawn worldwide, single and multiple cross-border acquisition deals abandoned between 2006 and 2016



Source: Thomson Financial Merger & Acquisition database M&A database (2017) and Imma (2017)

3.1.2 Research Gaps and Contributions

Despite widely researched topics, the literature is mostly dominated by post-acquisition studies, and there are only a limited number of studies on the pre-acquisition stage. This study considers the pre-acquisition stage and extends the M&A literature in several ways. First, we have shown earlier that large numbers of announced M&A deals do not go through and are abandoned in the pre-completion stage. A significant number of serial acquirers frequently engage in subsequent cross-border M&A transactions in the global M&As market, while Table 3.1 shows that there is still a high percentage of withdrawn acquisitions from serial acquirers. Rosenkranz, Weitzel (2005), and Luo (2005) stated that termination costs could be as high as over 6% of the transaction value. Officer (2003) also finds that the mean termination fee is 5.87% of the equity being acquired or merged. This kind of financial losses could give much more economic pressures to serial acquirers. However, previous studies mainly focused on investigating the completion or withdrawal of single cross-border acquisitions.

Second, our study examines multiple cross-border M&A deals withdrawn in different contexts, using a broader sample setting and considering all withdrawn acquisitions in the period from 2006 to 2016 in the global M&A market. Our study is based on the institutional theory and utilizes 7,751 completed and withdrawn cross-border M&A deals made by serial acquirers over long periods (1 January 2006 to 31 December 2016) in the global M&A market. Prior studies have mostly concentrated on research in developed countries (Conn, 2004) or in rapidly growing emerging countries (Zhou, Xie, and Wang, 2016; Reddy, Xie, and Huang, 2016; Zhou et al., 2011) or certain industries (Dikova et al., 2011). For example, Zhang et al. (2011) have examined how institutional factors influence the likelihood that Chinese cross-border acquisition deals are completed or withdrawn. On the other hand, Dikova et al. 2010 only investigated the business service industry, and Muehlfeld et al. (2012) examined the global newspaper industry that has specific features which may limit the results of their research. However, the bias of their results may also be caused by the nature of their sample set which originated from emerging countries, developed countries, or a specific industry. Dikova et al. (2010) claim that the greater variation or complexity in

acquisition firm's institutional environment may change the results of the research. Given these specific focuses, a broader perspective is necessary. Therefore, to remedy these gaps, the context and empirical setting of our study are both related to serial acquirers acquiring foreign target firms located in both developed and developing economies. We use a similar logic applied to earlier studies—cross-border M&A acquisitions made by serial acquirers across all sectors in the global M&A market. The sample set of our study is more heterogeneous, and our findings are more generalizable. This study will provide comprehensive evidence on why announced mega M&As deals are withdrawn by serial acquirers and make a significant contribution to the literature, as the withdrawal of multiple cross-border acquisitions is a less understood and severely under-researched area in M&A literature.

Third, most previous researches have focused on finance, management, and international business perspectives to investigate the reasons why M&A deals are abandoned. For example, previous studies suggest that institutional quality, the distance of acquiring and target companies, natural resources, high technology industries, managerial ownership of target or acquirer, past acquisitions experience, sought percentage, the acquirer and target firm's size, deal structure, termination fees, and the level of bid premiums offered in takeovers determines the outcome of an acquisition—that is, completion or withdrawal of announced deals (Dikova et al., 2010; Zhang et al., 2011; Henry, 2002, 2004; Luo, 2005; Officer, 2003;). However, the effect of the institutional environment on the withdrawal of multiple cross-border acquisitions is less understood. The erratic nature of government officials and ruling political party intervention have a detrimental influence on the success of cross-border acquisitions. In addition, higher bid value, mode of payment, stock market listing of the target firm, and level of government control in the target industry also impact the outcome in the pre-completion stage (Reddy et al., 2016). Prior research also indicates that the special risks and challenges for cross-border M&As deals are differences in government regulations, liability of foreignness, and double-layered acculturation in different countries. Different institutional environments could make it difficult for acquirers to get into a new market and obstruct them from completing cross-border M&A deals (Shizumi et al., 2004; Zaheer, 1995; Barkema et al., 1996). Therefore, we

extend Zhang et al.'s (2011) seven International Country Risk Guide (ICRG)[1] political risk measurements of institutional quality to twelve components—government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, the prevalence of corruption, bureaucratic quality, internal conflict, external conflict, military in politics, religious tensions, and ethnic tensions—to create a single measure of institutional environment. Based on the institutional theory, we investigate the influence of country-level risks of the institutional environment on multiple cross-border acquisitions withdrawn by serial acquirers in the global M&A market. Moreover, following the literature, the study also considers the effect of industry-level factors such as sensitive industries, deal-level factors such as acquisition duration, and the number of bidders on the likelihood of withdrawal of cross-border acquisitions.

The institutional theory is a widely adopted theoretical lens in international business research and defines institutions in the following manner: "institutions are the humanly devised constraints that structure political, economic, and social interaction" (North, 1990: 97). North (1990) and Peng (2003) state that firms' activities and results are seriously affected by embedded institutional environments. In particular, cross-border M&A activities that include multiple parties attract the attention of institutional stakeholders (He and Zhang, 2018). Dikova et al. (2010) indicate that successful completion of such acquisitions not only depend on their acquisition management abilities or organisational behaviour learning but are also affected by the governance structure of the broader institutional environment. Prior studies consider that the institutional theory is critical in solving the puzzle of international M&A activities (Dikova et al., 2010; He and Zhang, 2018). Extant studies have shown that the institutional differences between the partners' home nations are the most likely cause of the withdrawal of announced deals. For example, due to the international nature of cross-border M&A activities, investors face unique challenges related to differences between the acquiring and target countries in terms of economic, regulatory, cultural,

[1] The ICRG rating comprises 22 variables in three subcategories of risk: political, financial, and economic. The Political Risk index is based on 100 points, Financial Risk on 50 points, and Economic Risk on 50 points. The total points from the three indices are divided by two to produce the weights for inclusion in the composite country risk score. The composite scores, ranging from 0 to 100, are then divided into categories from Very Low Risk (80–100 points) to Very High Risk (0–49.9 points).

and institutional environments (House et al., 2002). This research emphasises the influence of the more general institutional environment of host countries on withdrawn cross-border acquisitions by serial acquirers, while extant studies only concentrate on the effect of institutional quality or institutional differences on single acquisitions and in specific sectors.

The remainder of this chapter is organised in the following manner: The next section introduces the background of multiple M&As activities and empirical evidence of previous research. Thereafter, several hypotheses based on the institutional theory and industry-based view are developed. Then, the methodology, data, and samples used in the thesis are described. The results and their implications are discussed and the chapter is concluded thereafter.

3.2 Literature review

Extant research focuses on studying completed M&As and investigates the post-acquisition short-term stock market reactions or long-term financial performance of such deals (Porth, 1992; Ramaswamy, 1997). For example, very few studies reveal significant positive gains to acquiring firms (Markides and Ittner, 1994; Morck and Yeung, 1991), while others report non-significant or negative gains to the acquirers (Conn et al., 2005; Datta and Puia, 1995; Dewenter, 1995; Eun et al., 1996; Moeller and Schlingemann, 2005). Studying post-acquisition performance is useful and helpful. However, the investigation is also necessary to answer the question of why a large number of firms withdraw announced M&As at different stages before completion of the deals. Hotchkiss et al. (2005) indicate that there are numerous reasons for the withdrawal of single acquisitions. A large number of these are external factors, such as adverse rulings by the court or regulatory agencies. Malmendier and Tate (2008) argue that the existence of over-confident managers results in the failure of M&As deals. Overconfident CEOs overpay for target firms and undertake value-destroying mergers. The behaviour of the overconfident CEO may lead to a large number of withdrawn acquisitions. Croci and Petmezas (2009) argue that after failed acquisitions, managers are not sufficiently humbled and do not make sufficient effort for learning from previous mistakes; hence, they continue to initiate bad deals. If a cross-border M&As transaction terminates for certain external reasons, it will cause the acquirer loss of time, money, and other opportunities.

Dikova et al., (2010) investigated 2,389 investigated cross-border acquisition samples in the international business service industry from 1981 to 2001 to show how formal and informal institutional features influence the likelihood that a cross-border acquisition deal will be completed or withdrawn. They documented that the differences in national formal and informal institutions play a part in determining whether or not an announced cross-border acquisition deal will be completed. Zhang et al. (2011) argue that if the host nation has worse institutional quality, the target industry is sensitive to national security and when the acquiring firms are state-owned, there is a lower likelihood of completion of cross-border acquisitions. Further, He and Zhang (2918) find that the institutional image of the home country has a negative influence on the

likelihood of completion of cross-border acquisitions. Cross-border acquisitions are more likely to be completed with inward international acquisitions experience, the acquisition of subsidiaries, and in an institutionally similar environment (He and Zhang, 2018). Lim and Lee (2017) indicate that cross-border acquisitions are less likely to be completed when acquirers are from more developed countries than when they are from less developed countries. The higher the level of economic development of the acquiring firms' country related to that of the target, the lower is the likelihood of cross-border acquisitions to be completed.

Existing studies focused on deal-level factors such as the advisor and acquirer's experience, ownership of target firms, and percentage sought; these studies report that these factors significantly affect the likelihood of completion or abandonment of announced cross-border M&As (Muehlfeld and Sahib, 2007; Zhang et al., 2011; Dikova et al., 2010). Zhang et al. (2011) found that it is easier to complete an acquisition with a firm that has an international advisor than with those without one. Moreover, prior divestitures of past experiences increase the likelihood of completion in subsequent acquisitions (Doan et al., 2018). Dikova et al. (2010) also evaluated how experience with completed acquisition deals moderate the effects of institutional differences. They documented that experience with completed cross-border acquisition deals increases the likelihood of a subsequent deal completion in institutionally closer environments but shortens the deal duration in institutionally distant environments. Previous studies also find that the higher the percentage of investment sought, the greater the interests for the acquirer and the target company's shareholders, which may influence approval procedures (Zhang et al., 2011; Dikova et al., 2010). With regard to the ownership of target firms, Zhang et al. (2011) found that cross-border acquisitions of state-owned enterprises are less likely to be completed than others, and acquisitions of private enterprises are more likely to be completed than other types of targets.

In addition, recently, a few studies examined the post-acquisition performance of multiple acquisitions. For example, these studies showed that the cumulative abnormal return (CAR) of serial acquirers is declining with every deal (Fuller et al.,

2002; Conn et al., 2004; Croci, 2005; Ahern, 2008; Ismail, 2008) and CEO levels (Billett and Qian, 2008; Aktas et al., 2009). In most existing studies, the declining trend in CAR was explained as evidence of the CEO's gradually growing hubris across the deal sequence (Ahern, 2008). Rahahleh and Wei (2012) claim that serial acquirers in emerging markets, on average, experience a declining pattern in returns with subsequent deals, but the pattern is not strong. However, other studies have found significant positive CAR of the post-acquisition performance. Song and Walking (2004) report that the prices of subsequent bidders adjust proportionately to returns of the initial bidder at the time of the initial acquisition announcement, the effect of which is pervasive across all rivals of initial bidders; moreover, there is some evidence that the market adjusts the contemporaneous returns of subsequent bidders at a higher rate than that for non-bidding rivals. The extant studies by Li (2005), Firth (1980), Dodd (1980), and Holl and Kyriazis (1997) found a robust declining trend in cumulative abnormal returns, which decrease from -0.045% to -1.96%. Other studies found that the first or single M&A obtains the highest returns. However, two or more acquisitions created fewer returns (Fuller et al., 2002; Billett and Qian, 2008). From a long-term perspective, certain scholars provide the prevalent view of the negative relationship between frequent acquisitions and the performance of acquirers in the long term (Bertrand and Betschinger, 2012), while Capron (1999) found a positive relationship in this regard.

In sum, we find that most studies focused on single M&As and investigated their post-acquisition performance (Markides and Ittner, 1994; Morck and Yeung, 1991; Conn, Cosh et al., 2005; Datta and Puia, 1995; Dewenter, 1995; Eun et al., 1996; Moeller and Schlingemann, 2005). A few other studies only pay attention to how a frequent acquisition strategy affects a firm's performance (Conn et al., 2004; Fowler and Schmidt, 1989; Bertrand and Betschinger, 2012; Capron, 1999). Moreover, previous studies have explained why numerous cross-border acquisitions could not be completed based on a single market—such as the US, UK, or China—as well as why acquirers make subsequent acquisitions (Croci and Petmezas, 2009; Gervais and Odean, 2001; Roll, 1986; Malmendier and Tate, 2008). However, these studies do not investigate why an serial acquirer that makes multiple acquisitions continuously withdraws. Every subsequent M&A is a process of putting into practice the

accumulated experience of previous acquisitions. However, managers must also consider the different factors that may impact the withdrawal of multiple acquisitions.

3.2.1 Theoretical Background and Hypotheses

Previous researches have provided different theories on cross-border M&As. From economic and financial perspectives, previous studies discussed transaction cost economics (TCE), the ownership location internalisation (OLI) framework, and capitalisation hypothesis as dominant theoretical foundations of cross-border acquisitions research (Shimizu et al., 2004; Dunning, 1993; Schipper and Thompson, 1983; Williamson, 1975). Further, extant literature on cross-border acquisitions has explored the value of global expansion and international acquisitions from the resource-based perspective (RBV), organizational learning perspectives, managerial hubris hypothesis, agency theory, and the diminishing returns theory (Barkema and Vermeulen, 1998; Madhok, 1997; Vermeulen and Barkema, 2001; Laamanen and Keil, 2008; Fuller et al., 2002; Conn et al., 2004; Billett and Qian, 2008; Doukas and Petmezas, 2007; Klasa and Stegemoller, 2007). More recently, a few researches applied the institutional theory to explore the likelihood of completion or withdrawal of announced single cross-border M&As (Dikova et al., 2010; Zhang et al., 2014; Muehlfeld et al., 2007). Leung et al. (2005) and Redding (2005) proposed that international business research must pay more attention to the context of institutions.

In addition, prior studies also argue that more perspectives from the institutional theory are important to deal with the puzzle of cross-border acquisitions (Dikova et al., 2010; Zhang et al., 2011; He and Zhang, 2018). Dikova et al. (2010) argue that in complicated and comprehensive economic exchange—for example, cross-border M&A activities—the influence of institutional characteristics need to be considered. A significant number of prior theoretical and empirical studies are based on the institutional view, which is built on the foundations of the institutional theory (Peng, 2002; Peng et al., 2008; Zhang et al., 2011; Dikova et al., 2010). Prior scholars indicate

that the activities and outcomes of firms are significantly affected by the institutional environment, particularly cross-border acquisitions including multiple parties in different countries, and attract the attention of institutional stakeholders or academy research (North, 1990; He and Zhang, 2018; Peng, 2003). Following prior studies and based on North's (1990) institutional theory, this thesis attempts to evaluate and examine the influence of macro- and micro-level contingencies which are likely to impact the completion of cross-border acquisitions. Based on the theoretical discussion and literature discussed above, several hypotheses are developed and discussed in the following section.

3.4.2 The institutional environment

Peng et al. (2008) argue that research on the influence of institutional environments on cross-border M&A is still in its nascent stages. DiMaggio and Powell (1983) indicate that institutional theory focuses on the impact of the external institutional environment on the organization and attempts to explain the high homogeneity of organizational forms, practices, and behaviours of different companies. However, Keegan and Green (2011) state that every country has its own different corporate law statutes, stock exchange rules, and securities laws. Therefore, when two countries differ significantly in terms of political, legal, and regulatory environments, deals involving international M&As may encounter complexities that cannot be fully interpreted and comprehended on account of their fundamental skills and knowledge (Dikova et al., 2010). With the consensus that institutions are of significance, the institutional theory is a widely adopted theoretical lens in numerous different research areas, such as international business, management, economics, political science, sociology, social science, and entrepreneurship research. (Tao, 2017; Deng and Zhang, 2018). North (1993: 97) provides the following definition of an institution: 'Institutions are the humanly devised constraints that structure human interaction. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behaviour, conventions, self-imposed codes of conduct), and their enforcement characteristics'. Taken together, they define the incentive structure of societies and specifically economies. They

consist of both informal constraints — including codes of conduct, norms of behaviour, and convention—embedded in culture and ideology as well as formal rules including administrative and judicial rules, economic rules, and contracts (North, 1990, Scott, 1995). On the other hand, Scott (1995: 6) defines institutions as 'cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour'. In this sense, institutions govern societal transactions in the areas of society, such as ethical norms, attitudes towards entrepreneurship, politics such as corruption and transparency, law such as economic liberalization, and regulatory regime (Peng et al., 2008).

The political, legal, and regulatory environments in different host countries have led to significant challenges in terms of acquirers accurately assessing their likelihood of completing transactions, thereby creating a level of uncertainty that presents an unacceptable risk to their ability to secure overseas acquisitions. Acquiring firms may misjudge the likelihood of success or completion for a cross-border acquisition or ignore certain significant determinants related to the transactions. If the acquiring or target firms realise such misjudgements or negligence after the acquisition is announced, they may have to cancel the deal or even the possibility of subsequent acquisitions that they have committed to within a short time (Zhou et al., 2016). After the announcement of an M&A deal, there may also be reactions from different interest groups and the market, and the deal also must undergo regulatory scrutiny for compliance with domestic and international regulations. Thus, the reactions of opponents along with scrutiny from the authorities may impair the completion of the acquisition at an early stage (Zhou et al., 2016). The evolution of rules and procedures is not intended to limit economic activity but to simplify the process of 'deciphering the environment' and be able to increase value transactions, which would otherwise not take place (Dikova et al., 2010). Serial acquirers conducting cross-border M&As encounter environmental complexity which cannot be fully deciphered by only relying on local knowledge and skills (Dikova et al., 2008). When the degree of institutional environment complexity in a specific type of economic exchange increases, it makes it more difficult for acquirers to complete cross-border acquisitions. Moreover, for serial acquirers acquiring target firms in different countries face higher pressure for compliance with the laws and rules of different host countries; it is difficult for foreign

acquirers to fully understand these laws and rules and this may lead to the withdrawal of acquisition deals. The rules of the business game and institutional environments vary across nations (Zhang et al., 2011). In accordance with previous studies, in this study, the institutional environment refers to the social environment of contract enforcement, property rights, and shareholder protection. This also includes a wide range of structures, which can influence economic outcomes, such as investor protection, political system, etc. (Levchenko, 2004; Zhang et al., 2011, Dikova et al., 2010).

The development of an institution could differ between advanced economies and emerging economies (Tao et al., 2017). Several previous studies have examined an institution's specific influence on cross-border M&A activities in emerging economies and the outcomes of the completion or withdrawal of acquisitions by focusing on the comparative advantages of host countries (Tao et al., 2017; Chan et al., 2008; Zhang et al., 2011). Further, Zhang et al. (2011) indicate that there are two approaches to the institutional environment in host countries that may influence the likelihood of the withdrawal or completion of acquisitions. First, they propose that superior institutions provide clear and well-defined rules for M&A activities, which could reduce deal costs and time taken for foreign firms to decipher the complex procedures and related laws and disclosure obligations. Second, well-developed institutions imply strong legal enforceability, which will protect the interests of acquisition parties involved and reduce transaction costs and uncertainty implied by asymmetric information.

Moreover, Reddy et al. (2016) find that the erratic nature of government officials and intervention from the ruling political party have detrimental effects on the success of Indian-hosted cross-border deals with higher bid value, listed target firm, cash payment, and stronger government control in the target industry. Their study has documented how institutional and political environments in the host country affect the likelihood of completion of cross-border M&As. He and Zhang (2018) found that the institutional image effect exists in the acquisition of multinational firms in emerging markets, and the completion or withdrawal of acquisitions is negatively related to the

inferiority of their nation's image. They also found that cross-border acquisitions are more likely to be completed when multinational firms in emerging markets are institutionally closer to those of acquiring countries.

Zhang and Ebbers (2010) found that the unique economic and social environment of Chinese acquirers and the lack of experience, ownership, and low competitiveness of these acquirers when acquiring sensitive industries all hamper the completion of Chinese M&As. Zhang et al. (2011) argued that the success or failure of Chinese cross-border M&A activities was theorised as an outcome of institutional contingencies; they believe that better environment institutions in the host country will encourage the completion of Chinese cross-border M&A deals. Zhou et al. (2016) also examined the reasons for failure to complete cross-border M&As in emerging markets. They found that country-level determinants such as political, trade, and legal environments strongly influence the completion of inbound acquisitions but have a much weaker effect on outbound acquisitions.

Chen and Xu (2014) indicate that the relationship between foreign investors and the host country's government is mutually dependent. The distribution of international investment depends on the nature of the political institutions in the host country, which provides a new market space, resources, and labour to foreign investors, and investors bring new capital for the economic development of the host country.

Using a sample of M&A announcements from the newspaper industry from 1981 to 2000, Muehlfeld et al. (2007) examined the completion likelihood of an announced transaction. They found that although firm-specific variables were important determinants related to the focal transaction, regulatory factors are even more important. However, Zhang and Ebbers (2010) found that the host country's institutional environment, such as bureaucracy quality, does not have a substantial effect on the completion of Chinese cross-border M&A deals. These institutional determinants, such as government stability, prevalence of corruption, and

bureaucratic quality may increase the number of cross-border M&A deals, but they do not always have a positive influence on deal success.

Further, the government of the host country can improve its institutions in order to attract investment by foreign firms (Guler and Guillen, 2010; Witt and Lewin, 2007). The host country has its own economic, political, and social institutions which can affect national economic growth and the profitability of engaging in business performance (Williamson, 1985; Hall and Jones, 1999; Khanna and Rivkin, 2001; North, 1990). The host country's institutional environment has an important influence on a firm's internationalisation business outcomes (Chung and Beamish, 2005; Wang et al., 2012). However, other scholars argue that well-developed institutional countries have a more complex institutional environment, which may formulate regulatory scrutiny to induce bureaucratic self-interest, political extraction, and private benefits to protect local companies (Dikova et al., 2010; Bittlingmayer and Hazlett, 2000). Thus, it is important to examine how institutional factors in the host country impact the abandonment of cross-border M&A activities. Thus far, existing literature has focused on the withdrawal of single acquisitions only. In this study, we assume that a similar logic can also be applied to evaluate the factors that impact multiple M&As deals withdrawn by serial acquirers. This study proposes that the extent of differences in the institutional development hypothesis in the host country has a critical impact on repetitive acquisitions withdrawal. In line with the expectation that well-developed institutions increase the complexity of the institutional environment, more complex institutions may harm and obstruct renegotiation of acquisitions and make it easier to result in withdrawal of cross-border acquisitions (Dikova et al., 2010). This leads to the following hypothesis:

Hypothesis 1: The institutional environment in the host country has positive impact on the withdrawals of multiple cross-border acquisitions.

3.2.3 Duration of acquisition

This study also evaluates the impact of other factors on the withdrawal of multiple acquisitions. Dikova et al. (2010) argue that cultural differences between acquiring and target nations bring problems during the pre-acquisition process. Cross-border M&A agreements signed in an environment of cultural ambiguity may cause a delay in the process of acquisition and also incur additional costs (Dikova et al., 2010). Compared to general procedures and the acquisition process in domestic M&As, cross-border M&A activity is more complicated than domestic M&A activities. Different aspects such as the financial advisor, human resources, legal, operations, and business development are involved in the pre-acquisition stage in cross-border transactions. When serial acquirers make multiple acquisitions in different countries, the institutions differ among developed and developing countries (Dikova et al., 2010). Irrespective of whether it is a single acquisition or a repetitive acquisition, it is a dynamic, complicated, and time-consuming process. Singh (2002) indicated that approximately 90 countries that have similar regulations like the principal federal antitrust law in the US require diligent examination of every publicly announced acquisition, which could cause a delay in transactions (Dikova et al. 2010). Serial acquirers entering new developing or developed markets require to pay attention to regulations or laws which need minimum amounts of capital to invest and consider restrictions on acquiring the target in certain types of sensitive industries (Zhou et al., 2016). The longer delay in the pre-acquisition stage may lead to additional legal or other expenses, which may increase the time spent or cause a financial burden for the acquirer, thereby hindering the completion of an M&A transaction.

Following previous studies, the acquisition duration is measured as the time elapsed (in days) between the dates of the deal announced and the dates of the deal withdrawn (Dikova et al., 2008). Dikova et al. (2008) argue that deal withdrawal and prolonged deal-making are associated with substantial costs to firms. Information asymmetries between acquiring and target firms in cross-border deals are likely to be harmful to the renegotiation process and require time to finalise (Dikova et al., 2010). The management's attention shifts from other lucrative M&A transactions or investment opportunities, which may result in the cancellation of the current acquisition and high

subsequent costs for acquirers, such as penalty fees or termination fees (Dikova et al. 2008). The extended period of acquisition duration would imply a waste of time for managers, financial losses for firms, and unnecessary frustration which is costly and postpones synergy gains (Heim et al., 2016).

Li et al. (2016) argued that the local regulatory agency is a critical mechanism which links legitimacy concerns with acquisition outcomes and duration. Moreover, the state-owned foreign firms have a reduced likelihood and increased the duration of completing cross-border transactions than other foreign firms. In a democratic society, the foreign acquirer faces legitimation constraints and institutions are developed to create order and stable environments, which also promote economic exchange and cooperation. Host countries with high political stability imply low uncertainty and pose a low risk to business activities; therefore, the duration of cross-border transactions may be shortened. Serial acquirers cannot avoid the challenges of conducting multiple acquisitions across nations, where they must deal with various local rules and regulations that are not fully understood. When the problems become too complicated and challenging to resolve, it becomes more likely that acquirers withdraw their acquisitions.

The different institutions and regulatory environments are strongly affected by the duration of cross-border acquisitions and the likelihood of withdrawal of acquisitions. In addition, along with the investigation and negotiation proceedings being replete with more management and implementation issues, the acquiring and target firms may identify the neglected information in the earlier pre-acquisition stage or may misunderstand the strategic objectives and financial assessments of the parties involved. The new identified information or understanding could reveal certain potential conflicts and cause acquirers or target firms to reconsider and renegotiate, which may delay the acquisition process and ultimately cause acquisitions to be withdrawn if the conflict cannot be solved (Zhou et al., 2016). This leads to the following hypothesis:

Hypothesis 2: The acquisition duration has positive impact on the withdrawals of multiple cross-border acquisitions.

3.2.4 Sensitive industries

The phenomenon of M&As is becoming increasingly frequent in sensitive industries. Successful high technology or sensitive industries depend on highly illiquid intangible assets which are difficult to replace, such as human capital or advanced technology skills; all these conditions lead to a high degree of asymmetric information (Benou, Gleason, and Madura, 2007). Zhang and Zhou (2010) propose that the government must pay more attention to national interests when allocating interests with foreign investors. Democratic countries are more cautious about cross-border M&A deals flowing into sensitive industries, such as the high-tech, significant infrastructure, natural resources, and military (Chen and Xu, 2014). Zhang et al. (2010) indicate that the national security argument is particularly relevant to whether acquisitions are completed or withdrawn. Numerous countries have regulations and laws to restrict foreign investment in certain industries that are considered sensitive to national security or sovereignty. Toth (2008) proposes that political concerns and perceived national security threats could cause national-level review agencies to withdraw M&A deals in the name of national security or to protect local firms from competitive disadvantage. Thus, the completion of cross-border M&As transactions not only depends on economic, financial, or political rationales; industry factors related to the two parties (acquirer and target) also affects the withdrawal or completion of deals (Lim and Lee, 2016). It may be that host countries increase protectionism in taxation, finance, or regulation in order to protect national security or sensitive local industries in the background of political upheaval around the world. Cross-border M&As target in industries are identified as sensitive industries may have threat to national security which is more likely to get more resistance from host countries. The protectionism in host countries constrains foreign investment, such as antitrust regimes and M&As rules, which can obstruct or influence the outcome of cross-border M&A transactions.

On the other hand, acquisitions are often used by large and established firms as part of their external high technology sourcing strategies to achieve new and high technological capabilities (Grandstrand and Sjölander, 1990). Cross-border M&A deals in sensitive or high technology industries may bring necessary process technologies and product to firms and improve their efficiency enhancement efforts and product development. However, serial acquirers acquiring sensitive industries in different countries may not have an incentive to take more risks that may result in value destructive and exacerbate asymmetric information problems. Information asymmetries and the ensuing premiums related to the assets acquired and their compatibility may together cause value destruction (Aybar and Ficici, 2009) and lead to a withdrawn acquisition. Following these observations and reasoning, we propose the following hypothesis:

Hypothesis 3: Serial acquirers acquiring target firms in sensitive industries are more likely to be withdrawn as compared to acquisitions in other industries.

3.2.5 The moderating effect of institutions

In M&As literature, the industry match between the acquirer and target firms also affects the likelihood of withdrawal or completion of acquisition success (Lim and Lee, 2016). Existing literature reveals that the level of expected returns from a related deal is higher than the level from an unrelated deal; thus, using similar logic, it can be predicted that unmatched industries increase the likelihood of withdrawal of multiple deals. Related acquisitions indicate that combinations of firms that sell the same or similar products serve similar markets or are vertically linked (Blackbum et al., 1990). The existing literature shows that unrelated acquisitions detrimentally impact research and development output and cause total stock risk (Lubatkin and O'Neilt, 1987; Hitt et al., 1991). Flanagan (1996) reports that purely related acquisitions benefit more than purely unrelated acquisitions. An acquirer can usually receive a high level of knowledge and understanding as a result of low information asymmetry when the target industry is related to the acquiring industry; the acquiring firm can avoid paying

a higher premium for the target firm in a related business, thereby expediting target firm acceptance of the acquisition conditions (Gondhalekar et al., 2004; Wong and O'Sullivan, 2001). Aguilera and Dencker (2008) indicate that the strategy literature proposes that firms in related M&As deals are less subjective to information asymmetries; therefore, they are more likely to identify and develop joint opportunities, and decision-makers seek to assess the ability to share and integrate organisational resources and capabilities (Brush, 1996; Aguilera and Dencker, 2008).

Previous studies argue that the influence of institutional differences/environment will not have a similar impact on all organizational activities and several factors will be prominently moderated by a country's institutional environment (Zhang et al. 1011). Dikova et al. (2010) argued that institutions not only determine firms' activities for M&A transactions but also shape the efficiency of the internal structures of the relevant participating partners. Previous studies argued that the effects of idiosyncratic determinants (for example, deal-specific or firm-specific factors) are expected to be moderated by institutional factors at higher levels (Zhang et al., 2011; Dikova et al., 2010). Zhang et al (2010) also argue that the cross-border acquisitions completion by chinses firms are influenced by institutional factors, the institutional restrictions in the specific target industry and institutional constraints on both acquiring and target firms. Above arguments may implies a negative effect of industry match on the multiple cross-border acquisitions abandonment. However, we assume that industry match itself is not sufficient for improvement of multiple acquisitions completion, because industry-level factors significantly constrained by institutional environment. Following previous research, we focus on the moderating effects of the institutional environment on industry-specific factors—industry match—which are expected to be prominently moderated by the institutional environment at the country-level. This study assumes that the institutional environment in the host country moderates the effects of industry match on the withdrawal of multiple cross-border acquisitions. Accordingly, we propose the following hypothesis:

Hypothesis 4: The institutional environment will mitigate the negative impacts of industry match on the withdrawals of multiple cross-border acquisitions.

In addition, in the case of withdrawn multiple acquisitions, this study investigates whether the accumulated experience moderates the effects of acquisition duration on cross-border acquisitions. Holland and Salama (2010) indicated that organizational learning is dynamic, which includes the essential elements of the growth and development of firms. This implies that firms must learn to update their knowledge, skills, and accumulated diverse experience to catch up with the changing environment. In particular, serial acquirers typically need to collect, analyse, and organize information about their potential targets in different countries (Very and Schweiger, 2001). Laamanen and Keil (2008) argue that some experienced serial acquirers may organize better in their multiple acquisition programs than others, because of their experience with cross-border acquisitions and accumulated superior acquisition management abilities. Even a failed acquisition activity may generate valuable learning, which can enhance the overall acquisition program through increased acquisition management abilities that outweigh its direct negative effects (Finkelstein and Haleblian, 2002; Laamanen and Keil, 2008).

Further, previous research on experiential learning has shown that beneficial learning for subsequent acquisitions may require multiple acquisitions (Laamanen and Keil, 2008) because acquisition capability and knowledge can be transferred from one acquisition to another if a serial acquirer has experience with several acquisitions (Zhang et al., 2010). When serial acquirers make multiple cross-border acquisitions, they usually rely on local external consultants who are more familiar with country-specific M&A regulations. Dikova et al. (2010) argue that accumulated acquisitions experience may well shorten the time to develop effectively a communication policy with shareholders, set up post-acquisition integration, determine important performance indicators, or tackle target countries' anti-trust requirements in different institutional settings. Moreover, the acquisition ability could reduce the time required for getting used to each acquisition and transforming some of the activities associated with the acquisitions to routine tasks (Laamanen and Keil, 2008). Therefore, we

assume that the positive effect of acquisition duration on the likelihood of abandonment of multiple acquisitions is moderated by accumulated acquisition experience.

Hypothesis 5: The serial acquirer's past experience will mitigate the positive impacts of acquisition duration on the withdrawals of multiple cross-border acquisitions.

3.3 Methodology

This study considers all completed and withdrawn cross-border M&As transactions by the serial acquirer between 01 January 2006 to 31 December 2016 in the global market. Data reported earlier (see table 3.1) shows that M&As peaked in 2007 when acquirers spent over US$4.9 trillion, which is 4.47% of world GDP (in market exchange rates) on the global M&A market. The second highest merger wave in 2015 represented spending of US$ 4.7 trillion—5.64% of world GDP (J.P. Morgan, Dealogic, and IMF GDP, 2017; imaa, 2017). Therefore, this study chooses this sample period to include the most recent peak of M&A activities—from 2006 to 2016. Figure 4.2 presents the distribution of the sample sets of both completed and abandoned acquisitions made by serial acquirers. All the samples include data on 7,751 deals collected from the Thomson Financial Merger & Acquisition database Merger and Acquisition database, which is the most extensive and flexible resource for M&A deals and transaction data. This database offers information of different variables such as industry match, sensitive industry, technology intensity, ownership types, acquisition frequency, financial advisor, deal attitude, payment method, target bankruptcy, merger of equals, and competing bidders. It also provides an in-depth and comprehensive database on firm transactions worldwide and is widely utilized for academic research. In accordance with previous studies, this study appended variables on acquirer and target nation's institutions using the PRS Group's ICRG database assessments (http://epub.prsgroup.com/icrg-tables) (Dikova et al. 2010; Zhang et al., 2011). ICRG provides the levels of political risk, economic risk, and financial risk in 140 developed, emerging, and frontier markets.

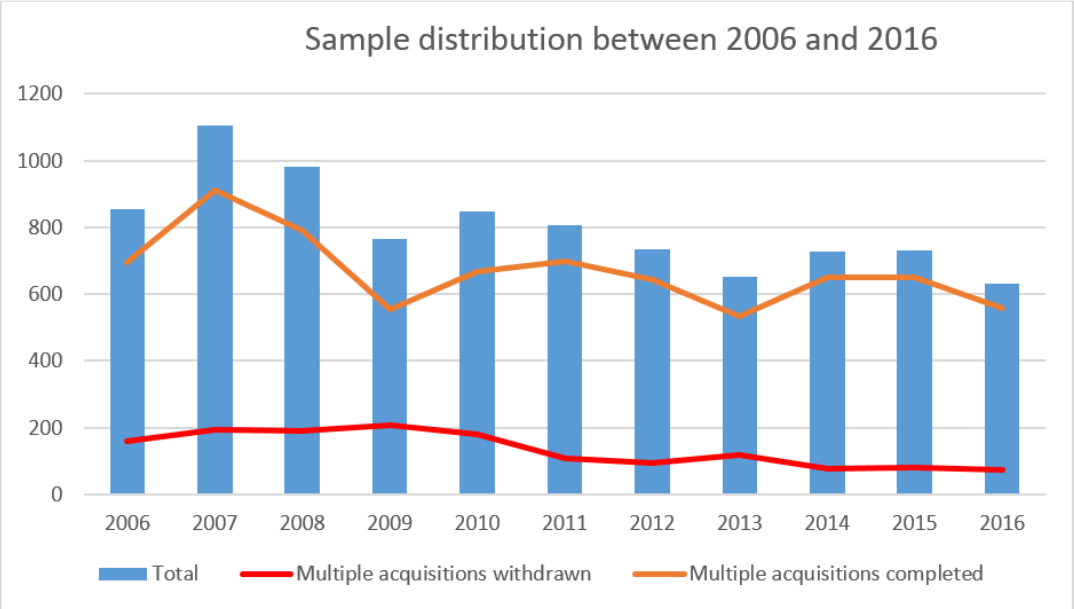
A close view of the nations of origin of multiple cross-border acquisitions withdrawn in our sample set is provided in Table 3.5. Table 3.5 presents the top 20 acquirer nations and target nations by number of withdrawn multiple cross-border acquisitions in the global market, between 2006 and 2016. Our sample set includes both developed and developing countries. In this thesis, the data includes that on both withdrawn and completed multiple cross-border M&A acquisitions between 2006 and 2016 (the sample distribution is illustrated in Figure 3.2). The entire sample set contains 1,926 multiple abandoned cross-border acquisitions and 5,825 multiple completed cross-border acquisitions made by serial acquirers.

Table 3.5 Top 20 acquirer and target nations by number of withdrawn multiple cross-border acquisitions in the global market (2006–2016)

Target Nation	Number of multiple cross-border acquisitions	Acquirer Nation	Number of multiple cross-border acquisitions
United States	214	Canada	253
China	200	United States	173
Australia	105	China	151
Canada	80	Hong Kong	121
United Kingdom	76	United Kingdom	80
Mexico	62	Singapore	76
Singapore	51	Australia	61
Hong Kong	49	Japan	50
Indonesia	38	France	47
Japan	37	Malaysia	35
France	33	Switzerland	31
Germany	30	Spain	26
South Korea	29	Indonesia	23
India	26	India	20
Russian Fed	26	British Virgin	19
Malaysia	24	Russian Fed	18
Peru	22	Norway	16
Brazil	20	Germany	15
Argentina	19	Italy	15
Spain	17	Utd Arab Em	15

Source: Author's own calculation based on Thomson Financial Merger & Acquisition database M&As database (2017)

Figure 3.2 Sample distribution for the period between 2006 and 2016



Source: Source: Imaa (2017)

3.3.1 Variables

The variable *multiple cross-border acquisitions withdrawn* (refers to acquisitions made by serial acquirers) is a dependent variable, which is the dummy variable that takes the value of 0 if multiple acquisitions are completed by serial acquirers and 1 if multiple acquisitions are withdrawn by serial acquirers. Earlier research has widely used a similar measure in cross-border M&As studies made by single acquirers (Zhang et al., 2011; Dikova et al., 2010). This study focuses on the effect of different determinants of multiple cross-border acquisitions rather than single acquisitions over long periods (January 01 2006 to December 31 2016) and in the global market rather than on a single country and specific industry, as typical in previous research. This study uses the information on the date of deals withdrawn and on the status of deals from the Thomson Financial Merger & Acquisition database. Previous studies have a different measurement of multiple M&As. For example, Billet and Qian (2005) defined frequent

acquirers as being those that acquired at least two public targets within five years, and Rovit and Lemire (2003) defined that 'frequent buyers' as those that had made over 20 deals in 15 years. Fuller et al (2002) restricted their research to multiple acquirers who acquired five or more firms in any three year window. Conn et al. (2004) refer to several acquisitions by one acquirer as a 'series'. They group acquisitions according to the number of acquisitions made by acquirers— those who make a single acquisition are defined as single acquirers, those who make two or three acquisitions as moderately acquisitive, and those who make more than three acquisitions as highly acquisitive; moreover, they also divide acquisitions according to whether the acquisition is the first, second, or third in the series, or even later than the third in the acquisition series (Conn et al, 2004). Following previous studies, in this study, frequent/multiple/repetitive M&As are all collectively defined as at least two acquisitions acquired by a serial acquirer in the past three years (Billet and Qian, 2005; Fuller et al., 2002). The study chose to follow the measurement of frequent M&As by Fuller et al (2002) because three years is an appropriate period to enable a transaction history to develop, while it is sufficiently short to ensure that past acquisitions are likely to be informative (Billet and Qian, 2005).

In accordance with previous studies (Zhang et al., 2011; Dikova et al., 2010), this study uses the international country risk guide (ICRG) political risk indicators to measure institutional environment. This measure employs factor analysis, which identifies the underlying structure of the twelve variables and ultimately computes a factor score for each country in each year, based on the factor loadings of all variables on the factor. This study follows a method that is similar to that of Zhang et al. (2011) for cross-border M&As transaction—specifically, employing indices that provide a score on government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, prevalence of corruption, bureaucratic quality, internal conflict, external conflict, military in politics, religious tensions, and ethnic tensions. The indices capture the more general environment of institutions than Zhang et al's institutional quality (seven indices) in host country. The higher value on this measure indicates the better-developed environment of institutions in host countries; on the other hand, a lower value indicates a lower-developed environment of institutions in host countries.

In addition, acquisition duration measures the time that has lapsed between when the deal is announced and when the deal is withdrawn. By following Dikova et al. (2010), this study calculates the difference in the number of days elapsed between when an acquisition is announced and when it is completed or withdrawn. This variable is log-transformed to reduce skewness.

At the industry level, the variable *sensitive industry* indicates whether an acquisition target is in the materials, energy and power, telecom, space, or atomic energy industries (Zhang and Ebbers, 2010); if the target is part of a SIC, it is coded as 1, and 0 otherwise. Given that countries have different definitions for SIC, this study follows Zhang and Ebbers (2010) to measure sensitive industries.

Interaction terms

In line with hypothesis 5, we include the interaction terms of institutional environment and industry match, presented as *institutional environment* × *industry match*, to assess the possible moderating effect of the institutional environment in host countries on learning. It is generated by a multiplying the institutional environment scores and industry match dummies. The *industry match* variable in this study indicates whether the acquirer and target firms are in the same industry (match) and is coded 1 if the primary four-digit Standard Industry Classification (SIC) code of the acquirer coincides with either the primary or secondary four-digit SIC codes of the target firm, and 0 otherwise. Markides and Ittner (1994) indicated that the SIC code is widely used to operationalise industry match in the M&A research.

In order to test hypothesis 6, we include an interactive term of accumulated experience and acquisition duration to access possible moderating effects. We present this as accumulated experience × acquisition duration. Further, the variable *acquisition experience* represents the number of M&A transactions conducted in the past. The acquirer's experience is significant because the results of the similarity measures

might be based on the number of preceding M&A transactions (Hayward, 2002). This measure is log-transformed in order to reduce skewness.

Control variables

Following previous literature (Dikova et al., 2010; Zhang et al. 2011; Muehlfeld et al. 2007), the study controls for firm-level variables that may influence the level of and variation in frequently withdrawn cross-border M&As. It introduces a set of control variables into the model to eliminate alternative explanations. We employ the following control variables:

At the firm level, based on Capron and Shen (2007), the variable *number of bidders* use a binary measure reported by Thomson Financial Merger & Acquisition database Securities Data Company (SDC) Platinum, which is coded 1 if there is at least one other bidder for the target firm, and 0 otherwise. Serial acquirers make acquisitions with multiple competing bidders, the acquisitions are likely to be withdrawn if there are no other competing bidder parties. Thus, the presence of multiple bidders reduces the probability of acquisitions to be completed. Multiple bidders could signal more competition for all prospective targets in the future, which can lead to more pronounced valuation impacts on the rival bidders in such transactions. Moreover, it may force firms to compete for the target, thereby raising the premium that needs to be paid on transactions. Therefore, acquirers would rather terminate acquisitions than pay a high premium.

Acquirer advisor is used to capture the influence of an international financial advisor on the abandoned cross-border acquisitions. It is coded as 1 if an acquirer hires an international financial advisor, and 0 otherwise. *Target advisor* is a dummy variable that takes the value of 1 if a target firm hires an international financial advisor, and 0 otherwise. A financial advisor could use information-collecting expertise to ascertain the reservation price[1] of a deal rival in an M&A, assess the potential for synergistic gains, and identify the risks inherent in deals (Allen et al., 2004). When firms determine

[1] The reservation price is the least favorable point at which one will accept a negotiated agreement.

to acquire or merge with another target company, they typically employ the services of external professionals, which usually includes investment bankers, lawyers, accountants, and valuation experts (Gaughan, 2007).

Deal attitude is a dummy variable which takes the value of 1 if the transaction attitude is a 'friendly' one, and 0 otherwise. It is based on the classification in the Thomson Financial Merger & Acquisition database database which captures the deal attitude of the target firm's management or board of directors towards the acquisition (Muehlfeld et al. 2007). Caiazza and Pozzolo (2016) indicate that the most critical factor for the success or failure of acquisition transactions is the reaction of the managers of target firms—either friendly or hostile. In contrast to having a friendly attitude, hostile bids may lead to an acquisition withdrawal if the target counters with strategies that would make the merger expensive (Madura and Ngo, 2012).

The *payment method* variable indicates whether the transaction was predominantly conducted in cash or stock, taking the value of 1 if the target firm is acquired with cash, and 0 if the transaction is financed primarily by stocks. A change in the relative level of the partner's stock price may lead to a renegotiation, thereby leading to delays in the merger process and derailment (Weston and Jawien, 1999; Dikova et al., 2010). Fuller et al. (2002) claim that stock payment deals may cause information asymmetry and valuation uncertainty. Therefore, it is a generally held belief in the market that a stock financing transaction is not as good as a cash acquisition. However, Cho and Ahn (2017) argue that stock payment can facilitate a transaction that requires the handling of unusually large information asymmetries and agency problems, as it can serve as an effective incentive mechanism to coordinate the objectives of both acquirers and targets. Based on existing research, the choice of payment method is a crucial factor in acquisition and can also have a significant impact on the likelihood of its completion or withdrawal (Shleifer and Vishny, 2003; Faccio and Masulis, 2005).

The *target bankrupt* variable indicates whether the target firm was bankrupt at the time of announcement of the M&A (Weston et al., 2001), and takes the value of 1 if it is

bankrupt, and 0 otherwise. Bankruptcy M&As typically implement faster processes compared to other cases, particularly in downturns according to the timing issues inherent to the bankruptcy process. During the worldwide economic recession, firms struggled with creditor obligations or even went bankrupt from 2007 to 2008 (Faelten and Vitkova, 2014). M&As is an effective way of dealing with financial distress and they can occur inside or outside of bankruptcy (Jensen, 1991).

In terms of market freedom and democracy, we follow Zhang et al. (2010) to select OECD countries as a proxy of countries that enjoy both market freedom and democracy. Based on the ICRG rating system, OECD countries demonstrate high rating scores in terms of democratic accountability. We generate the dummy variable OECD, which takes the value of 1 if a host country is an *OECD member*, and 0 otherwise. The ICRG rating system reported very high rating scores in the evaluation of OECD countries in terms of market freedom.

Target subsidiary, consistent with prior research (Divoka et al., 2010), indicates whether the smaller partner in the deal was, before the acquisition announcement, coded as a subsidiary of a larger firm; if it was a subsidiary, the variable takes the value of 1, and 0 otherwise. Slovin and Sushka (1998) indicated that they expect M&A deals would be more complex in such a case, as the parent firm's heritage in the governance structure of the subsidiary often persists for a considerable time. Further, the variables *public status acquirer* and *public status target*, respectively, refer to whether the acquirer or target firm in the acquisition are publicly owned, and take the value of 1 if they are, and 0 otherwise.

The global financial crisis has changed the landscape for cross-border M&A activities, thereby also enabling the identification of new targets for acquirers and indicating a shift in the influence of global business practices (Grave et al., 2012). *Financial crisis* is a dummy variable that takes the value of 1 if cross-border acquisitions were withdrawn or completed from 2007 to 2008, and 0 otherwise.

3.3.2 Econometric models

Based on the literature, this study initially builds the logistic regression model to test factors related to the withdrawal of multiple cross-border M&As. In order to examine the various determinants that impact the withdrawal of multiple cross-border acquisitions, this study uses the logistic regression model by following previous researches (Dikova et al., 2010; He and Zhang, 2018; Zhang et al., 2011). The logit model is represented in the following manner:

$$P(i) = 1/[1 + e^{-\beta x(i)}],$$

where P(i) is the probability of acquisition i being complete; e is the exponential function; X(i) is the vector of independent variables, including the key explanatory variables and control variables listed as above; and β represents the regression coefficients of the vector of independent variables X(i). The explanatory power of the logit model is determined using the likelihood-ratio test (He and Zhang, 2018; Zhang et al., 2011).

Following previous studies (He and Zhang, 2018), in order to test different hypotheses, we employed the above model with several specifications. We begin with the benchmark specification—that is, Model 1—which presents the base model with constant and all control variables. Here, control variables include acquirer advisor, target advisor, deal attitude, payment method, target bankrupt, target subsidiary, acquirer public status, target public status, financial crisis, and acquisition experience.

Based on Model 1, Model 2 includes all the control variables, and we add the first explanatory variable—institutional environment—to test hypotheses 1. Further, Model 3, similar to Model 2, includes all the control variables; we add the independent variable—acquisition duration—to test hypotheses 2. In Model 4, we add the independent variable—sensitive industry—with all the control variables to test hypotheses 3. In Model 5, we add an independent variable—number of bidders—and all the control variables to test hypotheses 4. In Models 6 and 7, we add the interaction terms *institutional environment* × *industry match* and *accumulated experience* × *acquisition duration* with all the control variables to test hypotheses 5 and 6.

3.3.3 The results of the empirical analysis

In order to understand the overall data trend of withdrawn multiple cross-border M&As and their influencing factors, before proceeding to estimation, we report the descriptive statistical analysis of the data and statistical results in Table 3.6.

Table 3.6 Descriptive statistics of variables based on firm-year observations, 2006 to 2016

Variable	Obs	Mean	Std. Dev.	Min	Max
Dependent Variable	7751	0.248	0.432	0	1
Institutional Environment	7490	-0.006	0.986	-3.625	0.930
Acquisition Duration (log)	7751	0.990	1.061	0	3.41
Industry Match	7751	0.582	0.493	0	1
Sensitive Industry	7751	0.262	0.439	0	1
Number of Bidders	7751	0.013	0.115	0	1
Acquirer Advisors	7751	0.222	0.415	0	1
Target Advisors	7751	0.248	0.432	0	1
Attitude	7751	0.927	0.261	0	1
Payment Method	7751	0.203	0.402	0	1
Target Bankrupt	7751	0.008	0.088	0	1
OECD member	7751	0.670	0.470	0	1
Target subsidiary	7751	0.382	0.486	0	1
Acquirer Public Status	7751	0.562	0.496	0	1
Target Public Status	7751	0.134	0.340	0	1
Financial crisis	7751	0.239	0.426	0	1
Acquisition Experience (log)	7751	3.060	3.306	1	31

Table 3.7 presents a correlation matrix to reveal potential multicollinearity problems. Hair (1995) indicated that ‘multicollinearity occurs when two or more predictors in the model are correlated and provide redundant information about the response’. Multicollinearity is measured by the variance inflation factor (VIF). As a rule of thumb in previous researches, if the VIF of a variable exceeds 10, that variable is considered to be highly collinear and will pose a problem in the regression analysis (Hair, 1995). We calculated the VIF values for each model used, and the results show values well below the standard threshold of 10. Moreover, the results reveal that all correlation coefficients between the variables in the same mode are well below the standard commonly used cut-off threshold of 0.7. Therefore, the results indicate that multicollinearity should not be a concern.

Table 3.7 Correlation matrix of independent variables

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1	**Dependent Variable**	1														
2	**Institutional Environment**	0.012	1													
3	**Acquisition Duration (log)**	0.625	-0.004	1												
4	**Industry Match**	0.053	-0.014	0.064	1											
5	**Sensitive Industry**	-0.011	-0.075	0.002	0.013	1										
6	**Number of Bidders**	0.178	0.015	0.081	0.052	-0.011	1									
7	**Acquirer Advisors**	0.115	0.001	0.262	0.044	-0.048	0.121	1								
8	**Target Advisors**	-0.016	0.019	0.149	0.010	-0.006	0.177	0.357	1							
9	**Attitude**	-0.181	0.013	-0.110	0.038	-0.001	-0.074	-0.059	-0.023	1						
10	**Payment Method**	0.136	0.014	0.219	0.046	-0.003	0.122	0.199	0.164	-0.068	1					
11	**Target Bankrupt**	0.008	0.001	0.035	-0.013	0.002	0.016	0.022	0.040	0.014	-0.022	1				
12	**OECD member**	-0.175	0.008	-0.161	-0.033	0.018	0.004	-0.041	0.086	0.068	-0.015	0.048	1			
13	**Target subsidiary**	0.097	-0.008	0.197	0.019	0.013	-0.051	0.052	0.070	0.064	0.030	0.048	-0.035	1		
14	**Acq. Public Status**	0.170	-0.028	0.194	0.161	-0.020	0.030	0.031	0.011	0.015	0.111	-0.003	-0.033	-0.024	1	
15	**Target Public Status**	0.213	-0.003	0.170	-0.015	-0.004	0.226	0.178	0.168	-0.226	0.224	-0.008	-0.004	-0.308	0.014	
16	**Financial crisis**	0.003	-0.004	-0.030	0.033	-0.023	0.022	0.035	0.011	-0.034	-0.018	-0.046	-0.006	-0.061	0.047	0.
17	**Acquisition Experience (log)**	0.385	0.007	0.242	-0.034	-0.001	0.075	0.084	0.036	-0.108	0.041	0.045	-0.066	0.070	0.056	0.

Table 3.8 presents the results of the binary logistic regression models to test the seven hypotheses proposed in this study. Further, we report the coefficients for eight models, and the standard error is given in parenthesis to control for possible heteroscedasticity, R square, the observations, and the chi-square likelihood ratio in the Table 3.8. The chi-square test is significant at the 0.01 level across all models, which suggests that the null hypothesis, in which all coefficients related to the independent variables are simultaneously equal to 0, is rejected for all the models. All modes show a good model fit.

The results in Table 3.8 shows that the **industry match, acquirer advisor, target advisor, deal attitude, and acquisition experience** variables have negatively and significant affected the withdrawal of cross-border acquisitions in all models, indicating the significant of these variables for the successful multiple acquisitions. In greater detail, all above variables negatively affect multiple acquisitions withdrawn in the international market, which implies that multiple cross-border acquisitions are more likely to be completed. In addition, all the remaining control variables have positive signs, which is in line with expectations.

Different from previous literature, the result of this study indicates that insignificant negative values of the variable payment method on the withdrawal of multiple acquisitions in cross-border M&As, indicating cash, shares, or a combination of these have an insignificant influence on the likelihood of completion or withdrawn of deals. This result is different from previous research on the withdrawal of single cross-border M&A deals (Dikova et al., 2010). . The variable acquirer and target advisor both have negative signs, which is significant in all model specifications and indicates the significance of hiring financial advisors for serial acquirers; the presence of a financial advisor provides a greater likelihood of completing a multiple cross-border acquisition.

Inconsistent with previous research on single acquisition withdrawal (Zhang et al., 2011), the first explanatory variable institutional environment shows support for hypothesis 1, which states that the host country’s institutional environment is positively

related to the likelihood of withdrawal of multiple acquisitions; the coefficient of this variable is positive and significant in every model ($p < 0.05$). This effect is stable across different model specifications. A host country with higher complexity in its institutional environment and comprehensive laws and regulations for protecting the interests of local firms can increase the uncertainty and complexity of the deals process; this makes it more likely for announced multiple transactions to be withdrawn. This result suggests that multiple cross-border M&A transactions are more likely to be withdrawn in target countries that have a superior institutional environment, with stronger acquisition protection and higher accounting standards. This finding is inconsistent with those of previous researches on the completion or withdrawal of Chinese overseas acquisitions (Zhang et al., 2011).

Table 3.8 Logit estimates of multiple cross-border acquisitions withdrawn in the global market, 2006–2016.

	Model 1	**Model 2 (H1)**	**Model 3(H2)**	**Model 4(H3)**	**Model 5(H4)**	**Model 6 (H5)**
Institutional Environment		0.0595(0.033)*	0.0778(0.041)*	0.0592(0.033)*	0.0887(0.042)**	0.0677(0.041)*
Acquisition Duration (log)			1.975(0.069)***			1.810***
Sensitive Industry				0.579 (0.061)***		
Industry Match	-0.186(0.066)***	-0.167(0.067)**	-0.095(0.086)*	-0.166(0.067)**	-0.165(0.067)**	-0.114(0.086) *
Number of Bidders	2.891(0.374)***	2.830(0.377)***	3.831(0.473)***	2.837(0.377)***	2.840(0.377)***	3.894(0.480)***
Acquirer Advisors	-0.381(0.080)***	-0.372(0.082)***	-0.203(0.102)**	-0.371(0.082)***	-0.374(0.082)***	-0.222(0.102)**
Target Advisors	-0.877(0.088)***	-0.895(0.090)***	-1.271(0.110)***	-0.893(0.090)***	-0.894(0.090)***	-1.346(0.111)***
Attitude	-0.929(0.108)***	-0.917(0.110)***	-1.014(0.142)***	-0.921(0.110)***	-0.923(0.110)***	-1.006(0.142)***
Payment Method	-0.364(0.075)***	-0.373(0.077)***	-0.0721(0.097)	-0.371(0.077)***	-0.372(0.077)***	-0.083(0.097)
Target Bankrupt	0.158(0.353)	0.146(0.355)	0.613(0.402)	0.153(0.355)	0.151(0.355)	0.770(0.418)*
OECD member	0.773(0.064)***	0.786(0.066)***	0.438(0.085)***	0.784(0.066)***	0.785(0.066)***	0.473(0.085)***
Target subsidiary	0.356(0.071)***	0.982(0.073)***	0.416(0.096)***	0.983(0.073)***	0.981(0.073)***	0.395(0.096)***
Acquirer Public Status	0.920(0.068)***	0.906(0.070)***	0.726(0.091)***	0.904(0.070)***	0.902(0.070)***	0.724(0.091)***
Target Public Status	1.541(0.097)***	1.534(0.099)***	1.448(0.128)***	1.534(0.099)***	1.534(0.099)***	1.435(0.128)***
Financial Crisis	0.052(0.074)	0.033(0.076)	0.398(0.098)***	0.033(0.076)	0.032(0.076)	0.343(0.099)***
Acquisition Exp. (log)	-0.284(0.012)***	-0.290(0.012)***	-0.312(0.015)***	-0.290(0.012)***	-0.290(0.012)***	-0.202(0.028)***
IE*Industry Match					-0.077(0.068)	
(log)Acquisition Exp *Acquisition Duration						-0.090(0.018)***
_cons	-1.985(0.132)***	-2.079(0.137)***	-4.769(0.215)***	-2.074(0.138)***	-1.907(0.139)***	-4.263(0.230)***
Overall R2	0.256	0.259	0.542	0.259	0.259	0.546
LR Chi2	2178.36	2178.40	4555.52	2224.01	2179.65	4584.96
Prob > chi2	0	0	0	0	0	0
Log Likelihood	-3233.7	-3110.03	-1921.4504	-3110.01	-3109.39	-1906.73
Number of Observations	7,751	7,751	7,751	7,751	7,751	7,751

*p < 0.10, **p < 0.05, and ***p < 0.01 (standard errors in parentheses)

Further, we test the second hypothesis that acquisition duration has a strong positive effect on multiple cross-border acquisitions withdrawn in the global market. The results show a positive and significant sign ($p < 0.01$) in Model 3. This is not surprising, as prolonged acquisition duration reflects more obstruction and reveals a more difficult problem. Earlier, we mentioned that the longer duration of an acquisition could cause additional expenses and consume serial acquirers' energy. In this case, the serial acquires would rather terminate the acquisitions and cut their losses (Dikova et al., 2010).

Next, concerning the industry level explanatory, sensitive industries is negative and significant ($p<0.001$) in Model 4 which is strongly support hypothesis 3. Cross-border acquisitions in sectors that are sensitive to political concerns are more prone to resistance from host countries, whose 'protectionism' measures to expand governmental controls on foreign investments in sensitive industries—such as energy supply, water supply, transport networks, and electronic communication services. We find significant evidence to support hypothesis 3, as our results indicate that a sensitive industry affect the withdrawal of multiple acquisitions significantly. This result is consistent with those of previous studies.

In order to test hypotheses 4 and 5, we include the interactive terms, respectively, in both Models 5 and 6. Following Dikova et al. (2010) and Zhang et al. (2011), we employed interaction terms on two variables using marginal effects. Marginal effects present how the outcome of the dependent variable (probability) changes when a particular explanatory variable changes by one unit, while other covariates remain fixed. In nonlinear regression, it is necessary to calculate the marginal effect of the variable in order to explore the effect of the change of the independent variable on the probability change of the dependent variable or to analyse the magnitude of the marginal value of the dependent variable when comparing different situations. Hypothesis 4 states that the institutional environment moderates the effect of industry match on withdrawal of acquisitions. The results (Model 5) reveal a significant direct negative coefficient of *institutional environment* × *industry match*. The result indicates that when serial acquirers acquire related industries, the probability of the withdrawal

of multiple acquisitions becomes lower than the probability of serial acquirers acquiring unrelated industries in well-developed countries. We also calculate the critical range for the moderating variable institutional environment, which interacts with the industry match variable which shows in Table 3.9. Our result (see Table 3.9) indicates if industry match takes value 1 (acquiring and target firms in the same industry), along with the institutional environment getting better, the marginal effect value of the industry match on the probability of multiple cross-border acquisitions abandonment gradually decrease. When the value of institutional environment greater and equal to -0.1, the marginal effect (aY/aX=0.014) of which gradually decrease and statistically significant (p=0.01 level). This result suggests that the institutional environment significantly mitigate the negative impact of industry match on the withdrawal of acquisitions, as predicted by Hypothesis 4.

Table 3.9 Moderating effects of institutional environment and past experience

Moderators(M)	**Explanatory variables(X)**	**Marginal effect** **(**$\partial Y/\partial X = \beta 1+\beta 3Z$**)**	**Significance of marginal effect**
Institutional environment	Industry match	0.014 -0.031	$\partial Y/\partial X<0$ is significant ($p<0.01$) when $Z> -0.1$
Past experience	Acquisition Duration	-0.158 -0.419	$\partial Y/\partial X<0$ is significant ($P<0.1$) when $Z< 31$

Further, in order to test hypothesis 5, that the accumulated experience moderates the effects of acquisition duration on the withdrawal or completion of multiple acquisitions, we followed a similar procedure as that with the moderation hypothesis 5. Model 6 indicates that the coefficient of interaction item of *accumulated experience* × *acquisition duration* is negative and significant ($p < 0.001$). We calculate the critical

range for the moderating variable accumulated experience, which interacts with acquisition duration (shows in Table 3.9). Our result (see Table 3.9) shows when past experience less than 31, along with accumulated experience increase, the positive effect of acquisition duration on the likelihood of withdrawal of multiple acquisitions (aY/aX=-0.158) gradually decreases and is statistically significant ($p < 0.001$). We suggest that the positive effect of acquisition duration on the likelihood of withdrawal of multiple cross-border acquisitions becomes weaker with an increase in accumulated experience. This result indicates that accumulated experience significantly reduces the impact of acquisition duration on the withdrawal of multiple cross-border acquisitions, as predicted by Hypothesis 5. Our finding is consistent with that of Dikova et al. (2010).

3.3.4 Robustness test for withdrawn multiple M&As

In this section, in order to ensure the robustness of the results and to determine the factors that affect the withdrawal of multiple cross-border acquisitions, this study conducts different robustness tests by controlling for regional and economic development and the macro sectors effect. In order to test the arguments of this study, firstly, the full sample is divided into two regional subsamples: Asia and Europe (Table 3.10). Moreover, in order to further test moderating interactions, the entire sample is also divided into a sample without interactive variables and a sample with interactive variables; split sample analysis reveals how the coefficients differ across each group. Serial acquirers from Europe occupied a prominent position in the global M&A market. European serial acquirers have conducted 37% cross-border transactions between 2006 and 2016. From a firm-level perspective, the Asian acquirers could be relatively more capable in terms of company operations and structures. There are 1,707 serial acquirers from Asia, which accounts for 19% of the global cross-border M&A market. Table 3.10 presents the results for Asia and Europe and these are robust and consistent, similar to the findings presented in Table 3.8.

Table 3.10 Robustness check by regions

Economic specification	**Sample without interactive variables**	**Sample with interactive variables**	**Sample without interactive variables**	**Sample with interactive variables**
Dependent variable: Multiple acquisitions withdrawn	**Asia**	**Asia**	**Europe**	**Europe**
Institutional Environment	0.228 (0.107)**	0.233 (0.122)*	0.251 (0.117)**	0.141 (0.138)**
Acquisition Duration (log)	2.193 (0.154)***	2.226 (0.204)***	2.098 (0.113)***	2.010 (0.113)***
Sensitive Industry	0.065 (0.173)***	0.069 (0.173)***	0.062 (0.154)***	0.067 (0.153)***
Number of Bidders	2.423 (0.706)***	2.436 (0.711)***	4.201 (0.754)***	4.255 (0.762)***
Industry Match	-0.1056 (0.181)	-0.107 (0.270)	-0.091 (0.132)	-0.152 (0.225)
Acquirer Advisors	-0.293 (0.196)	-0.281 (0.197)	-0.363 (0.142)**	-0.354 (0.143)**
Target Advisors	-0.687 (0.197)***	-0.693 (0.198)***	-1.319 (0.152)***	-1.334 (0.153)***
Attitude	-1.542 (0.244)***	-1.531 (0.246)***	-1.204 (0.206)***	-1.175 (0.207)***
Payment Method	-0.021 (0.186)	-0.017 (0.186)	-0.098 (0.133)	-0.110 (0.134)
Target Bankrupt	0.005 (0.778)	0.026 (0.778)	0.667 (0.497)	0.677 (0.503)
OECD member	0.134 (0.159)	0.349 (0.518)	0.019 (0.144)	0.227 (0.174)
Target subsidiary	0.457 (0.180)***	0.462 (0.181)0**	0.245 (0.137)**	0.236 (0.137)*
Acq.Public Status	0.716 (0.166)***	0.721 (0.166)***	0.551 (0.122)***	0.538 (0.123)***
Target Public Status	1.427 (0.239)***	1.429 (0.239)***	1.785 (0.179)***	1.779 (0.179)***
Financial crisis	0.656 (0.181)***	0.643 (0.1825)***	0.064(0.138)	0.069 (0.138)
Acquisition Experience	-0.001 (0.012)	-0.001 (0.008)	-0.005 (0.002)***	-0.009 (0.001)***
IE × Industry Match		-0.024 (0.224) *		-0.415 (0.265) *
Acquisition Exp. (log) × Acquisition Duration		-0.001 (0.005)*		-0.001(0.003)**
_cons	-3.746 (0.376)***	-3.862 (0.442)***	-3.659 (0.301)***	-3.515 (0.312)***
Overall R2	46.97	47.08	48	48.21
LR Chi2	931.7	933.75	1748.64	1752.27
Prob. > Chi2	0	0	0	0
Log Likelihood	-525.881	-524.85689	-947.284	-943.472
Number of Observations	1317	1317	2867	2867

In addition, we conducted robustness checks with economic development (Table 3.11). We divided the entire sample into developed and developing countries; each subsample included a sample without interactive variables and one with interactive variables. The objective was to identify how the institutional environment is dominant on the outcome of acquisition attempts consistently across different regions over the world. The results of the subsample of developing economies are consistent with the findings of Table 3.8, which implies that the results are robust and consistent. However, the subsample of developed economies has a different response to the institutional environment in host countries. The finding related to the institutional environment is positive but insignificant for developed economies. The results indicate that serial acquirers withdrew cross-border acquisitions from developed economies and may not be affected by the institutional environment of host countries. This study assumes that the possible reasons for this result might be that developed countries are characterised by the environmental complexity of cross-border transactions, thereby substantially increasing the constraints of the particular country's regulatory or cross-border M&A laws on the acquiring firms. The high pressure from laws and regulations in home countries for serial acquirers may obstruct the completion of cross-border transactions or they may need substantial time to finalise these deals (Dikova et al., 2010). In order to prove this, we examine whether the institutional environment in home countries affects the outcome of multiple acquisition attempts in Chapter 4.

Further, to ensure the robustness of the results, this study divided the entire sample into subsamples, including cross-border acquisitions made in the top five sectors, target and acquiring, where the maximum number of deals were withdrawn by serial acquirers (Table 3.12). The acquiring sectors included are subsamples of financial, materials, energy and power, industrials, and high technology. The target sectors are the subsamples of materials, financials, energy and power, industrials, and high technology. From the sector perspective, the results reported in Table 3.12 illustrates that the results are consistent with those in Table 3.8.

Table 3.11 Robustness check by economic development

	Economic development			
Economic specification	**Sample without interactive variables**	**Sample with interactive variables**	**Sample without interactive variables**	**Sample with interactive variables**
Dependent variable: Multiple acquisitions withdrawn	**Developed countries**	**Developed countries**	**Developing countries**	**Developing countries**
Institutional Environment	0.062 (0.062)	0.059 (0.072)	0.26 (0.151)*	0.327 (0.188)*
Acquisition Duration (log)	2.208 (0.08)***	2.29 (0.162)***	2.242 (0.182) ***	2.273 (0.217) ***
Sensitive Industry	0.099 (0.092)***	0.099 (0.092) ***	0.375 (0.179) ***	0.394 (0.187) ***
Number of Bidders	4.295 (0.512)***	4.281 (0.511)***	2.206 (0.665)***	1.895 (0.682)***
Industry Match	-0.053 (0.089)	-0.056 (0.103)	-0.161 (0.195)	-0.142 (0.204)
Acquirer Advisors	-0.192 (0.094)**	-0.193 (0.094)**	-0.11 (0.208)	-0.21 (0.215)
Target Advisors	-1.082 (0.098)***	-1.081 (0.098)***	-0.53 (0.212)**	-0.733 (0.226) ***
Attitude	-1.24 (0.131)***	-1.237 (0.131)***	-1.836 (0.3) ***	-1.672 (0.302) ***
Payment Method	-0.017 (0.089)	-0.017 (0.089)	-0.153(0.231)	-0.323 (0.206)
Target Bankrupt	0.097 (0.355)	0.095 (0.355)	0.375(0.972)	0.333 (0.959)
OECD member	0.039 (0.09)	0.174 (0.304)	0.179 (0.181)	0.119 (0.57)
Target subsidiary	0.428 (0.091) ***	0.429 (0.091) ***	0.312(0.229)	0.328 (0.211)
Acquirer Public Status	0.464 (0.081) ***	0.463 (0.081) ***	0.356(0.201)**	0.31 (0.185)**
Target Public Status	1.648 (0.118) ***	1.65 (0.118) ***	1.169(0.299)***	1.256 (0.27) ***
Financial crisis	0.188 (0.092)**	0.187 (0.092)**	0.721 (0.202)***	0.767 (0.208) ***
Acquisition Experience	-0.079(0.082)	-0.039(0.108)	-0.114(0.250)	-0.118 (0.084)
IE × Industry Match		-0.006 (0.139)		-0.693 (0.219)***
Acquisition Exp. (log) × Acquisition Duration		-0.019 (0.135)		-0.051 (0.284)*
_cons	-3.692 (0.194)***	-3.798 (0.302) ***	-3.005 (0.398) ***	3.542 (0.498)***
Overall R2	45.77	47.78	45.55	47.27
LR Chi2	1378.02	1397.76	713.52	740.49
Prob > Chi2	0	0	0	0
Log Likelihood	-2118.536	-2116.233	-426.489	-413.002
Number of Observation	6200	6200	1551	1551

*p < 0.10, **p < 0.05, and ***p < 0.01 (standard errors in parentheses)

Table 3.12 Robustness check by acquirer and target sectors

	By Sectors			
Economic specification	Sample without interactive variables	Sample with interactive variables	Sample without interactive variables	Sample with interactive variables
Dependent variable: Multiple acquisitions withdrawn	Acquirer Sector	Acquirer Sector	Target Sector	Target Sector
Independent variables				
Institutional Environment	0.374 (0.123)***	0.267 (0.13)**	0.311 (0.119)***	0.334 (0.144)**
(log) Acquisition Duration	2.29 (0.233)***	2.852 (0.618)***	2.113 (0.243) ***	2.419 (0.597) ***
Sensitive Industry	0.027 (0.252) ***	0.078 (0.259) ***	0.030 (0.273) ***	0.107 (0.278) ***
Number of Bidders	3.284 (0.776)***	3.268 (0.776)***	2.862 (0.765) ***	2.866 (0.77) ***
Control variables				
Industry Match	-0.203 (0.211)	-0.467 (0.249)*	-0.077 (0.227)	-0.27 (0.252)
Acquirer Advisors	-0.197 (0.241)	-0.227 (0.246)	-0.127 (0.261)	-0.131 (0.266)
Target Advisors	-1.14 (0.241) ***	-1.179 (0.245)***	-1.133 (0.263) ***	-1.151 (0.265) ***
Attitude	-0.546 (0.363)	-0.524 (0.365)	-0.668 (0.396)*	-0.666 (0.398)*
Payment Method	-0.296 (0.217)	-0.301 (0.22)	-0.334 (0.239)	-0.346 (0.241)
Target Bankrupt	3.311 (1.634)**	3.273 (1.645)**	3.139 (1.517)**	3.071 (1.506)**
OECD member	0.374 (0.235)	1.265 (1.165)	0.289 (0.254)	0.79 (1.078)
Target subsidiary	0.392 (0.225)*	0.402 (0.23)*	0.483 (0.246)**	0.49 (0.251)0*
Acquirer Public Status	0.043 (0.205)	0.057 (0.207)	-0.088 (0.225)	-0.099 (0.227)
Target Public Status	1.616 (0.287)***	1.584 (0.292)***	1.587 (0.322) ***	1.552 (0.327) ***
Financial crisis	0.043 (0.234)	0.009 (0.239)	0.052 (0.25)	0.004 (0.254)
Acquisition Experience	-0.366 (0.81)	-0.143 (0.108)	-0.105 (0.055)*	-0.109 (0.055)*
Moderating interactions				
IE*Industry Match		-0.003 (0.002)*		-0.753 (0.32)**
(log)Acquisition Exp*Acquisition Duration		-0.279 (0.235)*		-0.360 (0.641)*
_cons	-4.706(0.577)***	-5.474 (1.151)***	-4.267 (0.614)***	-4.651 (1.084)***
Overall R2	49.23	50.17	48.57	49.15
LR Chi2	687.8	701.89	573.38	580.21
Prob > Chi2	0	0	0	0
Log Likelihood	-357.983	-350.935	-303.54	-300.129
Number of Observations	1294	1294	1063	1063

*p < 0.10, **p < 0.05, and ***p < 0.01 (standard errors in parentheses)

3.4 Conclusion

We have shown earlier that a significant percentage of multiple cross-border acquisitions are abandoned in the pre-acquisition stage by serial acquirers. Serial acquirers are more confident about the firm's prospects heading into cross-border M&As transactions, even though many of these deals are withdrawn; thus, they must bear a heavy financial burden. Abandonment is extremely costly not only financially but also because there are considerable credibility damages arising to firms breaching acquisition contracts. Therefore, this study intended to answer the following question: why a significant number of cross border announced M&As are withdrawn by serial acquirers. We intend to identify the determinants that impact a significant number of withdrawals of multiple cross-border M&A deals. Using a sample set containing 7,751 multiple cross-border M&A deals made by serial acquirers between 01 January 2006 to 31 December 2016 in the global market largely confirmed our theoretical claims.

3.4.1 Findings

The findings of this study contribute to the emerging stream of research on cross-border M&As and provide advancement to the literature on serial acquisitions research. The study contributes to an improved understanding of how industry and firm factors constrained by the institutional environment affect the withdrawal of multiple acquisitions in the global market. First, the study shows that the host country's institutional environment positively affects the withdrawal of multiple cross-border acquisitions based on the institutional theory. We find that institutional environment has a significant impact on whether the announced M&As deals by serial acquirers will be completed or withdrawn. For example, J.P. Morgan (2018) reported that the total volume of withdrawn M&A deals was US$ 658 billion in 2016, which was 23% below the amount in 2016, driven by regulatory hurdles and the development of the general acquisition process, such as failure to obtain shareholder approval. The findings in this study are converse to those of existing researches regarding the completion or withdrawal of single M&As (Zhang et al., 2011; Zhang and Ebbers, 2010). Zhang et al.

(2010) argued that good-quality institutions in the host country increase the likelihood of completion of cross-border M&A transactions made by Chinese acquirers. The difference in the result of our study from previous research may be caused by the sample range set up and the nature of the examined M&A deals. We focus on multiple cross-border acquisitions completed or withdrawn in the global market, while Zhang et al. (2011) examined cross-border acquisitions originating from emerging economies, such as China. The greater complexity or variation in institutional environments could change the results of researches (Dikova et al., 2010).

This study also shows that acquisition duration positively affects the withdrawal of multiple cross-border acquisitions in the global market. Further, the longer the acquisition duration of multiple cross-border acquisitions the more likely they are to be abandoned. The duration of withdrawn or completed acquisitions is a critical issue for serial acquirers, as it reflects the obstacles in the pre-acquisition process. In addition, the longer the time that elapses during the pre-acquisition stage, the more the additional expenses for acquiring and target firms (Dikova et al., 2010; Lim and Lee, 2017). In particular, when sufficient abilities are needed to deal with critical difficulties during the pre-acquisition stage and there is a need for substantial amounts of time to solve problems that may cause financial pressure, serial acquirers may realise that they do not have sufficient ability to deal with the critical issues associated with acquisition delay, they are more likely to withdrawn the announced acquisitions to cut their losses.

In addition, we find that when serial acquirers acquire target firms in sensitive industries, it will have significant influence on the withdrawal or completion of multiple cross-border acquisitions. The numerous countries have laws and regulations to protect their national security, which limit and restrict overseas investment in certain specialized industries which are sensitive in terms of a country's security or sovereignty (Zhang et al., 2011). This result is consistent with those of previous studies. For example, He and Zhang (2018) and Zhang et al. (2011) find that sensitive industries have a negative and significant impact on the completion of focal M&As deals.

In sum, studying 7,751 cross-border M&A deals in the global market over 11 years reveals that serial acquirers are more likely to abandon their subsequent acquisitions if (1) the host countries have a well-developed institutional environment; (2) acquisition duration is substantial in the pre-completion stage; (3) if target firms in sensitive industries. In addition, we find that host countries' institutional environment moderates the effect of the industry-level factor, which is similar industry (i.e. related industry) on the withdrawal of multiple acquisitions. Moreover, the accumulated experience of serial acquirers moderates the effect of acquisition duration on the likelihood that multiple cross-border acquisitions are abandoned which is consistent with previous study (Dikova et al., 2010).

3.4.2 Contribution

This study is rather different from previous studies on cross-border acquisitions. This study contributes to the extant literature and empirical work in several distinct ways. Firstly, this study is more comprehensive and encompasses numerous sectors, which is in contrast with studies such as Dikova et al. (2010) that only studied the business service industry and Muehlfeld et al. (2012) that examined only the global newspaper industry. Their findings cannot be generalised, as they are based on specific features that are limited to specific sectors. Secondly, this research complements existing knowledge on factors that influence the abandonment of M&As in the global market in contrast to previous research that only focused on developed or emerging countries (Muehlfeldet al., 2012; Dikova et al., 2010; Zhang et al., 2011; Liou et al., 2016). Similarly, previous studies only examined emerging economies or developed economies, while the sample provides timely and relevant findings on major cross-border M&A activities; consequently, the findings of previous studies may not be applicable to the global M&A market, which has different levels of institutional constraints (Liou et al., 2016).

Thirdly, previous cross-border M&As research mainly examined the important determinants of single cross-border acquisition deals (Dikova, 2008; Zhang et al., 2011; Jacobsen, 2014) and mainly focus on the post-integration part of deals, such as the performance of serial acquisitions (Laamanen and Keil, 2008; Rahahleh and Wei, 2012), the motives behind serial M&As, whether they bring an increase in aggregate market value (Roll, 1986), or CEO overconfidence that leads to multiple acquisitions and reactions in the M&A market (Malmendier and Tate, 2008). In contrast, this study attempted to address previously ignored issues. Thus, we focused on the withdrawal of multiple cross-border acquisitions made by serial acquirers in the international M&A market across all sectors by applying the institutional theory. In this sense, this study takes a critical step toward eliminating the gap based on adopting the institutional theory to study the withdrawal of multiple cross-border acquisitions and clarify how various factors at different levels impact these acquisitions.

In addition, this research enriches existing institutional literature to understand why serial acquirers frequently withdraw multiple cross-border acquisitions in the global M&As market. The findings of this research indicate how institutional determinants impact the likelihood of completion or withdrawal of multiple cross-border acquisitions and provide critical insights to guide additional empirical research on studying multiple cross-border M&As. In this study, we theorised and tested how the institutional environment plays an important role in influencing the high rate of withdrawing acquisition deals. Our findings are important because there is only a minimal amount of empirical research that explicitly extends and evaluates institutional factors which influence the likelihood of the withdrawal of multiple acquisitions. However, this explanation provides useful insights into a broader picture of the relationships between institutional environment and withdrawal of cross-border acquisitions, as revealed in this research. Further, following previous studies, we identified factors such as the institutional environment and accumulated experience as moderators to explore the deeper effects of industry match and acquisition duration, respectively, on the withdrawal of multiple cross-border acquisitions. The findings indicate that the institutional environment mitigate the negative effects of the industry match on the likelihood of withdrawal of multiple acquisitions in the global market. Moreover, the finding shows that serial acquirers' accumulated experience moderates the positive

effects of acquisition duration on the likelihood of withdrawal of multiple cross-border acquisitions. The result indicates that accumulated experience significantly reduces the positive effect of acquisition duration on the likelihood of withdrawal of multiple cross-border acquisitions.

3.4.3 Limitations and future research

Several limitations to this study must be pointed out. First, the sample only focuses on announced multiple cross-border acquisitions (frequent, moderate frequent and highly frequent) in a specific period window (three years). This may cause some limitations to the generalisation of the findings; the variables used in our sample in order to test serial acquirers who have acquired more than two targets within a three-year period. The subsequent acquisitions made by serial acquirers more than three years are not included in the samples. Second, the study includes sample firms only from cross-border M&As in the global market in order to test and verify the institutional theory in the research on cross-border M&As. Future research could expand these study findings to domestic M&A transactions or in comparing withdrawn cross-border and domestic acquisitions in the global market, or to a specific field with high rate of withdrawal of acquisitions. In addition, future research could build on this research by investigating extended dimensions of multiple M&A deals, examining time intervals and experiences of previous acquisitions based on the operational learning theory.

CHAPTER 4

Completion or abandonment of M&A by serial acquirers in the Asia Pacific region: the role of acquisition rate and time interval

4.1 Introduction

In recent years, there has been a rise in the number of M&As worldwide, with over a quarter of these acquisitions in the Asia-Pacific region[1] (see Table 4.1). The data reveals that a significant number of firms frequently engage in multiple M&As[2] to expand their business both in the domestic and foreign markets. In 2007, the volume of global M&A transactions reached US$4.9 trillion, the highest in the last two decades (Imaa, 2018). Prior research documents that only 38% of M&A transactions are conducted by first-time acquirers (Ahern, 2014). This is also supported by other researchers. For example, Ismail (2008) document that the merger wave was mainly characterized by huge capital spent by serial acquirers; according to M&A data for the US, the top 10 serial acquirers spent over US$1.06 trillion on deals. The most active acquirers—such as IBM, Facebook, and Google—acquired more than 50 firms each. In recent years, firms from Asia-Pacific countries, in particular, are also increasingly using cross-border M&A transactions as an internationalization strategy to achieve their global diversification objectives (Tao et al., 2017; Deng and Yang, 2015). Similarly the pattern of acquisition has also changed in previous decades. For example, the data shows that rather than executing isolated transactions, serial acquirers that often execute streams of mutually interrelated M&As aim at specific strategic targets (Schipper and Thompson, 1983). This trend lasted until recent years; for example, since 2011, serial acquirers from Asia-Pacific such as Ascott Holding (China) Ltd. acquired 28 firms, Baring Private Equity Asia Ltd. (Hong Kong) acquired 19 firms, and Asahi Group Holdings Ltd. (Japan) acquired 15 firms in the past few years.

In particular, there has been a massive increase in M&A activities in Asia-Pacific countries. According to Thomson Financial Merger & Acquisition database (2017), the total value of M&A transactions in the APAC market reached US$ 8 trillion, and the number of M&As deals in the APAC market totalled 133,327 between 2006 and 2016 (see Table 4.1). Table 4.1 shows that the total number and values of M&As in APAC reached just under one-third of the total worldwide acquisition numbers and values in

[1] Asia-Pacific is the part of the world in or near the Western Pacific Ocean that typically includes East Asia, South Asia, Southeast Asia, and Oceania.

[2] Multiple M&As are measured as the number of acquisitions for a given period (also see p. 29).

2016. Previous studies have generally focused on M&A research in developed countries or in a single emerging country such as China or India. The outcome of M&A transactions in the pre-acquisition stage has received considerably less attention and the existing literature in this research area is limited and fragmented.

Table 4.1 Acquisition number and value of worldwide and APAC M&As between 2006 and 2016

Year	Number of acquisitions worldwide	Number of acquisitions in APAC	Value of worldwide acquisitions (in billion USD)	Value of acquisitions in the APAC (in billion USD)	The proportion of APAC acquisitions in worldwide acquisitions	The proportion of the value of APAC acquisitions
2006	41405	10481	4031	474	25%	12%
2007	47455	12112	4920	794	26%	16%
2008	45173	12099	3078	565	27%	18%
2009	40710	11539	2192	489	28%	22%
2010	43197	12223	2719	695	28%	26%
2011	42578	11356	2638	531	27%	20%
2012	40354	10659	2516	519	26%	21%
2013	38641	10407	2522	568	27%	23%
2014	42939	12447	3951	845	29%	21%
2015	47138	14602	4756	1362	31%	29%
2016	48972	15402	3642	1114	31%	31%

Source: Author's own calculation based on Imaa (2017)

A growing number of M&A researchers have evaluated the motivation behind managers' decisions to engage in multiple acquisitions and whether the quantity of M&A transactions can predict the quality of multiple transactions made by serial acquirers. The ongoing controversy regarding the outcome of M&A attempts in the pre-completion stage indicates the fundamental questions of whether and under what kind of conditions do organizations learn from past acquisitions experiences (Halebian and Finkelstein, 1999; Hayward, 2002; Muehlfeld et al., 2012). Organizational learning is a dynamic progress process, including basic elements of organizational growth and development, which indicates that firms need to renew their knowledge and skills by

learning and accumulating experience to keep up with the changing environment (Holland and Salama, 2010). Previous studies indicate that organizational learning as the transfer of the acquirer's past acquisition experience from one event to the next (Barkema and Schijven, 2008). Muehlfeld et al. (2007: 938) indicate that 'organizational learning theory holds that experienced-based learning advances acquisitions performance through its influences on knowledge creation and transfer, and by inducing changes to organizational practices, strategies and structures'.

In order to build acquisition patterns and capabilities, sufficient time is needed to make sense of and learn from previous experiences, while too short a period between each acquisition can be harmful to the development of the acquirer's capabilities (Zoilo and Winter, 2002; Hayward, 2002). Dierickx and Cool (1989) state that with a high rate of acquisitions, time compression diseconomies may set in, thereby causing acquirers to be unable to draw inferences and accumulate acquisition capabilities. When the regular rhythm of multiple acquisitions is suddenly interrupted by a significant number of deals in a short time, the companies' acquisition teams may suffer from high time pressure, which may impact their quality of analysis (Laamanen and Keil, 2008). Numerous prior studies have purposely eliminated those firms from their sample that made certain deals during the pre- or post-acquisition windows of a focal acquisition (Laamanen and Keil, 2008). When serial acquirers engage in M&A transactions, the outcomes of serial acquirers' attempts impact may not only be driven by the characteristics of a single acquisition but may also depend on the pattern of acquisitions, such as time interval or acquisition rate (Laamanen and Keil, 2008). However, we have rather limited knowledge about the dependence of such learning on the context in which the organisational learning is gained and the effect of acquisition patterns of a serial acquirer on the completion or abandonment of acquisitions. In this study, we contribute to improving the understanding of how the acquisition rate and the time interval between deals influence the likelihood of multiple domestic and cross-border acquisitions by focusing on two related questions:

(1) How do the acquisition frequency patterns (acquisition rate and time interval) in the organizational learning context affect the outcomes of acquisitions made by serial acquirers in the pre-completion stage?

(2) Does the deal-level factors (firm's previous acquisitions experience) and industry-level factors (acquisition program relatedness) moderate the effect of the acquisition frequency patterns on the outcome of acquisitions in the pre-completion stage?

4.1.1 Motivation

Thomson Financial (2009) reported that only 68.7% of global deals between 1982 and 2009 were completed (Zhang et al., 2011). Our sample setting (see Table 4.2) shows that 11,469 deals have been abandoned from 2006 to 2016, and the total value of these deals is US$6.07 trillion. Table 4.2 presents that of the 1,1374 withdrawn deals, 5,430 (47%) and 20% of the total value of withdrawn deals are from APAC countries. In 2016, the number of withdrawn deals in the APAC region was 75% (Table 4.2). The average number of withdrawn deals in APAC between 2006 and 2016 is almost equal to the combined number of withdrawn deals in the Americas and Europe. These numbers clearly show a need to study the reasons why such a large number of M&A deals are withdrawn in the APAC countries.

As mentioned earlier, extant studies mainly focused on single acquisitions (Dikova et al., 2010; Muehlfeld et al., 2007; Lim and Lee, 2016; Kim and Song, 2017). The studies on multiple M&A activities and the factors that affect serial acquirers in terminating subsequent acquisitions in the pre-completion stage are rather limited. Although our data sample set shows a high rate of acquisitions withdrawn from the APAC area (e.g. 47% of total withdrawn deals worldwide and 20% of total withdrawn deals worldwide in Table 4.2). Both numbers of deals and value of withdrawn multiple acquisitions are also high (e.g., 17% of total withdrawn deals worldwide and 3.2% of total value of withdrawn deals worldwide, from the author's own calculation based on Tables 4.2 and

4.3). The proportion of the number of withdrawn multiple acquisitions in the APAC (17%) is almost the same as the 18% average rate of withdrawn announced cross-border M&As between developed economies from 1981 to 2001 (Dikova et al., 2010) and 19% withdrawal rate of acquisitions in the UK (O'Sullivan and Wong, 1998; Cotter et al., 1997).

Table 4.2 The number of and value of withdrawn deals, distributed by regions, between 2006 and 2016

Year	The total value of withdrawn deals worldwide in billion USD	Total number of withdrawn deals worldwide	Value of withdrawn deals in APAC in billion USD (percentage of total)	Number of withdrawn deals in the APAC (percentage of total)	Value of deals withdrawn in America in billion USD (percentage of total)	Number of withdrawn deals in America (percentage of total)	Value of withdrawn deals in Europe in billion USD (percentage of total)	Number of withdrawn deals in Europe (percentage of total)	Value of withdrawn deals in Africa/Middle East/Central Asia in billion USD (percentage of total)	Number of withdrawn deals in Africa/Middle East/Central Asia (percentage of total)	Value of unknown withdrawn deals in billion USD (percentage of total)	Number of unknown withdrawn deals (percentage of total)
2006	727	913	55(7)	357(39)	307(42)	330(36)	363(50)	212(23)	2(0)	12(1)	0.005(0)	2(0)
2007	1014	1177	260(26)	485(41)	369(36)	407(35)	351(35)	246(21)	33(3)	35(3)	0.325(0)	4(0)
2008	539	1516	92(17)	678(45)	241(45)	485(32)	172(32)	289(19)	32(6)	52(3)	1.840(0)	12(1)
2009	357	1237	151(42)	514(42)	56(16)	428(35)	138(39)	245(20)	11(3)	37(3)	0.082(0)	13(1)
2010	368	1087	64(17)	412(38)	140(38)	419(39)	135(37)	187(17)	29(8)	56(5)	0.052(0)	13(1)
2011	310	909	46(15)	344(38)	183(59)	355(39)	79(25)	173(19)	3(1)	35(4)	0.010(0)	2(0)
2012	181	872	67(37)	374(43)	74(41)	329(38)	36(20)	136(16)	3(2)	28(3)	0.048(0)	5(1)
2013	298	714	54(18)	303(42)	181(61)	269(38)	57(19)	97(14)	6(2)	35(5)	0.369(0)	10(1)
2014	822	878	77(9)	454(52)	626(76)	252(29)	116(14)	124(14)	3(0)	39(4)	0.107(0)	9(1)
2015	964	1083	187(19)	694(64)	639(66)	198(18)	83(9)	146(13)	55(6)	40(4)	0.096(0)	5(0)
2016	491	1083	169(34)	815(75)	260(53)	112(10)	58(12)	128(12)	3(1)	24(2)	0.044(0)	4(0)
Total	6070	11469	1221(20)	5430(47)	3077(51)	3584(31)	1589(26)	1983(17)	180(3)	393(3)	2.978(0)	79(1)

Source: Author's own calculation based on Thomson Financial Merger & Acquisition database M&As database, 2018

Moreover, empirical evidence suggests that two-thirds of the US$16 trillion in cumulative M&A transactions worldwide was driven by serial acquirers (one in five public acquirers is a serial acquirer) (Rahahleh and Wei, 2002). A few well-known companies such as IBM, Google, Cisco, Facebook, and Amazon have acquired over 50 firms in the past 10 years, amounting to tens of billions of US dollars in each acquisition (Rahahleh and Wei, 2002). Serial acquirers not only acquire assets in their own countries or industries but they also engage in multiple cross-border acquisitions and conduct diversification M&As. For example, Parker Hannifin Corporation, a famous active serial acquirer, has conducted 68 acquisitions in 18 different countries and 15 industries. However, our data set reports that 31% of multiple domestic and cross-border acquisitions in the pre-acquisition stage are still abandoned in the Asia-Pacific area. Table 4.3 shows the distribution of single and multiple withdrawn acquisitions in the Asia-Pacific market. It is evident that the total of 1,913 multiple acquisitions withdrawn by serial acquirers accounted for 35% of total withdrawn acquisitions in the APAC (author's own calculation based on Table 4.3). The total value of multiple withdrawn deals is US$496 billion, which accounted for up to 41% of the total value of withdrawn deals in the APAC (author's own calculation based on Table 4.3). In addition, we also find that the average value of multiple abandoned acquisition is above US$ 26 billion dollars, which is US$ 5 million higher than the average value of each single abandoned acquisition (the average value of single abandoned acquisitions is above US$21 billion). This motivated us to examine why a great number of serial acquirers from APAC continue to abandon acquisitions.

Table 4.3 Number and value of withdrawn single, multiple, domestic, and cross-border deals, between 2006 and 2016

Year	Number of single deals withdrawn in the APAC	Value of single deals withdrawn in the APAC in billion USD	Number of multiple deals withdrawn in the APAC	Value of multiple deals withdrawn in the APAC in billion USD	Number of domestic multiple withdrawn deals in the APAC	Value of multiple withdrawn domestic deals in the APAC in billion USD	Number of multiple cross-border withdrawn deals in the APAC	Value of multiple cross-border withdrawn deals in billion USD
2006	236	29	121	26	79	21	42	4
2007	301	84	184	176	130	172	54	4
2008	417	63	261	29	194	15	67	15
2009	300	91	214	60	131	33	83	27
2010	271	49	141	15	83	3	58	12
2011	213	36	131	10	81	3	50	7
2012	216	47	158	20	83	4	75	16
2013	202	36	101	18	52	12	49	6
2014	276	36	178	41	123	12	55	29
2015	430	123	264	64	233	62	31	2
2016	655	132	160	37	160	37	102	8
Total	3517	725	1913	496	1349	373	666	130

Source: Author's own calculation based on Thomson Financial Merger & Acquisition database M&As database, 2018

4.1.2 Research Gaps

On the one hand, a growing number of researchers have examined the motivation underlying managers' decision to engage in acquisitions (Croci and Petmezas, 2009; Doukas and Petmezas, 2007; Billett and Qian, 2008). These studies found evidence that self-attribution bias, manager's overconfidence, superior managerial acquisition skills, and managerial empire-building behaviour are associated with making multiple acquisitions. In particular, cross-border acquisitions as part of a firm's expansion strategy is a springboard to acquire assets which need to compete more effectively against global rivals and face risks and challenges in the international market. Inevitably, they also face institutional and market constraints in host countries (Luo, 2005). However, serial acquirers continue to terminate announced acquisitions, thereby breaching contracts which may cause heavy penalties and damage the reputation and creditability of the serial acquiring firm (Luo, 2005; He and Zhang, 2018).

On the other hand, extant research predominantly focused on evaluating the factors that affect the post-performance of M&As transactions (Cho and Ahn, 2017; Vaara et al., 2014; Zhou et al., 2015; Goranova et al., 2017; Gu and Reed, 2013). It is only recently that a growing number of researchers have begun to study the pre-acquisition stage (Dikova et al., 2010; Zhang et al., 2011). Nevertheless, there are a few research gaps in exploring this critical subject in the context of M&As. Extant literature on the completion or withdrawal of multiple acquisitions is not only scarce but also has a few limitations.

First, sample selection in previous studies is based mainly on a single country (e.g., the US, UK, India or China) and related to deals between firms originating from developed economies or emerging economies. The narrow sample may cause bias; a greater variation or complexity in larger samples could alter the results of the study. We argue that distinguishing acquisitions initiated in different types of acquirer and target markets could advance mainstream theory—for example, institutional constraints of home nations—and deepen learning to identify the factors that impact the withdrawal of multiple acquisitions. To fill this gap, we selected the region with the

highest rate of withdrawal of acquisitions—APAC, which also includes both developed countries and developing countries. Thus, our results have more far-reaching implications for business practices in both developed and emerging economies across multiple countries.

Second, the financial losses caused by terminating announced acquisitions is undeniable (Doan et al., 2018). The termination fees for 533 serial acquirers withdrawal amounted to US$241 billion, between 2006 and 2016 (Thomson Financial, 2017). Thus, it is evident that the pre-completion stage of acquisitions is critical for acquirers, and abandoning announced deals could also cause future losses. As such, the acquirer may assume upfront costs when selecting the appropriate legal, financial, and accounting advisors and evaluating the appropriate target company (Dikova et al., 2008; He and Zhang, 2018). Croci and Petmezas (2009) evaluate the motivation underlying managers' decision to engage in multiple acquisitions, while the managers' hubris not only causes from enormous financial burden, such as contract termination cost but also considerable credibility damages when repeatedly withdrawing acquisitions (Dikova et al., 2010). Li et al. (2017) and He and Zhang (2018) consider the evaluation of factors which influence completion or abandonment of multiple acquisitions an important task for increasing the understanding of M&A activities.

Third, an important question regarding the reactions of the outcomes of multiple acquisitions in the pre-completion stage for the organisational learning of experiences accumulation is less understood. According to the organizational learning theory, experienced-based learning and acquisition frequency patterns facilitate outcomes of serial acquisitions by acquiring experiences as well as knowledge creation and transfer, which may change to organizational acquiring strategies, structures, and practices. However, to the best of our knowledge, it appears that no empirical study has thus far examined how acquisition frequency patterns could influence the completion or withdrawal of multiple acquisitions in the organizational learning context. To fill this gap, we followed prior studies to measure acquisitions rate and time interval as a proxy for acquisition frequency patterns (Laamanen and Keil, 2008; Hayward, 2002) in order to examine the influence of the role of acquisition rate and time interval

on the completion or withdrawal of multiple domestic and cross-border acquisitions in the APAC market, based on the organization learning theory.

In order to test a series of hypotheses, we use a data set that includes 6966 multiple completed and withdrawn acquisitions by 553 serial acquirers from the APAC market for 11 years from 01 January 2006 to 31 December 2016. Our findings enable us to better understand the conditions under which the acquisition frequency patterns can be applied to future outcomes of acquisitions in the pre-completion stage.

4.1.3 Contributions

We contribute to the extant M&As literature in several important ways. First, we extend the literature in terms of the effects of various factors on the outcomes of multiple domestic and cross-border acquisitions in the pre-completion stage. This study focuses on multiple transactions conducted by serial acquirers in the APAC market, which has been ignored in M&A literature. In doing so, we switched the attention away from previous studies focused on the outcomes of single acquisitions in the pre-completion stage or post-acquisition performance after the completion of acquisitions. To the best of our knowledge, this study is the first empirical work that identifies the effect of certain factors on the outcome of multiple acquisition attempts in the APAC market. The finding also offers useful and critical insights into a broader picture of the relationship between organisational learning and multiple acquisitions.

Second, to the best of our knowledge, this study is the first to provide empirical evidence on how acquisition rate and time interval impact the completion or withdrawal of multiple acquisitions in the pre-acquisition stage. We provide new evidence on how acquisition frequency patterns affect the outcomes of multiple acquisitions. The results indicate that acquisition rate and time interval has a significant effect on the completion or withdrawal of multiple cross-border acquisitions. Our findings offer empirical evidence to support the perspective that the development of an organisational learning

theory contributes to the analysis of outcomes of multiple acquisitions. This has been an unresolved issue in prior research, and we extend the understanding of multiple M&A activities by serial acquirers and broaden the knowledge of the means in which to avoid the adverse outcomes of multiple acquisitions in the pre-completion stage.

Third, our study identifies the acquisitions experience and industry relatedness of serial acquirers as the moderating effects in evaluating the outcomes of multiple acquisitions conducted by serial acquirers from the APAC. In doing so, the study offers a method for improving theoretical prediction accuracy. We emphasize that acquisition frequency patterns constrained by varying across industries and across serial acquirers' learning abilities result in a different outcome of their acquisitions. The findings of this study indicate that acquisition frequency patterns are moderated by acquirers' experience and industry relatedness, respectively, on the completion or withdrawal of multiple M&As transactions. The findings of this study suggest that acquirers' experience and industry relatedness has a complicated relationship with the acquisition rate and time interval effect on the withdrawn or completion of multiple acquisition deals. Finally, this study not only makes significant contributions to academic research but also provides insights for acquirers, target firms, and policymakers in home and host countries. Our findings are also rather useful for hubris managers to understand what factors may influence subsequent withdrawal of acquisitions.

The remainder of this chapter is structured in the following manner. In the next section, we provide the theoretical background and hypothesis development regarding the effect of different determinants on the completion or withdrawal of multiple acquisitions undertaken by serial acquirers in the APAC market. We also examine the moderating effects of serial acquirers' previous acquisition experiences and acquisition program relatedness on the relationships between the acquisition frequency pattern and completion or withdrawal of multiple acquisitions. Thereafter, we provide a description of the sample, variables, measures, and data analysis techniques used in our study. We also provide the results of our analyses, discussion, and robustness check. Finally,

we discuss the findings and highlight the contributions of the study from the perspectives of theory and practice.

4.2 Theoretical background and hypothesis development

In the field of M&A research, researchers have long been aware of the presence of serial acquirers in the M&A market. However, we know very little about potential learning related to the completion or withdrawal of multiple acquisitions (Aktas et al., 2015). Organisational learning is dynamic and includes basic elements of organisational growth and development; this indicates that firms must renew their knowledge and skills by learning and accumulate experience to keep up with the changing environment (Holland and Salama, 2010). In the context of M&As, Barkema and Schijven (2008) define organizational learning as the transfer of an acquirer's past acquisition experience from one event to the next. Levitt and March (1988) consider that organizational learning builds on three classical observations drawn from behavioural studies of organizations which are based on routines, dependent on history, and oriented to targets. Previous studies also state that 'organizations are seen as learning by encoding inferences from history into routines that guide behaviour' (Levitt and March, 1988: 319). Lubatkin (1983) argues that acquirers who have prior acquisition experience would do better than those without any experience. Acquirers must use well-managed acquisitions and accumulated international business experiences that may broaden and increase their knowledge base (Leroy and Ramanantsoa, 1997): 'From the rate of discovery of the history is a function of the richness of the pool and of the intensity and direction of search which depends on the history of success and failure both of the organization' (Levitt and March, 1988: 321). Further, Vermeulen and Barkema (2001) argue that M&A activities can cause short- or long-term problems, which may ultimately lead transactions to failure or decrease the share value of a company. Conversely, when serial acquirers make acquisitions successful, M&A activities could help serial acquirers to survive and grow in the long term by fostering flexibility and breaking rigidities. Moreover, organizations are considered to gradually adopt routines into subsequent strategies and business

activities that lead to favourable outcomes (Levitt and March, 1988). This is more likely to be achieved by firms that have prior acquisition experience.

On the one hand, recent research on M&A literature focuses on the pre-acquisition stage and investigates the determinants of the outcome of acquisition attempts (Barney, 1988; Gomes and Ramaswamy, 1999; Barkema and Schijven, 2008; Zhang et al., 2011). The findings of previous research suggest that specific determinants—such as culture, distance, acquirer or target size, industry relatedness, failure or success experience, and bid premiums in transactions—significantly determine the outcome of single M&A deal. Barkema and Schijven (2008) argued that it is challenging to learn how to successfully acquire target firms. M&A transactions involve interdependent sub-activities—such as post-integration, financing, negotiation, and due diligence—and each of them is complex (Hitt et al., 2001; Hotchkiss et al., 2005).

On the other hand, a few other scholars also evaluated the post-acquisition performance of serial acquirers. Lei et al. (1996) argue that learning from previous experience may be critical in attempting to improve the performance of M&As and other strategic activities. Laamanen and Keil (2008) find that prior experience, the scope of the acquisition program, and the acquirer's size weaken the negative effect of acquisition frequency patterns on the post-acquisition performance of serial acquirers. A withdrawn M&A deal may create valuable learning effects which can improve the overall program level through enhanced acquisition abilities, which overpower its negative influence (Finkelstein and Haleblian, 2002).

For cross-border M&A activities, the knowledge of different cultures and the cost of cultural conflict may cause poor post-acquisition integration, low synergy achieved, or withdrawal of acquisitions in the pre-acquisition stage. It has been estimated to be as high as 25%–30% of the acquirers who cannot achieve their predicted performance goal or acquisitions still abandon up to 25%–31% of their M&As transactions at some point before the completion of the deal (Dikova et al., 2010; Zhang et al., 2011; Schweiger and Goulet, 2005). Haleblian and Finkelstein (1999) claim that it may be

difficult to predict the influence of organizational experience on acquisitions, but some other researches have shown contradictory results. For example, certain scholars suggest that the majority of acquisitions failed in the pre-completion stage (Dikova et al., 2010; Zhang et al., 2011) and some scholars indicate that learning from previous acquisition experience may be critical in attempting to enhance post-acquisition performance and complete transactions (King et al., 2004; Lei et al., 1996).

Organizational learning has adopted the traditional learning curve perspective in strategic settings and this has been widely applied in research in multiple M&A operating contexts. Certain scholars suggest that acquirers with acquisition experience are better at changing their organizational structure and breaking inertia to improve the rate of completed, effectiveness, and efficiency of the process of subsequent acquisitions (Ashkenas et al., 1998; Hitt et al., 1998).

4.2.1 Acquisition rate and withdrawals of multiple M&A deals

The organisational learning theory indicates that the number of M&As transactions has a positive effect on post-acquisition performance. It also argues that “experienced acquirers” would be more successful than firms with less or no past acquisition experience (Conne et al., 2004). Dikova et al. (2010) indicated that past acquisitions experience could enrich an acquirer’s international business networks, which conversely help their abilities to identify skilled local advisers faster. Hayward (2002) uses the organisational learning theory to explore how the nature, timing, and performance of M&As experience help acquirers to learn how to select the appropriate acquisition. He identifies the broad conditions in which acquirers generate adaptive and timely inferences from M&As experience. Acquirers’ previous experiences with acquisitions processes in multiple countries facilitate post-acquisition performance and transactions completed in a new location. Zhang and Ebbers (2010) use 1,324 samples of cross-border M&As by Chinese firms to answer the following critical question: ‘Why are half of China’s overseas acquisitions incomplete?’ (p. 101). They find that a lack of global experience hampers the completion of Chinese cross-border

acquisitions. Along with increasing cross-border M&As experience, acquirers can develop routines to comply with the terms of various competition laws, consistent information and messaging to all stakeholders, formulate effective communication strategies, and plan the integration and transformation of acquiring firms into a single new entity (Dikova et al., 2010; Zhang and Ebbers, 2010).

Further, based on organizational learning theory, Laamanen and Keill (2008) indicate that the acquisition rate is a critical characteristic of serial acquirers' behaviour, which reflects the temporal distribution of transactions in a stream of acquisitions. Based on 5,518 samples of the publicly disclosed acquisitions of 611 US acquirers in 7 industries during 10 years, they find that acquisition experience moderates the relationship by weakening the high rate of acquisitions that are negatively related to post-acquisition performance. Previous studies assume that the acquisition rate can influence the activities of serial acquirers by affecting the transaction process through which acquirers utilise and integrate past acquisitions experience into acquisition capabilities (Laamanen and Keill, 2008; Hayward, 2002; Vermeulen and Barkema, 2001). Further, Laamanen and Keil (2008: 664) define acquisition rate as 'the number of acquisitions that acquirers carry out over a given period, for example, as the average yearly acquisition rate over three years'. They argue that the acquisition rate could impact the time available between any two M&As transactions. Based on prior research and using a similar logic, this study expects to ascertain whether the acquisition rate impacts the withdrawal or completion of acquisitions through the acquisition capabilities of serial acquirers in the context of organizational learning (Finkelstein and Haleblian, 2002; Hayward, 2002; Vermeulen and Barkema, 2002; Laamanen and Keil, 2008).

Previous studies argue that acquisition capabilities are not only built through the accumulation of experience but are also influenced by internalisation, knowledge representation, the ability to identify suitable target firms, negotiate deals, and manage the integration process and sharing (Trichterborn et al., 2016; Haspeslagh and Jemison, 1991). In order to successfully complete transactions, firms must accumulate a variety of skills, which are mainly gained in a learning-by-doing manner by

developing coordination skills and functional routines as a result of repeated actions (Dikova et al., 2010). In order to generate integration of acquisition capabilities, serial acquirers must accumulate different experiences and acquisition-related knowledge, for which correct inferences must be drawn from multiple acquisitions (Laamanen and Keil, 2008; Haleblian and Finkelstein, 1999). Building on the findings of previous studies, acquisition capabilities affect the completion or withdrawal of single acquisitions[1] (Dikova et al., 2010; Zhang et al., 2011). Building on the findings of previous studies, we expect that the acquisition rate affects the outcome of multiple acquisitions in the pre-completion stage by affecting the process through which serial acquirers build acquisition capabilities and learn from past acquisitions experience (Hayward, 2002; Vermeulen and Barkema, 2002; Laamanen and Keil, 2008). Thus, based on the above discussion, we propose the following hypothesis:

Hypothesis 1: The acquisition rate is negatively related to the likelihood that multiple acquisitions are abandonment.

4.2.2 The relationship between time interval and withdrawal of multiple cross-border M&A deals

Organisational learning depends on the time interval between successful acquisitions; a short period does not permit the processes of building experiences to occur (Hayward, 2002). Acquirers have great potential to learn from their acquisition experience from their past deals, while they fail to realise that potential in general (Hayward, 2002). Huber (1991) indicates that inferences are particularly valuable and essential in timely generation and application; short intervals between acquisitions may not allow serial acquirers to make the inferences needed (Huber, 1991). However, most previous research is mainly focused on using the influence of organisational learning to evaluate post-acquisition performance. For example, Lubatkin (1983) provided that firms with past M&As experience may become more skilled at necessary

[1]Single/Individual acquisition is defined as an acquirer making only one acquisition, and frequent/multiple/serial/subsequent acquisitions are defined as acquirers making at least two acquisitions of targets within a three-year period (see p. 41 definition of multiple M&As).

structural changes and avoiding administrative problems, which may have a negative influence on acquisition performance. Fowler and Schmidt (1989) find that, on average, if acquirers have prior acquisition experience, the post-acquisition financial performance improved significantly for firms. Further, previous studies have suggested that the management team must gain acquisition experience from past successful M&A transactions (Paine and Power, 1984). Paine and Power (1984) find that past acquisition experience can be a good predictor for the success of future subsequent acquisitions.

On the other hand, acquires may not be able to produce meaningful inferences from very recent deals (Hayward, 2002). Haleblian and Finkelstein (1999), based on 449 samples, and their findings indicate that relatively inexperienced companies inadequately utilise their acquisition experience in subsequent acquisitions after the first transaction, while acquirers with more acquisition experience adequately differentiated the acquisitions (Haleblian and Finkelstein, 1999). Based on previous studies, scholars indicate that a large number of multiple acquisitions occurring in a rather short period may be harmful to shareholders' wealth. From the long-term perspective, if serial acquirers spend a longer time to make the next acquisition, it may improve the learning outcome and offset the initial hubris. Previous research suggests that multiple acquisitions as routines are a follow-up model of activities performed by firms that can establish a firm's acquisition and dynamic capabilities, thereby leading serial acquirers to complete subsequent acquisitions (Dosi et al., 2000; Winter 2003; Eisenhardt and Martin, 2000). Multiple acquisitions that are routine for serial acquirers generates task and problem-solving procedures that guide subsequent M&A activities (Aktas et al., 2015). Based on previous research, we argue that in order to establish an effective follow-up acquisition and completion of the routine, serial acquirers need sufficient temporal interval to make the next new acquisition for the serial acquirer; this requires a sufficient time available to accumulate past acquisition experience and apply it to the next event. Further, the excessively short interval between acquisitions may result in time compression for serial acquirers, thereby making them unable to accumulate past experiences and accumulate acquisition abilities.

Zoilo and Winter (2002) and Hayward (2002) argued that building acquisition capabilities requires necessary time to make sense and learn from previous experiences, while excessively short period between each acquisition can be harmful to the development of an acquirers' capability. Dierickx and Cool (1989) stated that in a short interval, time compression diseconomies may set in, thereby making the acquirers unable to draw inferences and accumulate acquisition capabilities. When the regular rhythm of multiple acquisitions is suddenly interrupted by a great number of deals occurring in a short time period, the acquisition team of companies may suffer from high time pressure, which may impact the quality of their analysis (Laamanen and Keil, 2008). Thus, by following previous studies on multiple acquisitions, this study applies similar logic to evaluate the relationship between time interval and the outcome of acquisitions made by serial acquirers in the pre-completion stage; hence, we propose the following hypothesis:

Hypothesis 2: The time interval is negatively related to the likelihood that multiple acquisitions are abandonment.

4.2.3 The institutional environment in the home country and the withdrawal of multiple M&A deals

Previous studies have examined the impact of the institutional environment in the host country on the post-performance of M&As and the withdrawal or completion of individual acquisitions (Dikova et al., 2010; Reus and Lamont, 2009; Vermeulen and Barkema, 2001; Zhang et al., 2011). This study argues that the institutional environment in the acquirers' home country may also influence the withdrawal or completion of multiple M&As in the pre-acquisition stage. North (1990) and Scott (1995) demonstrate that an institution captures the fundamental structure of a country and promotes or limits certain behaviour of companies embedded in the countries. North (1990) suggests that if the home nation's institutional environment is complex and comprehensive, it provides a foundation for society and guides the behaviour of firms within the society. More recently, based on North's institutional theory, some other scholars based on North's institutional theory indicate that firms' strategic choices are

guided not only according to economic rationality but also affected by the institutional environment (Peng et al., 2008; Liu and Yu, 2018; Wang et al., 2012). Arslan and Dikova (2015) use institutional economic theories to test and empirically analyse the impact of institutional distance and host country experience on the choices of multinational corporations (MNEs) across cross-border M&A transactions. Their results show that highly formal and informal institutional distance causes a preference for partial cross-border acquisitions, while the host country's previous transactions experiences moderated the relationship between institutional distance and firms' choice. Based on Chinese cross-border transactions in developed countries between 1996 and 2012, Yang and Deng (2015) found that the overall economic freedom of the host country had a positive impact on the subsequent performance of China's cross-border transactions, while the effectiveness of the host government had a negative impact on the number of cross-border transactions in China.

From the perspective of the home country, acquirers must handle the liability of foreignness—for example, in terms of regulatory structures, laws courts, governmental agencies, professions, interest groups, and public views in the host nation. Zhang et al. (2011) indicated that a well-developed institutional environment provides strong legal enforceability that protects the interests of the acquirer or target involved and reduces costs accrued from asymmetric information. A well-developed institutional environment provides clear rules to all parties involved in acquisition activities to help acquirers and target firms save time and costs to declassify the complicated procedures related to M&As laws and regulations—for example, antitrust regulations, corporate governance and securities laws and disclosure obligations (Zhang et al., 2011). For example, institutions in the home nation—including business regulations such as antitrust and product liability regulations, financial market oversight, and contract enforcement—can enable homebuyers to access resources and influence their ability to compete in global markets (Chacar et al., 2010; Marano et al., 2016; Wan and Hoskisson, 2003). It can help organisations to build strategies and capabilities to succeed at home and abroad by influencing their acquisition costs and the cognitive processes of acquirers (Marano et al., 2016). A well-developed institutional environment provides advantages to local acquirers to reduce transaction costs by limiting opportunistic behaviours and providing more resources and certainty

in the market, which strengthens local firms' ability and enables them to develop routines to achieve their objectives.

Moreover, Dikova et al. (2010) argue that acquirers require different types of abilities—such as through learning by doing—to accumulate coordination abilities and routines built as a consequence of repetition. The specific institutional environment determines such information and knowledge that organisations require. A firm's maximisation behaviours could take the form of making choices within existing institutional restrictions (North, 1990). Due to the institutional constraint on a firm's activity, Barkema and Schijven (2008) indicate that acquisitions have complex and unique characteristics, and acquirers benefit from the setting of local institutions and build a routine for the next new event, as some of the acquiring capabilities can transfer from that experience to the next one. Following previous literature, this study assumes that the role of the institutions in the home nation plays an important role in influencing the withdrawal or completion of multiple acquisitions. In keeping with previous studies, a weaker institutional environment in the home country increases uncertainty and transaction costs. Thus, we propose the following hypothesis:

Hypothesis 3: The institutional environment in the home country is negatively related to the likelihood that multiple acquisitions will be abandoned.

4.2.4 Moderating effect of Acquisition experience

Previous scholars believe that a serial acquirer with experience with a large number of completed acquisitions can improve the efficiency of problem-solving (Homburg and Bucerius, 2006)—for example, reducing the brands and services for new entities, shutting down production sites and sales offices, relocating branches and subsidiaries (Homburg and Bucerius, 2006). Conne et al. (2004) found that multiple acquisitions experience significantly improves operational performance. Even an unsuccessful acquisition experience can cause a 'problematic search' for superior solutions (Muehlfeld et al., 2012; Cyert and March, 1992). Muehlfeld et al. (2012) argue that a

problematic search begins locally and helps acquirers make incremental change rather than radical change. If the local knowledge incremental does not generate sufficient improvements, the organisation turns to non-local change, which may result in higher risk-taking and applying more radical departures from prior solutions (Cyert and March, 1963; Levitt and March, 1988; Muehlfeld et al., 2012). Some other scholars argue that unsuccessful experiences include more clues about causality than successful experiences, because experiences of failure may generate new and unexpected types of information (Baum and Dahlin, 2007; Madsen and Desai, 2010). An unsuccessful acquisition can produce valuable learning outcomes that can bring about improvements in the overall organisational level by enhancing access rather than its negative impact (Finkelstein and Haleblian, 2002; Haleblian and Finkelstein, 1999).

Previous studies suggest that due to the limitations of organisational resources (such as financial, cognitive and others, the experiential learning processes differ for success and failure experiences (Jemison and Sitkin, 1986; Cyert and March, 1992). Resource limitation contributes to differences between learning processes because the experience of failure and success stimulate distinct search processes (Muehlfeld et al., 2012). Muehlfeld al. (2012) advocates that the transferability of learning from experience is limited by acquisition context; thus, they explicitly distinguish between the experiences of success and failure. However, we argue that the withdrawal of multiple acquisitions by serial acquirers relate to the sharing of experiences across organisations, irrespective of experiences with success or failure. Because we believe that routines change in response to direct organisational experience through organisational search, the organisational learning takes place from a series of alternative routines and better ones are adopted when they are discovered (Levitt and March, 1988). History-dependent adaptation to the experience of success and failure works incrementally in response to the feedback of outcomes. Levitt and March (1988) also argue that experiential learning is based on trial-and-error learning, which implies that organisations could learn from cumulative successes or failure and gradually adopting their routines, thereby leading to favourable outcomes.

The organisational learning theory suggests that the ability of acquiring firms in terms of negotiation skills is another aspect that influences the completion or withdrawal of acquisitions. Serial acquirers with accumulated experience could set up effective communication with stakeholders, plan post-acquisition integration and transformation strategies, implement announcement plans, and determine key performance indicators or resolve local antitrust requirements in the context of different agencies (Dikova et al., 2010). Thompson (1990) demonstrates that the ability to negotiate increases with past acquisition experience. Most importantly, negotiators can apply the negotiation skills that they learned in the bargaining task to other negotiating decisions. Acquirers must seek improvement from experience with past deals, which may lead to better outcomes of subsequent acquisitions in the future (Mohite, 2017). Recent research based on the organisational learning theory and experience has shown that acquirers may need to make numerous acquisitions in order to have a beneficial learning impact on subsequent M&A transactions. Laamanen and Keil (2008) argue that the relative timing of M&A transactions is related to the performance of acquirers at the program level. Due to their past accumulated acquisition experience and excellent abilities, their acquisition plan is better than that of others. They also argue that by building M&As transactions routines and abilities over time, firms may be able to handle a significant number of transaction simultaneously. The developed capabilities of M&As could help serial acquirers absorbing each deal and transform some of the activities related to the deal to routine tasks, also decrease the time required. Thus, the cognitive load from each deal could be reduced when the acquirer makes subsequent acquisitions in short time interval; and improving efficiency and reducing psychological load are important factors in post-acquisition performance (Laamanen and Keil, 2008). Therefore, based on previous studies on the relationship between acquirers' experience and post-acquisition performance, we argue that the effect of acquirer's previous acquisition experience in multiple acquisitions abandonment is relatively less prominent with longer time interval than with shorter time interval. This leads to the following hypotheses:

Hypothesis 4: The negative impact of time interval on the likelihood of multiple acquisitions withdrawn will be mitigated by the serial acquirers' past experience.

4.2.5 Moderating effect of Related acquisition program

We are also interested in whether the related acquisition program moderates the effects of the acquisitions frequency patterns on multiple acquisitions completed or withdrawn. We argue that the more similarity between acquiring industry and target industry, the easier it is for serial acquirers to manage and strengthens the negative effects of acquisition frequency patterns on the likelihood of multiple acquisitions abandonment. The difficulty of analysing potential acquisition targets and subsequently integrating organisational culture or organizational processes often depends on the degree of similarity between the two organizations (Finkelstein and Haleblian, 2002; Lammanen and Keil, 2008). Laamanen and Keil (2008) argue that the more the acquisition program is focused on industry segments where the acquirer is already present, the easier it is for the firm's acquirer to administrate. Using 2,495 samples from 1985 to 2008, Lim and Lee (2016) document that cross-border acquisitions are more likely to succeed when there is a high level of relatedness between an acquirer's and a target's business. Extant research on diversification to related and unrelated M&As transactions, Berger and Ofek (1995), and Stultz (1990) indicated that diversification of M&As deals creates several costs. The diversified acquirers must invest substantially in lines of business with poor investment opportunities. Berger and Ofek (1995) find that the loss involved in cross-border acquisitions decreases when industries of the diversified firms have the same two-digit SIC code.

Further, Lim and Lee (2016) indicate that the degree of expected returns from a related acquisition is higher than that from an unrelated acquisition. Acquiring target firms in a related industry increases the likelihood of transaction completion. Moreover, they also propose that perceived risk level is lower for related acquisitions. In this case, acquirers usually have a high level of knowledge and understanding because of low information asymmetry. The acquirer can collect critical information, grasp the potential of the target within a limited time, and—even in a cross-border context—they can negotiate effectively by utilising existing knowledge and understanding (Lim and Lee, 2016). In addition, the greater the correlation between the acquirer industry and

target, the easier it is to reduce uncertainty and lower information asymmetry and the greater the likelihood of completion of subsequent acquisitions (Morosini et al., 1998; Lien and Klein, 2009).

Other researchers have provided some more examples in this regard. For example, Prahalad and Bettis (1986) indicate that similar industries may share similar operating procedures, cultures, and dominant logic. However, unrelated industries are usually likely to have greater differences with respect to these aspects. Similarities in a large number of these dimensions can be expected to promote pre-acquisition evaluation and post-acquisition integration. In the pre-acquisition stage, similarities reduce the difficulties of acquisition in terms of the assessment strategy and organizational fit between acquiring firms and targets (Fowler and Schmidt, 1989; Datta, 2002; Lane and Lubatkin, 1998). Similarities can also reduce integration difficulties by facilitating knowledge transfer and reducing the need to change systems and procedures (Lane and Lubatkin, 1998; Laamanen and Keil, 2008). Such benefits are particularly important when the relevant serial acquirers process subsequent acquisitions under time constraints and competitive pressures (Jemison and Sitkin, 1986). Thus, we propose the following hypothesis:

Hypothesis 5a: The industry relatedness negatively moderates the relationship between acquisition rate and the likelihood of multiple acquisitions abandonment.

Hypothesis 5b: The industry relatedness negatively moderates the relationship between time interval and the likelihood of multiple acquisitions abandonment.

4.3 Sample, methodology, and variables

Our sample includes domestic and cross-border M&A deals made by serial acquirers in the APAC region between 2006 and 2016, including 32 developed and emerging countries. The Asia-Pacific area is an ideal region to conduct our study because of its high level of economic growth and opportunities for synergistic international business combinations. The sample provides a natural experiment which can enable strong

testing of the links between different variables and the withdrawal of multiple acquisitions (Laamanen and Keil, 2008). In addition, according to Thomson Financial (2017), of all global abandoned deals between 2006 and 2016, 47% of the cross-border M&As deals are from the Asia-Pacific region. On the other hand, the developed and emerging countries in the Asia-Pacific are very different in terms of financial regulation, M&A law, corporate governance, international investment regulations, the accounting standards as well as have rather diverse cultural backgrounds. These favourable conditions could provide a better context to test hypothesises.

All the data on withdrawn and completed M&A deals in the Asia-Pacific region are obtained from Thomason One Banker, a global M&A database which provides comprehensive data on international M&A transactions, to monitor and report acquisition activities and perform market share analysis that is widely used for academic research. Deleting observations with missing data yielded a final usable sample comprising 6,966 domestic and cross-border M&As transactions made by serial acquirers from 27 countries in the APAC. According to the data, there are five countries (Bangladesh, Bhutan, British Indian Ocean Territory, Brunei, and Cambodia) from the APAC where there were no M&A transactions between 1 January 2006 and 31 December 2016. Over the 2006 to 2016 period, 22% of the 6,966 multiple acquisitions were abandoned, while the remainder multiple announced acquisitions were completed. A closer examination of the nations of origin of withdrawn multiple M&A deals in our sample set, as listed in Table 4.4, reveals the top 15 acquirer nations and target nations by number of multiple acquisitions withdrawn in the APAC between 2006 and 2016. All nations in our sample setting include both developed and developing countries from the APAC.

Table 4.4 Top 15 acquirer nations and target nations by number of multiple acquisitions withdrawn in the Asia-Pacific between 2006 and 2016

	Acquirer Nation	Number of Acquisitions	Percentage	Target Nation	Number of Acquisitions	Percentage
1	China	199	24	China	229	28
2	Hong Kong	185	22	Australia	79	10
3	Singapore	121	15	United States	60	7
4	Japan	79	10	Hong Kong	58	7
5	Australia	59	7	Indonesia	54	6
6	Malaysia	56	7	Singapore	52	6
7	India	43	5	Malaysia	30	4
8	Indonesia	28	3	Canada	24	3
9	South Korea	26	3	Japan	24	3
10	Taiwan	18	2	India	16	2
11	Thailand	6	1	South Korea	16	2
12	Macau	4	0	United Kingdom	16	2
13	New Zealand	4	0	France	15	2
14	Vietnam	2	0	Germany	13	2
15	North Korea	1	0	Philippines	12	1

Source: Author's own calculation based on Thomson Financial Merger & Acquisition database (2018).

The data we obtained included information of the announcement, completion, or withdrawal date of multiple M&A deals, all the other key independent, control variables, related information, and some limited financial information related to involved firms. Data on the home nation's institutional environment was obtained by using PRS Group's ICRG measurements. Similar to previous studies (Dikova et al. 2010), the unavoidable limitation of our is that we only investigate M&A deals that have reached the stage of a public announcement, without investigating the acquisitions discussed in private and withdrawn before being made public. Moreover, we do not investigate the acquisitions which were initiated and completed entirely privately (Dikova et al., 2010) as by using secondary data, we cannot obtain the data on acquisitions made entirely privately.

4.3.1 Variables

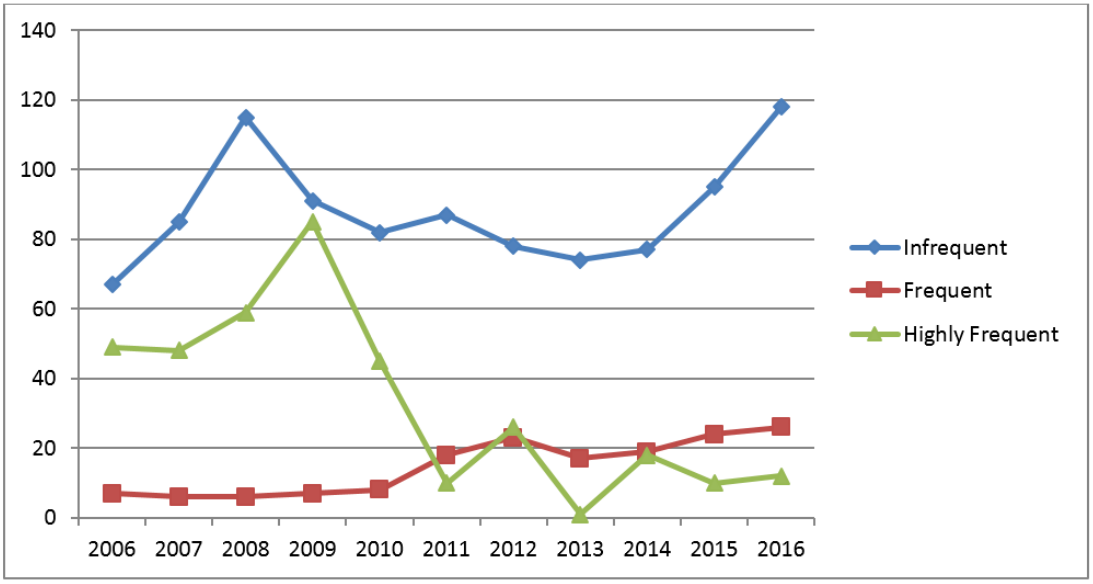
The dependent variable is multiple acquisitions withdrawn, which is a dummy variable that takes the value 0 if the announced multiple acquisitions made by serial acquirers are completed and 1 if the acquisitions made by serial acquirers are abandoned.

In line with all the hypotheses, the leading independent variables are (1) acquisition rate, (2) time interval, (3) acquisition experience and capabilities, (4) institutional environment, and (5) acquisition program scope.

Following prior research (Vermeulen and Barkema, 2001; Laamanen and Keil, 2008), we determined the acquisition rate as the average number of acquisitions that serial acquirers conduct over three years. By following prior studies, this study defines the frequency of acquisitions in terms of how the effect of M&A activities can last in infrequent (serial acquirer makes 2-3 acquisitions in three years), frequent (serial acquirer makes 4-5 acquisitions in three years), and highly frequent (serial acquirer makes over 5 acquisition in three years) dimensions. Dividing acquisition frequency into three terms makes the interaction between the frequency of acquisition and time

interval a combined effect to estimate how the different frequency affects the outcome of multiple cross-border acquisitions in two dimensions: quantity and time interval. Figure 4.1 illustrates the frequency of acquisition rate in the sample setting between 2006 and 2016.

Figure 4.1 The frequency of acquisition rates between 2006 and 2016



Source: Thomson Financial Merger & Acquisition database M&A Database, 2018.

Time interval was calculated as the difference (in days) between the dates of the first acquisition withdrawn and the announcement of the next acquisition (Dikova et al., 2010). Suitable time intervals might be beneficial to acquirers because they can offer sufficient time to enable building processes of inference and experience from recent acquisitions. This variable is log-transformed to reduce skewness.

Following prior acquisition research (Laamanen and Keil, 2008; Fowler and Schmidt, 1989; Haleblian and Finkelstein, 1999; Kusewitt, 1985), acquisition experience is a proxy for an acquirer's acquisition capability. We measured a**cquisition experience**

as the total number of completed and abandoned acquisitions conducted by serial acquirers from APAC, carried out prior to our window of observation (three years). Vermeulen and Barkema (2001) claim that an acquirers' acquisition experience is more likely to facilitate the completion of deals due to some transfer of the acquired capabilities and knowledge from one deal to another. Controlling the acquirer's experience is important because the results of the similarity measures might be based on the number of preceding M&A transactions (Hayward, 2002).

In order to measure institutional environment, by following previous studies (Zhang et al., 2011; Dikova et al., 2010), we use an aggregation of the PRS Group's ICRG political risk measures to create a single measure—institutional environment of the home country. This measure is obtained through factor analysis. It identifies the latent structure of the 12 variables and ultimately computes a factor score for each country in each year, thereby capturing a more comprehensive institutional environment based on the factor loadings of all variables on the factor. The study uses 12 indices, expanding Zhang et al.'s (2011) research (they have used seven indices to measure institutional quality) and considered relevant for M&A transactions. The indices provide a score on government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, the prevalence of corruption, bureaucratic quality, internal conflict, external conflict, military in politics, religious tensions, and ethnic tensions. These measures capture the general environment of institutions. Higher scores on this measure imply a better-developed institutional environment in the host country. The institutional environment in the home country has an important impact on the completion or withdrawal of acquisitions because they may cause decision-makers to perceive a high risk during the due diligence and negotiation processes (Berry et al., 2010; Rossi and Volpin, 2004).

Interaction terms

In order to test hypothesis 4, we utilize the interaction terms time interval and accumulated experience, presented as *time interval* × *accumulated experience* to assess the possible moderating effect of accumulated experience on the relationship between time interval and the probability of withdrawal of multiple acquisitions.

In order to test hypotheses 5a and 5b, we also include the moderator of industry relatedness to assess the possible moderating effect of industry relatedness on the relationship between acquisition frequency patterns and withdrawal of multiple acquisitions. We present this as *acquisition rate* × *industry relatedness* and *time interval* × *industry relatedness*, respectively. Based on the literature, the standard method to measure acquisition industry relatedness is to indicate whether four activity codes are classified at the same level within the hierarchy of an industrial classification system (Frenken et al. 2007). Acquisition industry relatedness, which can be considered as industry relatedness or industry match determines whether the four-digit SIC codes of the acquirer and target industries match during the observation period. If the acquiring firms and target firms have the same SIC code, they are ascribed the value of 1, and 0 otherwise.

We also included the following control variables which are influential in determining the withdrawal or completion of multiple acquisitions.

Advisor hired by acquirer or target firms: The use of an external advisor is a measure of the M&As transactions that external advisors have engaged in (Hayward, 2002; Laamanen and Keil, 2008). The variable is given the value of 1 if the acquirer or target firms hire financial advisors to the deal, and 0 otherwise.

Method of payment—previous findings indicate that the method of cash or stock payment for M&As deals may influence the completion or withdrawal of acquisitions (Divoka et al., 2010; Zhang et al., 2014). We employed a dummy variable to control for the method of payment, and the variable was given a value of 0 for cash payments and 1 if stock-financed were used for payment.

Target subsidiary is assigned a value of 1 if the smaller partner in the deal was, prior to the acquisition announcement, a subsidiary, or 0 if it was a larger firm. Dikova et al.

(2010) suggest that such acquisitions are more complicated, as the parent's heritage in the governance structure of the subsidiary often adheres to a considerable period.

Public status acquirer and Public status target, respectively, refers to whether or not the serial acquirer or target firm in the acquisition is publicly owned. In this study, we coded 1 for publicly owned firms, and 0 otherwise.

Deal attitude was given the value of 1 if the acquirer classified it as friendly, and 0 for a hostile deal.

Financial crisis is a dummy variable that was given the value of 1 if the M&A transactions were withdrawn or completed from 2007 to 2008, and 0 if not.

Acquisition duration is measured as the time-lapse (in days) between the dates of the announcement of the deal and the dates of the withdrawal of the deal. Following Dikova et al. (2010), we calculated acquisition duration as the difference in the number of days between the date of completion or withdrawal and the announcement of the acquisition. This ratio variable is log-transformed to reduce skewness.

Value of transaction, this ration variable is log-transformed to reduce skewness. We measured the value of the transaction using a logarithm. Value of transaction = log (total value of the transaction in million dollars).

Number of bidders: We used a binary measure reported by Thomson Financial Merger & Acquisition database Securities Data Company (SDC) Platinum, and the variable is given the value of 1 if there is at least one other bidder for the target firm, and 0 otherwise.

Acquirer's total assets: Following previous studies, this variable is measured using the logarithm of an acquirer's total assets at the beginning of the window of observation (Laamanen and Keil., 2008). Acquirer's total assets = log (total assets of the acquiring firm in a million dollars). This ratio variable is log-transformed to reduce skewness.

Target total assets: This variable is measured using the logarithm of target firms' total assets at the beginning of the window of observation. Target total asset = log (total target firms assets in a million dollars). This ratio variable is log-transformed to reduce skewness.

Owned after transaction: This variable measures the percentage of ownership in the target firm sought by serial acquirers, which may influence the approval procedure (Lim and Lee, 2017). This ratio variable is log-transformed to reduce skewness.

Cross-Border: This variable is given the value of 1 if the acquisitions are cross-border, and 0 if they are domestic acquisitions.

4.3.2 Models

In order to test the seven hypotheses, followed by Zhang et al (2010), we apply logistic regression models used by Zhang et al. (2010) to estimate how the likelihood of withdrawal of multiple cross-border acquisitions is affected by different determinants. The logit model is represented in the following manner:

$$P(i) = 1/[1 + e^{-\beta x(i)}],$$

where P(i) is the probability of acquisition i being abandoned; e is the exponential function; X(i) is the vector of independent variables, including the key explanatory variables and control variables listed above; and β represents the regression coefficients of the vector of independent variables X(i) discussed above. The explanatory power of the logit model is determined using the likelihood ratio test (He

and Zhang, 2018; Zhang et al., 2011).

In accordance with previous studies (He and Zhang, 2018), in order to test different hypotheses, we used the above model in several specifications:

We begin with the benchmark specification (i.e. model 1). Model 1 presents the base model with constant and control variables. Because control variables can strongly influence the regression results in experiments, they are held constant during the experiment that tests the relationship between dependent and independent variables. Model 1 includes the following control variables: acquirer advisor, target advisor, method of payment, target subsidiary, the public status of acquirer, public status of target, deal attitude, and number of bidders.

Following previous studies, we add the independent variable step-by-step into several sets of control variables in order to see which controls may change the results and also how the model reacts to the addition of particular sets of controls.

Based on Model 1, Model 2 includes all the control variables, and we add the first explanatory variable Frequency of acquisition rate to test hypothesis 1. Model 3, similar to Model 2, includes all the control variables and we add the independent variable Time interval to test hypothesis 2. In Model 4, we add the independent variable Home country's institutional environment with all the control variables to test hypothesis 3. In Models 5, we add the interaction items *Time Interval* × *Accumulated Experience* respectively to test hypotheses 4. In Models 6 and 7, we add the interaction items *Acquisition Rate* × *Industry Relatedness* and *Industry Relatedness* × *Time Interval respectively* to text hypotheses 5a and 5b.

4.3.3 Results and discussion

We begin this section with the descriptive analysis. Deleting observations with missing information yielded a data set with 6,966 domestic and cross-border M&A deals made by serial acquirers. The descriptive statistics of all variables are reported in Table 4.5,

which presents a sample of 6,966 multiple acquisitions withdrawn and completed between 01 January 2006 and 31 December 2016. Over the 11-year period, 78% of the 6,966 (i.e. 5,442) domestic and cross-border deal announcements made by serial acquirers in our final sample were completed, while 1,524 representing 22% of 6,966 deals were initiated but subsequently withdrawn.

Table 4.6 provides a summary of the correlation for all variables in order to check for potential multicollinearity problems. Hair (1995) indicated that 'multicollinearity occurs when two or more predictors in the model are correlated and provide redundant information about the response'. Multicollinearity is measured by the variance inflation factor (VIF). As a rule of thumb in previous researches, if the VIF of a variable exceeds 10, the variable is considered to be highly collinear and is likely to pose a problem in regression analysis (Hair, 1995). We calculated the VIF values for each model used and the results indicate that the values are well below the commonly used cut-off threshold of 10. Moreover, the results show that all correlation coefficients between the variables in the same model are well below the standard cut-off threshold of 0.7. Therefore, the results reveal that the models do not have any multicollinearity problems.

Table 4.5 Descriptive statistics variables

Variable	Mean	Std. Dev.	Min	Max	Obs
Multiple Acquisitions Abandonment	0.219	0.413	0	1	6966
Acquisition Rate	1.213	2.703	0.333	27	6966
Time Interval	534.150	834.447	0	3920	6966
Home Country's Institutional Environment	0.022	1.001	-8.049	2.125	6965
Accumulated Experiences	2.640	8.108	0	80	6966
Industry Relatedness	0.247	0.432	0	1	6966
Financial Crisis	0.219	0.414	0	1	6966
Acquisition Duration	4.286	1.443	0	7.775	6966
Value of Transaction (log)	0.744	0.992	-3	4.150	6966
Acquirer Advisor	0.237	0.425	0	1	6966
Target Advisor	0.152	0.359	0	1	6966
Deal Attitude	0.866	0.340	0	1	6966
Target Public Status	0.199	0.399	0	1	6966
Acquirer Public Status	0.654	0.476	0	1	6966
Target Subsidiary	0.371	0.483	0	1	6966
Payment Method	0.337	0.473	0	1	6966
Number of Bidders	1.006	0.099	1	4	6966
Acquirer's Total Assets (log)	4.053	1.690	-1.380	8.550	6966
Target's Total Assets (log)	0.598	1.103	-2.700	5.540	6966
Owned After Transaction (log)	52.534	42.775	0	126.667	6966
Cross Border	0.235	0.424	0	1	6966

Table 4.6 Correlation statistics of analysis of variables

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	Multiple Acquisitions	1																				
1	**Withdrawal Acquisition**	-0.052																				
2	**Rate**		1																			
3	**Time Interval**	-0.277	0.203	1																		
	Home Country's Institutional	0.071																				
4	**Environment**		0.066	-0.028	1																	
	Accumulated	-0.052																				
5	**Experiences**		0.525	0.203	0.066	1																
	Industry	-0.028																				
6	**Relatedness**		-0.028	0.026	0.028	-0.028	1															
	Financial	-0.001																				
7	**Crisis**		-0.052	-0.076	0.035	-0.052	-0.006	1														
	Acquisition	0.366																				
8	**Duration**		-0.012	-0.139	0.029	-0.012	0.035	-0.032	1													
	Value of Transaction	0.029																				
9	**(log)**		-0.002	-0.031	-0.039	-0.002	-0.015	0.048	0.003	1												
	Acquirer	0.115									1											
10	**Advisor**		0.109	-0.023	-0.002	0.109	0.002	-0.061	0.207	0.020												
	Target	-0.179									0.318											
11	**Advisor**		0.110	0.062	-0.043	0.110	0.047	0.015	-0.021	0.007		1										
12	**Deal Attitude**	-0.074	0.010	0.036	-0.033	0.010	0.012	-0.090	-0.037	-0.019	-0.026	0.025	1									
	Target Public	-0.118									0.142		-0.066									
13	**Status**		0.079	0.055	-0.040	0.079	0.021	0.067	-0.110	0.027		0.356		1								
	Acquirer	0.065									0.029		-0.003	-0.042								
14	**Public Status**		0.030	-0.009	0.024	0.030	-0.013	0.042	0.007	-0.002		-0.080			1							
	Target	0.011									0.046		-0.025	-0.370	-0.026							
15	**Subsidiary**		0.017	-0.015	0.067	0.017	0.011	-0.004	0.089	-0.037		-0.025	0.043			1						
	Payment	-0.115									0.057		-0.025	-0.165	-0.016	-0.113						
16	**Method**		0.031	0.055	-0.141	0.031	-0.043	0.022	-0.130	0.089		0.041	0.025				1					
	Number of	0.093									0.068		-0.017	-0.120	-0.035	-0.042	-0.045	1				
17	**Bidders**		-0.025	-0.021	-0.037	-0.025	0.020	0.011	0.019	0.022		0.130										
	Acquirer's	-0.349									0.157											
	Total Assets															-0.001						
18	**(log)**		0.216	0.119	-0.031	0.216	-0.021	-0.012	-0.189	-0.002		0.323	0.014	0.314	-0.090		0.065	0.009	1			
	Target's	-0.122									0.214									1		
	Total Assets												-0.064			-0.239						
19	**(log)**		0.092	0.044	-0.032	0.092	0.028	-0.008	-0.038	0.020		0.347		0.718	-0.074		0.114	0.129	0.370			
	Owned After	-0.559									-0.008									0.025		
	Transaction													-0.013				-0.051				
20	**(log)**		-0.014	0.203	-0.045	-0.014	0.081	-0.002	-0.190	-0.027		0.201	0.114		-0.050	0.097	0.046		0.200		1	
	Cross Border	0.020									0.009		-0.057	0.010	-0.028	0.020	-0.051	0.000	-0.020		-0.010	
21			0.076	0.013	0.016	0.076	0.067	-0.012	0.044	-0.008		0.116								-0.025		1

Table 4.7presents the results of the binary logistic regression models to test the seven hypotheses. For eight models, we report the coefficients and the standard error in parentheses to control for possible heteroscedasticity, R square, the observations and the chi-square likelihood-ratio in Table 4.7. The chi-square test is significant at the 0.01% level across all models, which suggest that the null hypothesis—in which all coefficients related to the independent variables are simultaneously equal to 0—is rejected for all the models. This shows a good model fit for all models in Table 4.7.

In Table 4.7, model 1 shows the base and benchmark model with control and constant variables only. First, in order to test hypotheses 1, Model 2 in Table 4.7 adds the independent variable acquisition rate. The result shows a negatively significant ($p < 0.01$) relationship between acquisition rate and multiple acquisitions withdrawn, which strongly support hypothesis 1. This result is consistent with previous studies (discussed later). Laamanen and Keil (2008) indicated that acquisition rate as an important determinant of repetitive acquisitions behaviour, which can reflect the temporal distribution of multiple deals in a stream of acquisitions. Acquisition rate also affects the time interval between two transactions. As Laamanen and Keil (2008) indicated, the acquirer firm's management must prioritise how much effort is needed to run the currently existing business and how much effort must be put into the post-integration process simultaneously. Serial acquirers' capabilities can grow over time, acquisition issues usually require immediate action to respond. Our findings are consistent with the previous theoretical basis, and our logistic results confirm the argument of this study that the negative relationship between acquisitions rate and the outcomes of withdrawal of multiple acquisitions by serial acquirers.

Second, in order to test whether the time interval between multiple cross-border M&A acquisitions can affect multiple acquisitions withdrawn, in Model 3 (see Table 4.7, column 3) we add the independent variable Time interval. The results reveal a significant negative ($p < 0.01$) relationship between time interval and withdrawal of multiple acquisitions, which fully supports hypothesis 2. The acquirer's management team may suffer from high pressure from a great number of acquisitions continually conducted in a short period of time. The high rate of acquisitions may lead to time

compression, thereby resulting in firms being unable to accumulate abilities and skills to handle multiple acquisitions in excessively short time interval between each transactions (Dierickx and Cool, 1989; Laamanen and Keil, 2008). In addition, prior scholars argue that a sudden peak in the number of multiple acquisitions can limit acquirer's capabilities because every different acquisition requires sufficiently important time commitments from various managerial layers (Kusewitt, 1985). The excessively short time interval between each acquisition does not provide acquirers with sufficient time to accumulate their experience with past deals and accumulate capability from failed or successful acquisitions. Therefore, our findings are consistent with the previous theoretical basis.

Third, Model 4 in Table 4.7 (column 4) adds the institutional environment of home countries to test hypothesis 3, which states that a well-developed institutional environment in the home country negatively affects the withdrawal of multiple acquisitions. Our result is consistent with He and Zhang's study (2018). Model 4 shows that there exists a negatively significant ($p < 0.01$) relationship between the institutional environment of the home nation and the withdrawal of multiple acquisitions. Moreover, the effect of the institutional environment of the home country on the withdrawal of multiple acquisitions decreases when the institutional environment of home countries becomes better, which strongly supports hypothesis 4. In general, because institutional frameworks are the key forces that affect a firm's behaviour and outcomes in overseas business (Peng et al., 2008; He and Zhang, 2018), if home countries have a well-developed institutional environment with a stronger institution and stronger legal shareholder protection, serial acquirers have a greater likelihood of learning from the practices of corporate governance. In addition, in order to escape from the stifling regulatory environments of their own countries, serial acquirers could save time and costs to declassify complicated procedures and obtain support from home countries. Hence, serial acquirers could pay more attention to subsequent acquisitions and increase the rate of completion of multiple acquisitions (Peng, Wang, and Jiang, 2008; Pagano, Roell, and Zechner, 2002).

Fourth, in Models 5 (Table 4.7, columns 5), we add accumulated past acquisitions experiences and capabilities as moderators to test hypotheses 4, on the effects of time interval on the withdrawal of multiple acquisitions. To better interpret the interaction terms accumulated experience x time interval, we calculated the critical range for the moderating variable of accumulated experience, which interacts with the time interval. Table 4.8 shows that if the value of serial acquirers' acquisitions experience is smaller than 80 ($aY/aX < -0.019$), the negative effect of time interval on the probability of multiple acquisitions abandonment is significant at $p=0.05$ level. The serial acquirers' experience leads to an decrease in the negative effect of time interval on the likelihood of withdrawal of multiple acquisitions, the marginal effect ($aY/aX > -0.068$) of which gradually increases and statistically significant with increasing experience ($p < 0.05$). The prior research on experiential learning claims that advantageous influence on multiple acquisitions may require acquirers conducting several M&A transactions (Hayward, 2002; Zoilo and Singh, 2004). Halebian and Finkelstein (1999) indicate that acquirers can only determine the underlying dissimilarities between subsequent acquisitions once they have accumulated suitable experiences. Along with accumulated experience, capabilities, and developing M&A routines, serial acquirers may be able to undertake a number of transactions simultaneously in a short time interval. The increasing accumulation of acquisition experience and capability could absorb acquisition skills effectively and reduces the time required from each deal and converts some of the activities associated with M&As to routine or regular missions, which can also reduce the cognitive load from different transactions (Laamanen and Keil, 2008). This result strongly supports hypothesis 4, suggesting that if the time interval between two acquisition is not long enough, the serial acquirers past experience has a prominent negative effect on the likelihood of multiple acquisitions abandonment.

Table 4.7 Logit estimates of multiple acquisitions withdrawn and completed among firms in Asia-Pacific between 2006 and 2016.

	Model 1	Model 2 (H1)	Model 3 (H2)	Model 4 (H3)	Model 5(H4)	Model 6(H5a)	Model 7(H5b)
Acquisition Rate		-0.243(0.127)*				-0.239(0.133)*	
Time Interval			-0.001(0.019)***		-0.003(0.001)***		-0.001(0.002)***
Home Country's Institutional Environment				-0.166(0.083)**			
Accumulated Experiences					-0.001(0.044)***		
Industry Relatedness						-0.182(0.372)*	-0.422(0.254)*
Financial Crisis	0.412(0.212)*	0.382(0.212)*	0.310(0.218)*	0.404(0.213)*	0.300(0.218)*	0.378(0.212)*	0.306(0.218)*
Acquisition Duration (log)	0.711(0.066)***	0.712(0.066)***	0.684(0.069)***	0.712(0.067)***	0.686(0.069)***	0.706(0.066)***	0.676(0.069)***
Value of Transaction (log)	0.077(0.080)	0.077(0.080)	0.060(0.084)	0.079(0.080)	0.057(0.084)	0.075(0.080)	0.058(0.084)
Acquirer Advisor	-1.469(0.198)***	-1.541(0.203)***	-1.450(0.207)***	-1.475(0.198)***	-1.478(0.212)***	-1.524(0.203)***	-1.431(0.208)***
Target Advisor	-0.582(0.272)**	-0.593(0.275) **	-0.606(0.281) **	-0.542(0.273) **	-0.619(0.282) **	-0.603(0.276)**	-0.627(0.282) **
Deal Attitude	-0.163(0.271)	-0.133(0.272)	-0.083(0.274)	-0.190(0.274)	-0.075(0.275)	-0.135(0.271)	-0.090(0.273)
Target Public Status	0.058(0.322)	0.048(0.323)	0.128(0.333)	0.037(0.323)	0.114(0.333)	0.037(0.323)	0.118(0.333)
Acquirer Public Status	0.327(0.490)	0.388(0.495)	0.294(0.513)	0.297(0.489)	0.308(0.513)	0.374(0.495)	0.270(0.514)
Target Subsidiary	0.278(0.187)	0.301(0.188)	0.182(0.196)	0.244(0.188)	0.186(0.197)	0.296(0.188)	0.182(0.197)
Payment Method	-0.652(0.181) ***	-0.666(0.182) ***	-0.674(0.191) ***	-0.593(0.183)***	-0.685(0.192)***	-0.650(0.182)***	-0.652(0.192) ***
Number of Bidders	4.638(2.166) **	4.608(2.229) **	5.235(2.491) **	4.738(2.147) **	5.231(2.446) **	4.602(2.173) **	5.238(2.431) **
Acquirer's Total Assets (log)	-0.593(0.057) ***	-0.564(0.059) ***	-0.588(0.059) ***	-0.599(0.058)***	-0.576(0.061)***	-0.563(0.059)***	-0.584(0.060) ***
Target's Total Assets (log)	-0.017(0.107)	-0.030(0.107)	-0.029(0.110)	-0.008(0.107)	-0.030(0.110)	-0.032(0.108)	-0.037(0.110)
Owned After Transaction (log)	0.086(0.004) ***	0.087(0.004) ***	0.086(0.004) ***	0.087(0.004) ***	0.086(0.004) ***	0.087(0.004) ***	0.087(0.004) ***
Cross Border	-0.020(0.202)	0.034(0.204)	-0.035(0.210)	-0.048(0.204)	-0.020(0.212)	0.001(0.206)	-0.077(0.212)
Time Interval × Accumulated Experience					-0.025(0.002)**		
Acquisition Rate × Industry Relatedness						-0.079(0.451)*	
Industry Relatedness × Time Interval							-0.018(0.004)*
_Cons	-4.275(2.267)*	-4.284(2.329)*	-4.255(2.582)*	-4.316(2.248)*	-4.314(2.538)*	-4.272(2.276)*	-4.253(2.524)*
Log likelihood	-524.953	-522.926	-482.976	-522.928	-481.9498	-522.251	-481.414
LR Chi2	2950.79	2954.84	3034.74	2952.6	3036.79	2956.19	3037.87
Probability > χ^2	0	0	0	0	0	0	0
Number of Observations	6966	6966	6966	6966	6966	6966	6966
R^2	0.738	0.739	0.7586	0.739	0.7591	0.7389	0.759

*p < 0.1, **p < 0.05, ***p < 0.01. Coefficient with standard errors are given in parentheses.

In addition, in order to test hypothesis 5a, the moderation effect of the industry relatedness on the relationship between acquisition rate and multiple M&As withdrawn, we included the interactive term in Model 6. Table 4.8 shows that if industry relatedness takes the value of 1 (acquiring industry related to the target industry), the marginal effect (-0.012) of acquisition rate on withdrawal likelihood is negative and significant ($p < 0.1$); This result shows that when acquiring industry related to the target industry, along with acquisition rate increased 1 unit, the probability of multiple acquisitions abandonment decreased 0.012 units. On the other hand, if industry relatedness takes the value of 1 (acquiring industry unrelated to the target industry), the marginal effect (-0.008) of acquisition rate on withdrawal likelihood is no longer significant. The probability of multiple acquisitions abandonment decreased by the interaction of the relatedness of the acquisition program and acquisition rate, consistent with hypothesis 4.

Table 4.8 Moderating effects of accumulated experiences and industry relatedness

Moderators(M)	Explanatory variables(X)	**Marginal effect** ($\partial Y/\partial X = \beta_1+\beta_3 Z$)	**Significance of marginal effect**
Accumulated Experiences	Time Interval	-0.068 -0.019	$\partial Y/\partial X<0$ is significant ($p<0.05$) when $Z<-0.019$
Industry Relatedness	Acquisition Rate	-0.012 for Z=1 0.008, for Z=0	$\partial Y/\partial X<0$ is significant ($P<0.1$) when Z=1 $\partial Y/\partial X<0$ is insignificant when Z=0
Industry Relatedness	Time Interval	-0.068, for Z=1 -0.062, for Z=0	$\partial Y/\partial X<0$ is significant ($P<0.1$) when Z=1 $\partial Y/\partial X<0$ is insignificant when Z=0

Finally, Table 4.8 also shows that if industry relatedness takes a value of 1, the marginal effect (-0.068) of time interval on multiple acquisitions abandonment likelihood is negative and significant ($p<0.01$); This result shows that when acquiring industry related to the target industry, along with time interval increased 1 unit, the probability of multiple acquisitions abandonment decreased 0.068 units. On the other hand, if industry relatedness takes a value of 0, the marginal effect (-0.062) of time interval on multiple acquisitions abandonment likelihood is no longer significant. The

probability of multiple acquisitions abandonment decreased by the interaction of the relatedness of the acquisition program and time interval, as predicted by hypothesis 5b. The results of hypothesis 5a and 5b consistent with previous studies logic. It implies the advantages of “near transfers” (Perkins and Salomon, 1992), which happens only when the knowledge and acquisitions ability repertoire serial acquirers can em3ploy has a similar industry scope (Chao, 2018). The similarities between the acquirer and its target bring advantages such as easy knowledge transfer (Chao, 2018). By providing the similarity knowledge repertoire in which serial acquirers can access, the relatedness between acquiring industry and target industry can increase the negatively effect of acquisition frequency pattern on the probability of multiple acquisitions abandonment.

4.3.4 Robustness Check

In order to further confirm the robustness of the results, we divide the sample into three different groups—domestic, cross-border, and cash payment. A significant number of previous researches have reported the importance of the country-level and deal-level characteristics, particularly in determining the completion or abandonment of announced M&A activities (Dikova et al., 2010; Zhang et al., 2011; He and Zhang, 2018; Muehlfeld et al., 2012). Therefore, the methods of payment, domestic acquisitions, and cross-border acquisitions are applied as comparative controls in this section. In terms of domestic and cross-border M&A transactions, serial acquirers from Asia-Pacific have conducted 5329 domestic deals, which account for 76.5% of the entire sample set and 637 cross-border deals, which account for 23.5% since 2006 to 2016.

Tables 4.9 (domestic) and 4.10 (cross-border) report eight models to test seven hypotheses by controlling for domestic and multiple cross-border M&A activities. For multiple domestic acquisitions, in Table 4.9, model 4 (home country’s institutional environment) depicts a negative and insignificant result; all other results are consistent with the findings presented in Table 4.7, thereby suggesting that the findings are

robust. Further, Table 4.10 presents the clear results of Model 4, fully supporting hypothesis 3, which states that a well-developed institutional environment reduces the withdrawal of multiple cross-border acquisitions. Taken together, this study finds that when the serial acquirers from Asia-Pacific conduct multiple domestic acquisitions, the effect of the home country's institutional environment on acquisitions withdrawn is much lower than serial acquirers execute multiple cross-border acquisitions, the home nation's institutional environment has a negative significant ($p < 0.1$) effect on the withdrawal of cross-border acquisitions. Thus, our finding shows that the institutional environment in the home country is more influential in cross-border acquisitions than in domestic acquisitions completion or abandonment. We assume that the possible reasons for this result might be that when serial acquirers are conducting multiple domestic acquisitions in their own countries, they may be used to and fully understand their own country's institutional environment. Serial acquirers face the same institutional environment with its competitors. Therefore, irrespective of whether the country is well-developed or less-developed, the influence of the institutional environment of the home nation on multiple domestic acquisitions is not that much as it is on multiple cross-border acquisitions. In Table 4.10, for the multiple cross-border acquisitions, all the models are consistent with those in Table 4.7 and the results remain unchanged and robust. In addition, this study also considers the payment method in the robustness test. Table 4.11 shows that all the results are consistent with the findings presented in Table 4.7, thereby suggesting that the findings are robust.

Table 4.9 Robustness check for domestic M&As (*p < 0.1, **p < 0.05, ***p < 0.01 coefficients with standard errors given in parentheses)

	Model 1	**Model 2(H1)**	**Model 3(H2)**	**Model 4(H3)**	**Model 5(H4)**	**Model 6(H5a)**	**Model 7(5b)**
Acquisition Rate		-0.0143(0.167)*				-0.0422(0.166)*	
Time Interval			-0.00141(0.002)***		-0.00137(0.004)***		-0.00143(0.003)***
Home Country's Institutional Environment				-0.187(0.098)			
Accumulated Experiences					-0.0181(0.081)**		
Industry Relatedness						-0.804(0.513)*	-0.311(0.317)*
Financial Crisis	0.631(0.251)**	0.630(0.252)**	0.504(0.260)*	0.630(0.253)**	0.500(0.260)*	0.614(0.253)**	0.498(0.260)*
Acquisition Duration (log)	0.733(0.076)***	0.733(0.077)***	0.703(0.080)***	0.739(0.077)***	0.703(0.080)***	0.731(0.077)***	0.699(0.080)***
Value of Transaction (log)	0.127(0.095)	0.127(0.095)	0.153(0.101)	0.124(0.095)	0.152(0.101)	0.124(0.095)	0.150(0.101)
Acquirer Advisor	-1.851(0.239)***	-1.854(0.242)***	-1.798(0.249)***	-1.870(0.240)***	-1.813(0.254)***	-1.851(0.242)***	-1.797(0.250)***
Target Advisor	-0.773(0.347)**	-0.774(0.347)**	-0.809(0.356)**	-0.746(0.347)**	-0.815(0.357)**	-0.798(0.351)**	-0.842(0.358)**
Deal Attitude	-0.0777(0.349)	-0.077(0.349)	-0.0227(0.351)	-0.0931(0.354)	-0.0193(0.352)	-0.0754(0.348)	-0.0138(0.350)
Target Public Status	0.162(0.385)	0.161(0.385)	0.277(0.403)	0.149(0.386)	0.272(0.404)	0.137(0.387)	0.238(0.404)
Acquirer Public Status	0.330(0.712)	0.332(0.713)	0.505(0.727)	0.358(0.712)	0.502(0.727)	0.295(0.709)	0.462(0.724)
Target Subsidiary	0.446(0.222)**	0.446(0.222)**	0.357(0.234)	0.400(0.224)*	0.356(0.234)	0.444(0.223)**	0.346(0.234)*
Payment Method	-0.662(0.211)***	-0.662(0.211)***	-0.699(0.713)***	-0.596(0.213)***	-0.700(0.224)***	-0.639(0.212)***	-0.684(0.224)***
Number of Bidders	3.545(4.392)*	3.542(4.392)*	3.727(5.951)*	3.618(4.537)*	3.714(5.914)*	3.487(4.447)*	3.675(5.860)*
Acquirer's Total Assets (log)	-0.567(0.073)***	-0.565(0.075)***	-0.566(0.076)***	-0.574(0.074)***	-0.560(0.078)***	-0.558(0.075)***	-0.557(0.077)***
Target's Total Assets (log)	-0.0312(0.122)	-0.0312(0.122)	-0.0431(0.126)	-0.0307(0.122)	-0.043(0.126)	-0.0408(0.122)	-0.0447(0.126)
Owned After Transaction (log)	0.0934(0.005)***	0.0933(0.005)***	0.0922(0.005)***	0.0940(0.005)***	0.0921(0.005)***	0.0942(0.005)***	0.0927(0.005)***
Time Interval × Accumulated Experience					-0.028(0.019)*		
Acquisition Rate × Industry Relatedness						-0.066(0.677)*	
Industry Relatedness × Time Interval							-0.059(0.001)*
Constant	-3.551(4.483)*	-3.544(4.483)*	-3.303(6.021)*	-3.646(4.625)*	-3.273(5.985)*	-3.527(4.537)*	-3.259(5.930)*
Log likelihood	-385.378	-385.374	-354.657	-383.559	-354.575	-384.139	-353.873
LR Chi2	2389.34	2389.34	2450.78	2390.71	2450.94	2391.82	2452.35
Probability > χ^2	0	0	0	0	0	0	0
Number of Observations	5,329	5,329	5,329	5,329	5,329	5,329	5,329
R^2	0.7561	0.756	0.776	0.757	0.776	0.757	0.776

Table 4.10 Robustness check of cross-border M&As (*p < 0.1, **p < 0.05, ***p < 0.01 coefficients with standard errors given in parentheses)

	Model 1	**Model 2(H1)**	**Model 3(H2)**	**Model 4(H3)**	**Model 5(H4)**	**Model 6(H5a)**	**Model 7(5b)**
Acquisition Rate		-0.517(0.253)**				-0.042(0.166)*	
Time Interval			-0.014(0.002)***		-0.014(0.002)***		-0.014(0.003)***
Home Country's Institutional Environment				-0.187(0.098)*			
Accumulated Experiences					-0.117(0.061)*		
Industry Relatedness						-0.804(0.513)*	-0.311(0.317)*
Financial Crisis	-0.388(0.431)	-0.519(0.437)	0.504(0.260)*	0.630(0.253)**	0.504(0.260)*	0.614(0.253)**	0.498(0.260)*
Acquisition Duration (log)	0.745(0.150)***	0.789(0.155)***	0.703(0.080)***	0.739(0.077)***	0.704(0.080)***	0.731(0.077)***	0.699(0.080)***
Value of Transaction (log)	-0.0812(0.156)	-0.0952(0.160)	0.153(0.101)	0.124(0.095)	0.148(0.101)	0.124(0.095)	0.150(0.101)
Acquirer Advisor	0.403(0.405)	0.591(0.419)	1.798(0.249)***	1.870(0.240)***	1.808(0.253)***	1.851(0.242)***	1.797(0.250)***
Target Advisor	-0.116(0.463)	-0.0708(0.478)	-0.809(0.356)**	-0.746(0.347)**	-0.793(0.358)**	-0.798(0.351)**	-0.842(0.358)**
Deal Attitude	-0.292(0.451)	-0.223(0.452)	-0.023(0.351)	-0.0931(0.354)	-0.0326(0.353)	-0.075(0.348)	-0.014(0.350)
Target Public Status	-0.552(0.669)	-0.528(0.665)	0.277(0.403)	0.149(0.386)	0.255(0.403)	0.137(0.387)	0.238(0.404)
Acquirer Public Status	0.009(0.692)	0.202(0.703)	0.505(0.727)	0.358(0.712)	0.518(0.732)	0.295(0.709)	0.462(0.724)
Target Subsidiary	-0.077(0.393)	-0.006(0.398)	0.357(0.234)	0.400(0.224)*	0.347(0.234)	0.444(0.223)**	0.346(0.234)
Payment Method	-0.898(0.382)**	-0.953(0.387)**	-0.699(0.223)***	-0.596(0.213)***	-0.681(0.224)***	-0.639(0.212)***	-0.684(0.224)***
Number of Bidders	3.545(4.392)	3.541(4.392)	3.727(5.951)	3.618(4.537)	3.776(6.202)	3.487(4.447)	3.675(5.860)
Acquirer's Total Assets (log)	-0.614(0.098)***	-0.559(0.100)***	-0.566(0.076)***	-0.574(0.074)***	-0.560(0.078)***	-0.558(0.075)***	-0.557(0.077)***
Target's Total Assets (log)	-0.084(0.247)	-0.005(0.250)	-0.043(0.126)	-0.031(0.122)	-0.041(0.126)	-0.041(0.122)	-0.045(0.126)
Owned After Transaction (log)	-0.072(0.007)***	-0.074(0.007)***	-0.092(0.005)***	-0.094(0.005)***	-0.092(0.005)***	-0.094(0.005)***	-0.093(0.005)***
Time Interval × Accumulated					-0.025(0.002)*		
Acquisition Rate × Industry						-0.866(0.677)*	
Industry Relatedness × Time Interval							-0.005(0.003)*
Constant	1.173(1.167)*	0.987(1.192)*	-3.303(6.021)*	-3.646(4.625)*	-3.324(6.270)*	-3.527(4.537)*	-3.259(5.930)*
Log likelihood	-385.378	-385.374	-354.657	-383.559	-352.803	-384.139	-353.873
LR Chi2	2389.34	2389.34	2450.78	2390.71	2454.49	2391.82	2452.35
Probability > χ^2	0	0	0	0	0	0	0
Number of Observations	1,637	1,637	1,637	1,637	1,637	1,637	1,637
R^2	0.756	0.756	0.776	0.757	0.777	0.757	0.776

Table 4.11 Robustness check of cash payment M&As(*p < 0.1, **p < 0.05, ***p < 0.01 coefficients with standard errors given in parentheses)

	Model 1	Model 2(H1)	Model 3(H2)	Model 4(H3)	Model 5(H4)	Model 6(H5a)	Model 7(5b)
Acquisition Rate		-0.243(0.140)*				-0.226(0.145)*	
Time Interval			-0.014(0.002)***		-0.016(0.004)***		-0.015(0.003)***
Home Country’s Institutional Environment				0.349(0.098)***			
Accumulated Experiences					-0.087(0.164)*		
Industry Relatedness						-0.314(0.421)*	-0.467(0.295)*
Financial Crisis	0.296(0.251)*	0.271(0.250)*	0.160(0.258)*	0.240(0.256)*	0.398(0.370)*	0.251(0.251)*	0.135(0.259)*
Acquisition Duration (log)	0.682(0.077)***	0.688(0.077)***	0.686(0.082)***	0.684(0.079)***	0.742(0.119)***	0.677(0.078)***	0.673(0.082)***
Value of Transaction (log)	-0.019(0.098)	-0.021(0.098)	-0.018(0.102)	-0.019(0.099)	-0.001(0.149)	-0.024(0.098)	-0.020(0.103)
Acquirer Advisor	1.287(0.238)***	1.390(0.247)***	1.225(0.249)***	1.256(0.241)***	0.991(0.385)**	1.352(0.249)***	1.186(0.250)***
Target Advisor	-0.658(0.326) **	-0.703(0.328)**	-0.709(0.336)**	-0.522(0.332)	-1.086(0.518)**	-0.708(0.330)**	-0.737(0.337)**
Deal Attitude	0.084(0.314)	0.118(0.315)	0.143(0.319)	0.058(0.320)	0.084(0.494)	0.111(0.314)	0.126(0.318)
Target Public Status	0.447(0.408)	0.425(0.408)	0.601(0.420)	0.419(0.415)	0.281(0.580)	0.380(0.409)	0.553(0.422)
Acquirer Public Status	0.821(0.625)	0.867(0.626)	0.913(0.654)	0.747(0.627)	0.071(0.839)	0.847(0.627)	0.857(0.654)
Target Subsidiary	0.236(0.210)	0.257(0.211)	0.145(0.220)	0.176(0.212)	0.318(0.329)	0.252(0.212)	0.146(0.222)
Number of Bidders	0.215(0.800)*	0.216(0.801)*	0.086(0.820)*	0.458(0.811)*	1.682(1.288)*	0.211(0.796)*	0.103(0.820)*
Acquirer’s Total Assets (log)	-0.552(0.065)***	-0.526(0.066)***	-0.538(0.067)***	-0.567(0.066)***	-0.463(0.095)***	-0.526(0.066)***	-0.536(0.067)***
Target’s Total Assets (log)	-0.164(0.127)	-0.182(0.127)	-0.144(0.130)	-0.143(0.129)	-0.243(0.187)	-0.180(0.127)	-0.145(0.130)
Owned After Transaction (log)	0.081(0.004)***	0.082(0.004)***	0.082(0.004)***	0.082(0.004)***	0.086(0.007)***	0.082(0.004)***	0.082(0.004)***
Cross Border	0.176(0.235)	0.239(0.238)	0.137(0.244)	0.120(0.239)	0.299(0.366)	0.195(0.241)	0.0856(0.247)
Time Interval × Accumulated Experience					-0.014(0.074)*		
Acquisition Rate × Industry Relatedness						-0.0389(0.512)*	
Industry Relatedness × Time Interval							-0.013(0.001)*
Constant	-0.113(1.169) *	-0.146(1.170) *	-0.116(1.210) *	-0.128(1.186) *	-1.188(1.834) *	-0.123(1.168) *	-0.206(1.212) *
Log likelihood	-379.731	-378.144	-348.215	-373.281	-346.363	-377.100	-346.441
LR Chi2	1914.25	1917.42	1977.28	1927.15	1980.98	1919.51	1980.83
Probability > χ^2	0	0	0	0	0	0	0
Number of Observations	2,033	2,033	2,033	2,033	2,033	2,033	2,033
R^2	0.716	0.717	0.740	0.721	0.741	0.718	0.741

4.4 Discussion and Conclusions

Previous researches have studied the post-acquisition performance of multiple acquisitions in the context of organizational learning, the motivation of serial acquirers, and the completion or withdrawal of single acquisitions. However, we have rather limited knowledge on the likelihood of the withdrawal or completion of multiple announced M&A deals by serial acquirers in the pre-acquisition stage. This study investigates this phenomenon which is ignored in international business research. As Dikova et al. (2010) noted, even with the prevalence of termination fees and lock-up provisions, lots of acquirers continue to acquire multiple target firms and withdraw some of the announced acquisitions. The withdrawal of multiple acquisitions are harmful to serial acquirers and they face devastating losses. For example, unilateral acquisition withdrawals are extremely expensive and serial acquirers not only bear a substantial financial burden but also suffer from considerable credibility damages when deal contracts are breached (Dikova et al., 2010).

In addition, the self-attribution approach has been used to explain the motivation underlying serial acquisition. In this approach, acquirers are overconfident in engaging in multiple acquisitions, with an overly optimistic view of their knowledge and ability to complete subsequent acquisitions or create value in the post-acquisition stage (Gervais and Odean, 2001; Billett and Qian, 2008). Hence, overconfidence may lead to the acquirers not accumulating sufficient experience or acquisition knowledge to handle multiple acquisitions and complete or create value in the post-acquisition stage. A significant percentage of announced multiple acquisitions are indeed withdrawn in the pre-acquisition stage. Our data set (from 2006 to 2016) reveals that there are 5,430 acquisitions withdrawn from APAC countries and 553 serial acquirers abandoned multiple deals. The termination fees for these withdrawals was US$240.75 billion (Thomson Financial, 2019). With the increasing serial acquirers often engaging in frequent M&A transactions in the international market, this study focused on significant factors, the effect of such as the role of the acquisition rate, time interval and home country's institutional environment on the outcomes of domestic and cross-border

M&As made by serial acquirers in the Asia-Pacific market. We intended to answer the following question: why do serial acquirers from economies in the Asia-Pacific region continue to withdraw multiple announced M&A deals?

Unlike most previous work, which evaluated frequency or learning patterns as reflected in the post-acquisition performance and the completion or withdrawal of single acquisitions, our study shifts from the outcomes of single acquisitions into the influence of acquisition frequency patterns to the completion or withdrawal of multiple acquisitions in the pre-acquisition stage. Prior studies on serial acquirers engaging in multiple acquisitions have noted the significance of the acquisition rate, time interval, and home country's institutional environment on post-acquisition performance (Laamanen and Keil, 2008). We confirmed that the negative relationship between acquisition rates and the withdrawal of multiple M&A transactions. The acquisition routines guide serial acquirers' behaviour and choice, which deepens understanding and promotes future learning and behaviour. In summary, this may lead to the continual withdrawal of multiple acquisitions by a serial acquirer (Collins et al., 2009). In addition, we also found that the negative relationship between time interval and withdrawal of multiple acquisitions, which indicates that too short interval between each acquisition could result in the higher probability of multiple acquisitions abandonment. The negative relationship between the frequency acquisition pattern and multiple acquisitions abandonment suggests that serial acquirers could successfully accumulate past acquisition experiences from abandoned or completed outcomes into their routines and ultimately improve their likelihood of avoiding the withdrawal of subsequent acquisitions in adequate acquisition rate and time interval (Muehlffld et al., 2012).

Further, we identify whether acquisition program relatedness and past accumulated experiences moderate the effects of the acquisition frequency pattern on multiple acquisitions withdrawn. Our result is consistent with Laamanen and Keil's study (2008). They find that the acquisition experience moderates the effects of the acquisition frequency patterns on acquirer performance. Following their study, we find that past acquisition experience also moderates the effects of time interval on multiple

acquisitions withdrawn. This indicates that the impact of time interval on the completion or withdrawal of multiple cross-border M&As completion or withdrawn would depend on the firm's previous experience with acquisitions. Considering the complexity of making acquisitions and causal ambiguity, serial acquirers may not respond to initial failure immediately, which may lead to them not being able to accurately identify the defective methods or routines related to acquisition, in a short time interval. This also hampers them in making the necessary improvements and developing the ability to implement them successfully (Muehlffld et al., 2012).

Accumulation of experience improves the likelihood of serial acquirers to transform the experience of the past acquisitions into acquisition capability. Thus, they could conduct effective experience integration and transform the strategies they employ to address different critical issues in subsequent acquisitions. Our findings are also consistent with previous study and show that accumulated experience determines whether acquisition rates and the right timing of accumulation will affect the outcome of the multiple acquisitions (Hayward, 2002; Laamanen and Keil, 2008). Serial acquirers must pay more attention to planning multiple acquisitions from a temporal perspective rather than investigate the isolated event and overlook their possible interdependence (Chao, 2018). We also suggest that serial acquirers not only focus on the firm- and deal-level determinants for single acquisitions on a case-by-case basis but also shift to plan-ahead, integrate past acquisitions experiences, and arrange subsequent acquisitions at a adequate time interval (Laamanen and Keil., 2008; Chao, 2018).

In sum, based on 6966 domestic and cross-border M&As transactions made by serial acquirers in 27 countries in the Asia-Pacific, we found the following results: First, the relationship between the acquisition frequency pattern (acquisition rate and time interval) and the withdrawal of multiple acquisitions are negative. Second, acquisitions are less likely to withdrawn when serial acquirers are from well-developed countries. Third, serial acquirers' previous experiences strengthen the negative relationship between time interval and multiple acquisitions withdrawn. Fourth, the moderating effect of the acquisition program relatedness on the relationship between the acquisition frequency pattern and withdrawal of multiple acquisitions are confirmed.

Chapter 5 Conclusion

There has been an increase in the number of domestic and cross-border M&As in previous decades, and a significant number of serial acquirers are frequently engaging in a series of acquisitions to execute their strategies (Schipper and Thompson, 1983; Laamanen and Keil, 2008). BCG (2011) reports that in the M&A market, most of the transactions that are worth over US$25 million are undertaken done by serial acquirers. However, a high percentage of these collapse before completion (Laamanen and Keil, 2008; Dikova et al., 2010). As we mentioned earlier, withdrawing an announced acquisition could be very costly to acquiring firms and entail substantial costs, such as penalties that can be as high as over 6% of the purchase value and high termination fees (Luo, 2006). Acquiring firms may need to pay a great number of breakup fee to incomplete acquisition and compensate the cost incurred by the target firms (Hu et al., 2019). Such a financial burden is more severe for serial acquirers, and the termination of multiple acquisitions can ruin the reputation and credibility of serial acquirers, which in turn also cause time and monetary losses (Billett and Qian; 2008; Zhou et al., 2016; Luo, 2005).

However, if terminating announced acquisitions can ruin acquirers' reputation and credibility, why do so many serial acquires still pursue multiple takeovers and what causes some of them to frequently withdraw multiple acquisitions? This contradiction between business activities and research findings in the real world motivates this study to investigate the factors that impact serial acquirers to withdraw multiple announced acquisitions.

5.1 Contributions

This thesis addresses several gaps in the existing literature on the effect of various determinants on the abandonment of M&As by serial acquirers. We broadly and explicitly evaluate a few factors identified in the literature. This investigation is distinctively critical since the characteristics are believed to play primary roles in

affecting the withdrawal of acquisitions by serial acquirers. We contribute to the literature in several ways.

First, building on limited extant research (Zhang et al., 2011; Dikova et al., 2010; He and Zhang., 2018), the findings of our study extend understanding of the serial acquirers' behaviour in both the global and Asia-Pacific markets. We investigated empirical evidence on the effect of various determinants on the withdrawal of multiple cross-border M&As in the global market. To the best of our best knowledge, this thesis is the first empirical study which examines how the institutional environment impacts the likelihood of withdrawal of multiple cross-border M&A deals in different countries. Even though the institutional theory has been widely and increasingly applied to M&A literature, empirical studies which employ the institutional theory to examine the outcome of multiple acquisitions made by serial acquirers in the pre-completion stage are rather scarce. Our research offers some unique institutional perspectives to understand the outcome of multiple M&A deals conducted by serial acquirers in the pre-acquisition stage.

Second, while previous studies focused on the influence of institutional quality or the effect of institutional distance on the outcome of acquisitions in the pre-acquisition stage, we emphasized the effect of the country-level institutional environment. However, Globerman and Shapiro (2002) indicate that existing studies have only examined limited aspects of institutions. For example, Zhang et al. (2011) used seven political risk measures— government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, the prevalence of corruption, and bureaucratic quality—to measure institutional quality. In order to capture more comprehensive aspects of an institutional environment, we extended Zhang et al.'s (2011) seven ICRG political risk measures of institutional quality to twelve components—government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, prevalence of corruption, bureaucratic quality, internal conflict, external conflict, military in politics, religious tensions, and ethnic tensions—to create a single measure of institutional environment.

Third, only a limited number of studies have focused on the effects of acquisition frequency patterns on the performance of multiple acquisitions, while no empirical studies use the acquisition frequency patterns to analyse the outcome of acquisitions in the pre-completion stage. We followed previous studies to measure acquisitions rate and time interval as proxies for acquisition frequency patterns (Laamanen and Keil., 2008; Hayward, 2002) in order to examine the influences of the role of acquisition rate and time interval on the completion or withdrawal of multiple domestic and cross-border acquisitions in the Asia-Pacific market. More specifically, this study suggests that acquisition rate negatively effect on multiple M&A transactions withdrawn. This implies that serial acquirers with high rate of acquisition be able to accumulate sufficient acquisition capabilities, and those with a rather low rate of acquisition may cause serial acquirers to not be able to accumulate sufficient experience of past acquisitions to support them in completing subsequent acquisitions. In addition, we also examined the moderating effect of past acquisition experience on acquisition rate and time interval on the withdrawal of multiple acquisitions. The impact of acquisition rate on the withdrawal or completion of multiple cross-border M&As would depend on the firm's previous acquisitions experience, which serves as a new measurement of the organisational learning concept. To the best of our knowledge, very limited studies have addressed this issue.

Fourth, our findings broaden the theoretical context with insight on different aspects of a country's institutional environment and the organizational learning of serial acquirers. We contribute by testing a number of hypotheses on two data sets that covered variables across host and home countries in recent years when serial acquirers have conducted substantial activities in the global and Asia-Pacific markets. Such a wide geographic coverage of two samples (in chapters 3 and 4) across a long period (2006–2016) and provides potential good variance to examine the effects of the institutional environment and organizational learning on the outcome of acquisitions made by serial acquirers.

5.2 Findings

This thesis aims to provide a detailed picture about how different factors at different levels interact in a manner which can result in the withdrawal of multiple domestic and cross-border M&As in the Asia-Pacific region and withdrawal of cross-border M&As in the global market. The main findings of this thesis are summarised below.

In chapter 3, we used a sample of multiple M&As (serial acquirers that undertook at least two cross-border acquisitions within three years) in the global market. The estimation of the logistic model using 7,751 multiple withdrawal and completion deals made by serial acquirers, between 01 January 2006 and 31 December 2016 largely confirms unsubstantiated claims. This study found that the institutional environment of target countries positively influences the withdrawal of multiple cross-border acquisitions in the pre-acquisition stage, which presents a different research result from prior studies of individual acquisitions withdrawn from emerging economies. Zhang et al. (2011) argue that good-quality institutions in the target country benefit Chinese cross-border M&A activities. However, our findings show that multiple cross-border acquisitions are more likely to be withdrawn in host countries, which have more complexity due to their well-developed institutional environment; this is because serial acquirers conducting multiple cross-border acquisitions in different host countries are more likely to face various stronger institutional restrictions than a single acquirer. Further, when host countries have a well-developed institutional environment, they could enable the execution of protectionism to prevent the interest of native firms and considering national security considerations. The field of national security restricts serial acquirers from acquiring target firms in a well-developed institutional environment, and host countries are more likely to be conscious of a threat to cross-border acquisitions from other countries. Compared to single acquirers, serial acquirers are more pressurized for compliance in a well-developed institutional environment, with more complicated rules and laws which serial acquirers cannot easily understand. Thus, acquirers may withdraw subsequent acquisitions to reduce monetary and time losses (Dikova et al., 2010).

From a deal-level perspective, our study finds that acquisition duration has a strong positive effect on multiple cross-border acquisitions withdrawn. The prolonged acquisition duration reflects more obstruction and reveals more difficult problems, and the longer duration could cause additional expenses and consumption of energy of the serial acquirers. In such a case, serial acquires tend to instead terminate the takeover to cut financial costs and other associated losses (Dikova et al., 2010). Further, serial acquirers deal with different host countries, which may lead to a more extended time to understand the rules and laws of local countries. The process of accumulating sufficient information is usually managed under time and competitive pressures (Jemison and Sitkin, 1986; Dikova et al., 2010). In such cases, serial acquirers are more likely to terminate acquisitions when problems become too difficult to handle.

This study also finds that serial acquirers acquiring target firms in sensitive industries are more likely to be withdrawn as compared to acquisitions in other industries. In addition, the thesis confirms that the institutional environment moderates the effects of the industry match on the likelihood of withdrawal of multiple cross-border acquisitions. The result indicates that the institutional environment significantly reduces the impact of industry match on withdrawals of acquisition, as predicted by Hypothesis 5 in Chapter 3. In the end, we also confirmed Hypothesis 6 which is accumulated acquisition experience moderates the effects of acquisition duration on the likelihood of withdrawal or completion of multiple cross-border acquisitions.

In addition, we conducted a robustness check in order to identify whether the results stand after controlling for various determinants. The study reports changes in the probability of multiple acquisitions withdrawn by controlling regional, economic development, and macro sector effects. The results reveal that the most predicted results remained unchanged under the subsample of different regional, economic development, and macro sectors.

In Chapter 4, we used a sample of Asia-Pacific serial acquirers who made multiple domestic and cross-border acquisitions. The sample-set included 9,025 domestic and

multiple cross-border M&A deals by Asia-Pacific firms between 2006 and 2016, involving 27 developed and emerging countries. To the best of our knowledge, very few previous studies have studied this issue. Based on the organisational learning theory, we find that the higher acquisition rate and longer time interval between each acquisition have negative impact to the outcome of multiple acquisitions in the pre-acquisition stage. We argued that learning based on the time interval and acquisition rate between every acquisition is essential, a short intervening period will not allow experiences to accumulate and develop acquisition routines and capabilities. Our finding is consistent with a previous study by Haward (2002) and Laamanen and Keil (2008). For serial acquirers, the acquiring management team could suffer from high pressure from a significant number of domestic or cross-border deals made in a short time. Making a number of acquisitions within a short time period may cause time compression and lead to serial acquirers to be unable to accumulate acquisition abilities and past experiences to handle subsequent acquisitions (Dierickx and Cool, 1989; Laamanen and Keil, 2008).

Thereafter, we examined the relationship of the home country's institutional environment and withdrawal of multiple acquisitions. We found that the influence of the home country's institutional environment on the probability of withdrawal of multiple acquisitions decreases when the institutional environment of the home country is strong. With a better-developed institutional environment, the home country provides stronger institutional and legal protection to shareholders. Therefore, serial acquirers can avoid the stifling regulatory environments of their own countries, thereby saving time and cost to declassify complicated procedures to obtain support from their home country.

However, we did not find that industry relatedness moderates the effect of acquisition rate on the withdrawal of multiple acquisitions, but we found that acquisition program relatedness strengthens the negative effects of time interval on the withdrawal of multiple acquisitions. The result of this study is in contrast to previous research on the withdrawal or completion of a single acquisition (Lim and Lee, 2016). Lim and Lee (2016) indicate that an acquisition activity results in a combination of acquiring and

target firms and the industry relatedness of the two parties affects the outcome of the acquisition. On the one hand, they believe that similar logic applies to the reasons behind diversification—the level of expected returns from a related industry target is higher than that from an unrelated target, while it increases the likelihood of acquisition to be completed. On the other hand, they also claim that acquiring a firm in a related target industry with a lower level of perceived risks usually involves more related knowledge and understanding, thereby resulting in low information asymmetry. This enables acquirers to grasp critical information related to the target firm in a short period of time and acquirers are better equipped to negotiate using existing knowledge. However, we argued that a serial acquirer faces a more complicated situation than a single acquirer. The success of a series of acquisitions is not reliant on the related industry knowledge and understanding but also depends on economic or financial rationales, the capability of learning from past diversification experiences and dealing with reactions from different host markets and interest groups. In practice, most acquisitions are more vulnerable than others depending on the industries that are being operated in (Zhang et al., 2011).

In sum, our research's results answer to the research questions which we mentioned in Chapter 1. We also compared our research results with previous studies on single acquisitions in order to answer the second question (we have explained the details of comparison with previous studies in Chapters 3 and 4 and here we only provide a brief summary).

(1) Why do serial acquirers continue to abandon announced acquisition deals in the pre-completion stage? What factors play an important role in influencing serial acquirers to frequently terminate their subsequent acquisitions?

(2) Do the factors that affect the withdrawal or completion of single acquisitions also impact the withdrawal or completion of multiple acquisitions?

The hubris hypothesis suggests that managers engage in numerous acquisitions with an over-optimistic view of their acquisition ability, and hubris developed from previous

experience with M&As cause more frequent withdrawal of M&As transactions by overconfident managers (Roll, 1986; Billett and Qian, 2008). In addition, we also found some other important determinants that have a significant influence on the withdrawal of multiple acquisitions. We found that serial acquirers are more likely to abandon their acquisitions if

(1) The host countries have a well-developed institutional environment (different from Zhang et al.'s (2011) study on the withdrawal of single acquisitions)
(2) Acquisition duration is prolonged in the pre-completion stage
(3) When serial acquirers acquire target firms in sensitive industries
(4) Low acquisition rate
(5) Too short period of time between acquisitions
(5) Home countries have an underdeveloped institutional environment (consistent with He and Zhang's study (2018) on the withdrawal of single acquisitions)
(6) Serial acquirers have not accumulated sufficient past acquisitions experience (consistent with Zhang et al.'s (2011) and Dikova et al.'s (2010) study of the withdrawal of single acquisitions).

In addition, we found that the institutional environment of the host country moderates the effect of the industry-level factor of industry match on the withdrawal of multiple acquisitions. We also found that the serial acquirers' accumulated experience moderates the deal-level factor, which is acquisition duration, on the withdrawal of multiple acquisitions. Our finding is consistent with Dikova et al. (2010). In Chapter 4, we found that serial acquirers' previous experiences moderate the relationship between time interval and the withdrawal of multiple acquisitions. Moreover, the moderating effect of acquisition program relatedness on the relationship between acquisition frequency pattern and the withdrawal of multiple acquisitions was also confirmed.

5.3 Implications

The findings of this study provide potential international business implications to the research on cross-border M&As, practical significance for policymakers and top management of both acquiring and target firms. Identifying the factors that affect the withdrawal of multiple cross-border M&A deals will certainly be useful and helpful for participants who are involved in acquisitions and those affected directly and indirectly by the deals. Our study may be beneficial for policymakers and practitioners in several ways. First, we argue that serial acquirers face more complicated situations than single acquirers. By following previous studies on the withdrawal or completion of single acquisitions, we expand the institutional environment in global M&As market by evaluating its effects on the outcome of multiple cross-border acquisitions, a critical issue that has been avoided in prior studies. Different from previous researches on the withdrawal of single acquisitions, single acquirers usually only face a single host country, and managers may rely on the capabilities of local consultants or the knowledge of local regulations to fully understand the environmental complexity of a cross-border acquisition. In contrast, serial acquirers may face various institutional environments in different target countries; however, serial acquirers may not have sufficient knowledge, skills, energy or even time to fully understand different local M&As regulations, laws, taxes, and accountancy standards.

Political concerns or perceived national security threats can cause national review agencies to terminate M&A deals in the name of national security, thereby protecting local firms from competitive disadvantage (Zhang et al., 2011; Toth, 2008). The reasons underlying this include geopolitical uncertainty, trade protectionism, regulation environment challenges, and other laws that are becoming more stringent. We believe that the biggest mistakes for serial acquirers to abandon subsequent acquisitions are failure to fully study and understand the host countries' local markets, laws, and rules (such as antitrust regulations, tax-related laws, and national security reviews). Currently, national governments are adopting a more rigorous approach to review overseas M&A transactions, which may threaten their national security, particularly when it comes to technology.

For example, the US government has called for a review of foreign transactions through the Committee on Foreign Investment in the United States (CFIUS). This review goes beyond the defence industry to focus on a wider variety of transactions that are considered to pose a security threat, including the purchase of cutting-edge technology. A number of acquisitions involving sensitive information firms have been rejected, such as financial data or health records. We suggest that serial acquirers must not only focus on firm-level or deal-level determinants' of cross-border acquisitions but also particularly consider decision-making at the country-level, such as by considering institutional environment, for a comprehensive approach. Moreover, we also suggest that serial acquirers consider the moderating effects of an institutional environment on industry-level and deal-level factors on the withdrawal or completion of cross-border acquisitions. In particular, for emerging economies, awareness of the general institutional environment in the host countries may help serial acquirers from developing countries benefit from economic profit, which can remedy the perceived risks and uncertainties associated with well-developed host countries.

Second, we also extended the recent development of international business literature by examining its effects on multiple acquisitions (He and Zhang, 2018; Zhou and Guillen, 2015). We supplement He and Zhang's (2018) study by evaluating the institutional environment in the home country by highlighting its effects on the withdrawal or completion of multiple acquisitions. The empirical study confirms the existence of home base effects, according to which a well-developed institutional environment in the home country had a negative effect on the withdrawal of multiple acquisitions. Thus, we suggest that serial acquirers must be careful in selecting the target nation with which to conduct subsequent acquisitions and expanding their home base (He and Zhang, 2018), also effectively accumulating past acquisition experiences and improving firms' reputation. We suggest that target firms must be cautious about acquirers from less-developed countries, which may impact the acquisition process and outcomes of the acquisitions. On the other hand, serial acquirers from less-developed countries must develop their dynamic abilities before engaging in overseas M&A transactions in order to effectively respond to the changing institutional environment. The study suggests that serial acquirers from well-developed countries respond immediately and strategically to address the high rate of

pressure of withdrawing M&As. Serial acquirers from a less-developed country may better to improve a firm's reputation, develop more acquisition experience, expand their local base in the home country, and select more suitable target acquisition firms as those in the developed host country (He and Zhang, 2018).

Third, we also examined the relationship between acquisition rate, time interval, and the withdrawal or completion of multiple acquisitions based on the organisational learning theory associated with multiple acquisitions, which was largely ignored in previous studies. We do agree with Aktas et al. (2015) in terms of their advocacy that serial acquirers that conduct multiple acquisitions may become more skilful in the process and ensure that they have more benefits from multiple transactions. By following previous studies, we model the serial acquirers' decision to conduct new subsequent acquisitions as a function of the time interval since their previous acquisition and acquisition rate in the period since their first deal until their last one in our observation window (Aktas et al., 2015; Laamanen and Keil, 2008). Although selecting more appropriate target firms and host countries that have a more similar institutional environment to their home country can increase the likelihood of acquisition completion, timely multiple acquisitions are also important. We consider that a rather long time interval between or a rather high rate of multiple acquisitions may cause a failure in accumulating experience from previous acquisition processes and result in a lack of sufficient capabilities to take advantage of past experience. Therefore, we suggest that serial acquirers accumulate effective past experiences of acquisitions, build up their appropriate acquisition routines in a timely manner, and be cautious to choose to acquire firms in countries with a well-developed institutional environment.

Finally, we identified different factors affecting the withdrawal of multiple acquisitions in the pre-acquisition stage from various perspectives; doing this is certainly useful and helpful for participants who are involved in acquisitions and those affected directly and indirectly by the deals. In particular, for serial acquirers, it is necessary to consider the institutional environment of both the home and host countries. Serial acquirers must also accumulate the experience of international acquisitions consciously, adjust

their acquisition rate to an appropriate one, and moderate time intervals between acquisitions in the global market. Further, the results of this study also indicate that target firms must consider the institutional environment of the acquiring firm to avoid institutional pressure and also consider overcoming legitimacy issues related to different regulatory environments for international M&As; the different cultural backgrounds of target and acquiring firms must also be considered for both sides to establish more effective communication with each other.

5.4 Limitations and recommendations for future research

Our study has several limitations, which must be discussed. First, in chapter 3, the sample only focuses on announced multiple cross-border acquisitions (frequent and highly frequent) in a specific time window (three years). This may cause some limitations to the generalizability of the findings; the sample was justified by the study and focuses on variables which play important roles only for serial acquirers that are acquiring more than two targets over a period of three years. Second, in chapter 3 we limited only to firms engaged in cross-border M&As in the global market in order to test and verify the institutional theory. Future research could expand these study findings to domestic M&A transactions or to compare the frequent withdrawal of domestic and cross-border acquisitions in the global market. In addition, future research could build on this research by investigating extended dimensions of multiple M&A deals, examining time intervals and past acquisitions experiences of multiple acquisitions based on the operational learning theory. M&As provide an exciting new research direction for investigating numerous empirical findings on the withdrawal or completion of multiple acquisitions.

Chapter 4 also has a few limitations, which can point to opportunities for future research. First, the scope and focus of our study limits its findings and conclusions to serial acquirers only in Asia-Pacific, thereby implying that any explanation of the findings beyond the context of the Asia-Pacific market must be done with extreme

caution. Our results may be affected by regional restriction to the research setting. Moreover, the complexity and greater change in the home nation's institutional environment may affect the results of the research. Future research must expand the sample set to add more countries or extend to the global market. Second, firms conducting less than two M&A deals cannot be regarded as multiple acquisitions (Laamanen and Keil, 2008). This study focuses on frequent moderate and highly frequent acquirers in domestic and cross-border acquisitions in different dimensions. Future study could base on our results to investigate more specific frequencies of acquisition activities and distinguish these different frequencies of acquisitions as affected by other potential factors to develop a more detailed comparative research.

Third, future studies could use our research as a base to further subdivide a firm's acquisitions experiences into industry-specific and region-specific previous acquisition experiences. The findings of such studies can be undertaken using a comparison of fine-grained methodologies to provide particularly significant and interesting insights (Basuil and Datta, 2015). The researchers could develop a fine-grained measure of a firm's acquisitions experience to more accurately capture its influence on the outcome of multiple acquisitions in the pre-completion stage.

In addition, future research could build on this study to expand the findings to additional dimensions of a specific industry. Based on sample data (see Appendix, Figure 1), the study found that the leading industry in the withdrawal of acquisitions is the financial industry. Future research could focus on comparing the withdrawal or completion of single and multiple acquisitions based on the effect of the institutional theory or organisational learning theory in the context of the financial industry. Finally, future studies could also further investigate the effects of the experience of past acquisition, the acquisitions frequency pattern, and how other associated factors interact with them to affect the outcome of multiple acquisitions in the pre-completion stage.

Appendix

List of definitions of key variables and terminologies

No.	Terminology/Variable	Explanation / Definition/Measurement	Reference
1	Acquirers	Acquirers refer to firms conducting at least one acquisition within the three years.	
2	Acquisition duration	Following Dikova et al. (2010), we measure acquisition duration as the difference in days between the dates of the abandonment and the announcement of an acquisition.	Dikova et al. (2010)
3	Acquisition experience and capabilities	We measure acquisition experience as the number of M&As transactions (including completed and abandonment past acquisitions) conducted previous to the window of the observation (three years).	Laamanen and Keil (2008); Fowler and Schmidt (1989); Haleblian and Finkelstein (1999); Kusewitt (1985)
4	Acquisition program scope (also refers to acquisition relatedness and industry match)	In the current mergers and acquisitions (M&As) literature, the term “relatedness” refers to several forms of similarity between the acquirer and the target. We consider whether acquirer and target firms are in the same industry (relatedness/match), coded 1 if the primary four-digit Standard Industry Classification (SIC) code of the acquirer coincides with either the	Alhenawi and Stilwell (2018)

		primary or secondary four-digit SIC codes of the target firm and 0 otherwise.	
5	Acquisition rate	We determine the acquisition rate calculated as the average number of acquisitions that serial acquirers carry out over three years.	Vermeulen and Barkema, (2001); Laamanen and Keil (2008)
6	Cross-border acquisitions (also refers to cross-border M&As)	Shimizu et al., 2004 define the cross-border acquisitions as "involving an acquiring firm and a target firm whose headquarters are located in different home countries". Thompson ONE identified cross-border acquisitions as having the acquiring firm and target firm in two different countries. For example, UK acquirers acquiring non-UK firms (also refers to as international acquisitions). Shimizu et al., 2004 define the cross-border acquisitions as "involving an acquiring firm and a target firm whose headquarters are located in different home countries".	Thomson Financial Merger & Acquisition database (2017); Shimizu et al., (2004)
7	Domestic acquisitions (also refers to domestic M&As)	Thompson ONE identified domestic acquisition as having the acquiring firm and target firm in the same country. For example, UK acquirers acquiring UK firms.	Thomson Financial Merger & Acquisition database (2018)

8	Institutional environment	We extend Zhang et al (2011)'s seven ICRG political risking measurement of institutional quality to twelve component-the government stability, socioeconomic conditions, investment profile, law and order, democratic accountability, the prevalence of corruption, bureaucratic quality, internal conflict, external conflict, military in politics, religious tensions and ethnic tensions-to create a single measure, institutional environment. We following Zhang et al. (2011), the measure is obtained by the method of factor analysis. It identifies the potential structure of the twelve variables and ultimately calculates the factor score for each country in each year, in view of the factor loading of all variables on the factor. The measure captures the general institutional environment, higher scores of this measure mean well-developed institutional environment, lower scores mean under-developed institutional environment.	Zhang et al. (2011)
9	Mergers and acquisitions (M&As)	The practice of one business entity mergers or acquires another business entity. It can be exchanged with M&A transaction and firm control markets. (In this study, We draw no strict	

		distinctions between a merger and an acquisition.)	
10	Multiple acquisitions (also refers to frequent M&A transactions)	Following the existing literature, in this study, the frequent or multiple M&A transactions is defined as at least two acquisitions acquired by one acquirer which occurred in three years observation window. (In this study, We draw no strict distinctions between a merger and an acquisition.)	Fuller et al. (2002); Conn et al., (2005)
11	Sensitive Industry	Following Zhang et al. (2011), we measure sensitive industry as sensitive or regulated industries which refer to if an acquisition target is in the energy, mining, steel, and material industries.	Zhang et al. (2011)
12	Serial acquirer	Following the existing literature, in this study, we defined serial acquirer as acquired at least two acquisitions acquired occurred in three years observation window.	Croci and Petmezas (2009); Laamanen and Keil (2008); Hayward (2002)
13	Single acquisition (also refers to infrequent and individual acquisition)	Single, infrequent or individual acquisition defines as one acquirer has acquired only one target firm within three years.	Fuller et al. (2002); Conn et al., (2005)
14	Time interval	We calculated the time interval as the difference in days between the dates	Dikova et al., (2010)

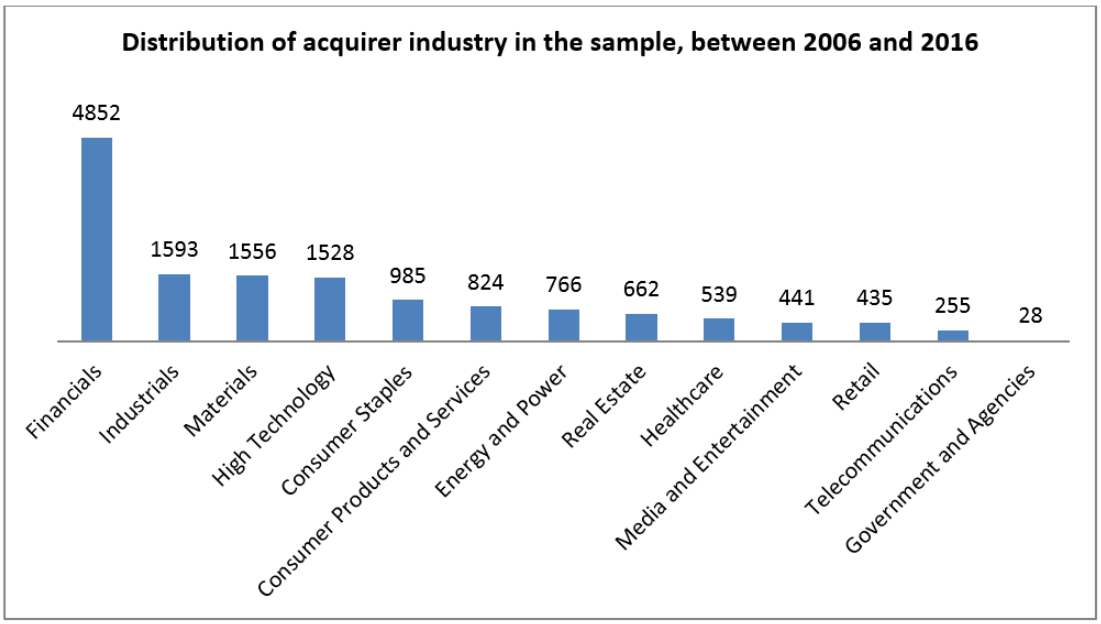
		of first acquisition withdrawn and then the announcement of the next acquisition.	

List of OECD countries and Asia-Pacific countries in sample set for chapter 3 and chapter 4

Our sample set in chapter 3 including the host countries that have appeared in the OECD list as following: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland-Republic, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Slovenia, South Korea, Spain, Sweden, Switzerland, United Kingdom, United States.

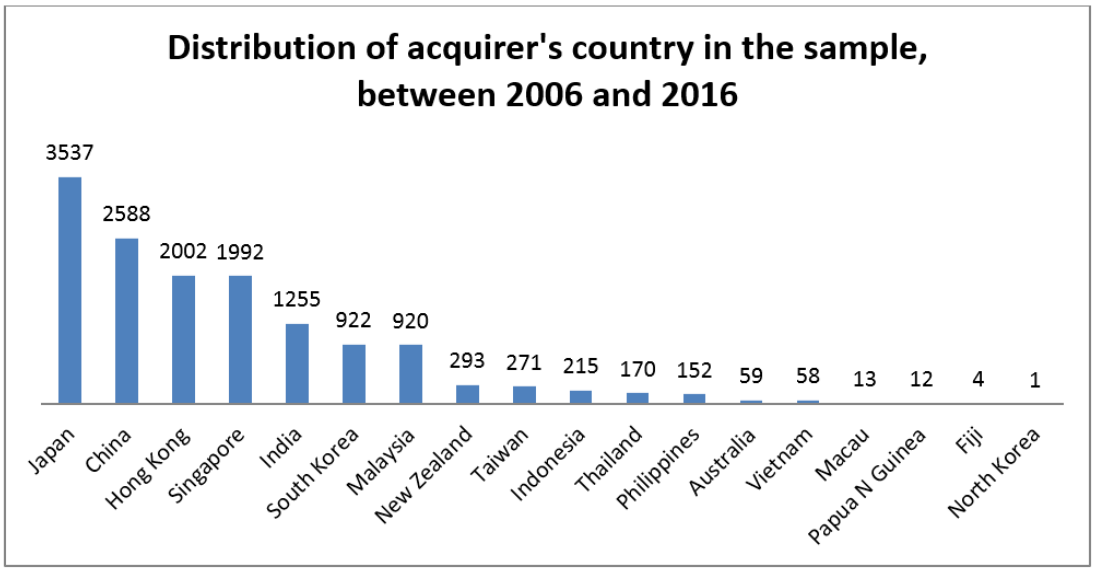
In addition, our sample set in chapter 4 including the host countries that have appeared in the Asia-Pacific list as following: Australia, Bangladesh, Bhutan, British Indian Ocean Territory, Brunei, Cambodia, China, Fiji, Hong Kong, India, Indonesia, Japan, North Korea, South Korea, Laos, Macau, Malaysia, Maldives, Mongolia, Myanmar, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Timor-Leste, Vietnam. There are five countries (Bangladesh; Bhutan; British Indian Ocean Territory; Brunei; Cambodia) from Asia-Pacific no M&As transactions withdrawn between January 01 2006 and December 31 2016.

Figure 1 Distribution of acquirer's industry between 2006 and 2016



Source: Thomson Financial Merger & Acquisition database M&As database, 2018

Figure 2 Distribution of acquirer's country between 2006 and 2016



Source: Thomson Financial Merger & Acquisition database M&As database, 2018

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