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P.-J. Jost, Vallendar, Deutschland

In den vergangenen zwei Jahrzehnten hat sich ein neuer mikroökonomischer Ansatz entwickelt, der nicht wie die traditionelle neoklassische Analyse auf den Marktbereich beschränkt ist, sondern der grundsätzlich für die Analyse sozialer Interaktionssituationen geeignet ist. Informationsökonomie, Spieltheorie, experimentelle Studien, Neue Institutionenökonomie und Ökonomische Psychologie sind wichtige Bausteine dieses ökonomischen Ansatzes.

Ziel der Schriftenreihe ist die Anwendung und Weiterentwicklung dieses Ansatzes auf betriebswirtschaftliche Fragestellungen. Gegenstand der Untersuchungen sind die unterschiedlichsten unternehmensinternen Probleme aus den Bereichen Finanzierung, Organisation und Strategisches Management. Die Reihe soll so zu einer mikroökonomischen Fundierung des Faches beitragen.

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Competition with Identity Driven Entry

A Principal Multi-Agent Model on the
Success of Mergers and Acquisitions

Foreword by Prof. Dr. Peter-J. Jost

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Foreword

In the face of international competition, many business enterprises have made merger & acquisition strategies part of their standard repertoire. However, for a number of reasons, it does not automatically follow that the resulting company merger will be successful. One such reason is the “merger syndrome”, which can be attributed to a loss of identity in the restructured organization. The viewpoint taken by the social identity approach is that a company merger combines two social groups to form a single new group, causing friction between the two original group identities. In both company groups, this lack of continuity results in a loss of identification with the post-merger organization and thus diminishes the success rate of the merger.

Sebastian Burchhardt's thesis addresses this phenomenon, using a game theory model to investigate ways of counteracting the merger syndrome. He builds on the fundamental work of Akerlof and Kranton, according to whom every player is characterized by a social identity. Acting in a manner that is out of keeping with a player's identity not only causes that player to lose his or her identity, but may also negatively impact the identity of other players as a result of the externalities involved during interactions with those players.

The path from this basic model to an explanation of the failure of company mergers on the basis of social identities is a highly ambitious one to take. Since Mr Burchhardt furthermore investigates the role of the post-merger company leader in shaping the interactions between the various groups of employees after the merger, his work unquestionably delivers an explanation of great significance to practical management research. His treatise thus not only supplements the existing economic literature on identity-based behavior, but also enriches the management literature focusing on the failure of company mergers.

All in all, then, Mr Burchhardt's treatise will benefit not only readers whose interest is purely theoretical, but also anyone who is interested in drawing inferences for practical application. May it gain the wide readership that it so clearly merits!

Peter-J. Jost

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Sebastian Burchardt

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List of Abbreviations

CSF – Contest Success Function

DCF – Discounted Cash Flow

KPI – Key Performance Indicator

LoI – Letter of Intent

MoU – Memorandum of Understanding

M&A – Mergers and Acquisitions

R&D – Research and Development

SCT – Self Categorization Theory

SIA – Social Identity Approach

SIT – Social Identity Theory

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