DOI: 10.1111/emre.12481

ORIGINAL ARTICLE

EMR European Management Review
The Journal of The European Academy of Management

Investors' decisions following acquisition announcements: A configurational analysis of the role of acquirers' resources, capabilities, and strategic fit with the target firm

Ana Colovic[1] | **Olivier Lamotte**[2] | **Jiachen Yang**[1]

[1]NEOMA Business School, Mont-Saint-Aignan, France

[2]EM Normandie Business School, Metis Lab, Paris, France

Correspondence
Olivier Lamotte, EM Normandie Business School, Metis Lab, Paris, France.
Email: olamotte@em-normandie.fr

Abstract

This research investigates how different configurations of acquirers' resources, capabilities, and strategic fit with the target firm influence investors' decisions following acquisition announcements. Drawing on signalling theory and the resource-based view, we argue that investors closely scrutinize acquirers' bundles of resources to evaluate holistically the future outcome of the deal. Our fuzzy-set Qualitative Comparative Analysis (fsQCA) confirms that investors' decisions leading to abnormal stock returns following acquisition announcements depend on the configuration of the acquirer's resources, capabilities, and strategic fit with the target. It also reveals different configurations that lead to high or low short-term stock market performance. Based on the findings, we propose five strategic profiles of merger and acquisition **(M&A)** deals.

KEYWORDS

acquisitions, capabilities, investors' decisions, qualitative comparative analysis (QCA), resources, strategic fit

INTRODUCTION

Both the rapid growth of corporate mergers and acquisitions **(M&As)** over the last decades and the complexity and economic impact of such strategic operations have led researchers from different disciplines to study the antecedents of M&A performance outcomes (Haleblian et al., 2009). The most investigated topic within this enormous body of research is that of investors' decisions following an operation's announcement, measured as abnormal stock returns around the announcement day (Bauer & Matzler, 2014). Indeed, investors' reactions reflect their perception of the future profitability of the operation, namely, the acquirer's capacity to create value for the shareholders (Haleblian & Finkelstein, 1999). Interestingly, empirical evidence has shown that, on average, acquirers' returns are small or null in the short-term (Agrawal & Jaffe, 2000; Hitt et al., 2009) but that they vary greatly between operations (Capron & Pistre, 2002). Researchers have identified several factors related to the acquirer, the target, and the characteristics of the deal that affect investors' perceptions of the deal's future performance (Haleblian et al., 2009). However, as King et al. (2004, p. 188) pointed out, "M&A research has not clearly and repeatedly identified those variables that impact an acquiring firm's subsequent performance." Thus, these authors suggested that M&A researchers should change their perspective and adopt new theories and methods.

One promising approach that might enhance understanding of the antecedents of M&A performance outcomes is to adopt a configurational perspective, following the pioneering work of Campbell et al. (2016). Drawing on a behavioural approach to stock market reactions (Schijven & Hitt, 2012), these authors argue that "investors are more likely to perceive and evaluate M&As holistically—that is as complex configurations […] of characteristics, rather than as a list of independent factors" (Schijven & Hitt, 2012, p. 163). Previous research on the topic has therefore failed to capture the complexity of the causal mechanism between firm- and deal-related factors and investors' decisions following M&A announcements. Using a fuzzy set qualitative comparative analysis—fsQCA (Ragin, 2008), Campbell and her colleagues bring to light two principles of this

The authors contributed equally and are listed in alphabetical order.

causality in the context of M&As: equifinality (several configurations of causal factors lead to the same positive or negative outcome) and asymmetric causality (the causal combinations leading to an outcome are not symmetrically opposite to the causal combinations leading to the opposite outcome).

Our study responds to the call of Campbell et al. (2016) to refine their analysis. It focuses on investors' perceptions of the acquirers' resources, capabilities, and strategic fit with the target firm, and its complex influence on short-term market reactions to acquisition announcements. Specifically, while Campbell et al.'s (2016) analysis leads to identification of the configurations of variables—most of which relate to the strategic and organizational fit between the acquirer and the target—our analysis focuses on the tangible and intangible resources of the acquirer, as well as acquirer's capabilities, to advance understanding of the combinations of variables (or factors) leading to a positive or a negative evaluation of an M&A deal by investors. Arguably, investors follow deals closely, and they pay most attention to whether acquirers have enough resources to succeed. Indeed, the strategy literature has long recognized that resources are the source of competitive advantage (Barney, 1991), and need to be reconfigured to maintain this advantage (Teece et al., 1997). More importantly for our research, Capron and Pistre (2002) have shown that acquisitions generate abnormal returns for acquirers when they transfer their own resources to the acquired firm, but that this is not the case when they only receive resources from the target. Investors' perceptions of the acquirer's characteristics are therefore, alongside strategic and organizational fit, crucial to their reaction to an acquisition announcement (Campbell et al., 2016). However, acquirers' resources can cut both ways in terms of value added to the deals; having more resources does not always mean better investor evaluation. Moreover, we argue that beyond resource type and quantity, the combination of the acquirer's resources influences investors' decisions following acquisition announcements. This is the essence of the configurational approach, which does not consider different factors as influencing performance individually, but is concerned with the configurations of factors that lead to a specific performance outcome. The objective of this research is therefore to answer the following question: *which configurations of acquirer's resources, capabilities, and strategic fit with the target firm elicit positive or negative abnormal returns?*

To answer our research question, we use a manually compiled dataset of 1,065 acquisitions completed between 2010 and 2015 by European and US multinationals, and fsQCA to identify the bundles of resources leading to positive and negative acquisition outcomes. The fsQCA approach is of particular relevance for our study as it is "intended not to isolate the net, independent effects of single explanatory factors on a particular outcome, but rather to identify the combinations of factors that bring about the particular outcome" (Bell et al., 2014, p. 303). It is therefore very useful when investigating actors' decisions from a behavioral perspective (Misangyi et al., 2017).

Our research contributes to the M&A literature by advancing the behavioural approach to investors' reactions to acquisition announcements initiated by Campbell et al. (2016). It also contributes to management literature more generally by revealing the complex impact of firms' assets on the performance of their strategic decisions. Although previous research has long established that the acquirer's resources play a crucial role in post-acquisition performance, we provide empirical evidence that outcomes result from a *combination* of resources. Our research also contributes to the *neo-configurational perspective* that has recently emerged in strategic management literature to investigate causal complexity, which is particularly relevant "in settings where progress in a research stream has stalled because of conflicting results and lurking potential moderators" (Misangyi et al., 2017, p. 275).

The rest of the paper is organized as follows. Section 2 reviews theoretical insights relative to the interplay between resources, capabilities, strategic fit, investors' perceptions of acquisitions, and acquisition outcomes. Section 3 presents our sample and methodology. Section 4 reports the results of our analysis. Section 5 discusses the results and concludes the paper.

THEORETICAL FRAMEWORK

As its essence lies in the belief that outcomes are influenced by a combination of factors, rather than by individual variables, configurational analysis does not aim to validate specific hypotheses in the hypothetico-deductive tradition, but rather to uncover configurations leading to specific outcomes (Ragin, 2008). Thus, according to the fsQCA approach, several combinations of factors can lead to positive outcomes, following the principle of equifinality (Ragin, 2008), and the configurations that lead to negative outcomes are not always diametrically opposed to those leading to positive outcomes (Campbell et al., 2016).

With this in mind, our theoretical framework does not aim to develop specific hypotheses to test, but rather to highlight factors that prior research has identified as impacting investors' perceptions of acquisitions, and hence their investment decisions, and potentially generating value for the acquirer, in the form of cumulative abnormal returns (CAR). We will start by explaining how investors create opinions and make decisions about acquisitions, and then turn to specific factors that play a role in this process.

Investor perception of acquisitions: signals and cumulative abnormal returns (CAR)

Examined from the point of view of signalling theory, the announcement of an M&A deal can be perceived as a signal (Spence, 1973; Stiglitz, 2000), sent by the acquiring firm to investors. By sending such a signal, acquirers inform investors about their strategy, specifically with regard to their activity portfolio and geographic presence. However, despite these signals, investors might find themselves lacking information they need to evaluate the deal, because inevitably, acquirers do not disclose all the information. Acquirers restrict some information to managers, expressly keeping it from investors (Schijven & Hitt, 2012). In the absence of official information, therefore, investors will look for other signals allowing them to evaluate the deal and its implications for the acquiring firm (Reuer & Ragozzino, 2014). Such signals can reside in the acquiring firm's tangible and intangible resources, and competences. They can also emanate from the characteristics of the deal itself and of the target firm, and from the strategic fit between the acquirer and the target. In line with configurational philosophy, we argue here that instead of looking at individual resources and capabilities, investors will develop a holistic assessment of the acquirer's M&A decisions, considering the acquirer's different tangible and intangible assets and capabilities, and the strategic fit between the acquirer and the target.

When investors develop a positive perception of the M&A deal, this should lead to CAR around the date of the deal. CAR clearly indicate the effects of deal announcements, as they provide an estimation of investors' perceptions of the deal and, to some extent, predict the future outcomes of the deal. We can indeed assume that when investors refrain from investing in the acquirer following the announcement of the deal, they do not expect the deal to benefit the acquirer. Building on the seminal work by Campbell et al. (2016), this research focuses on uncovering combinations of factors that create or destroy value for the acquirer, leading to positive or negative CAR. The bulk of research on M&A performance has used CAR as a dependent variable. It is a common trend in the M&A literature (Haleblian et al., 2009), which, like Campbell et al. (2016), we follow in our research. In what follows, we rely on prior research to identify the factors: first, those relative to the acquirer, from the perspective of the resource-based view, and then those relative to the M&A deal that have the potential to affect M&A deal outcomes, in particular CAR.

Resources, capabilities, and acquisition outcome

The resource-based view posits that superior firm performance relies on the possession and use of valuable, rare, inimitable, non-substitutable resources (Barney, 1991). One basic assumption of the resource-based view is that resources and capabilities are heterogeneous across firms (Peteraf, 1993), and that consequently some firms distinguish themselves from others by creating superior value. What firms possess in terms of resources—and how they use, manage, and orchestrate these resources—constitute important, interdependent strategic features that underpin a competitive advantage (Sirmon et al., 2011). To achieve a competitive advantage, firms must dispose of both tangible and intangible resources (Barney, 1991). Because they are difficult to replicate, intangible assets are particularly important for distinguishing the firm from its competitors (Hall, 1992).

Intangible resources

Scholars have repeatedly pointed to reputation as the key intangible resource. It allows firms to achieve rent and profit and indicates overall firm effectiveness (Dierickx & Cool, 1989; Barney, 1991; Dollinger et al., 1997). Examining the role of reputation in M&As, Chalençon et al. (2017) find that it has a positive effect on short-term performance of M&A deals measured by CAR. However, research has pointed out that reputation can both stimulate and hinder strategic moves, such as M&As (Petkova et al., 2014; Lamotte et al., 2021). Thus, in search of performance, reputable firms will look for opportunities and might be inclined to take risks. At the same time, a high reputation might prevent firms from making some strategic decisions, because they are cautious about preserving their reputations. While many scholars have emphasized the role of reputation in M&As, empirical investigation of the impact of reputation remains scarce, in particular because of the difficulty of measuring it.

Tangible resources

Firm size is a valuable indicator of the tangible resources a firm has at hand, including physical, financial, and human resources. It is logically assumed that the greater the size of the firm, the greater its resources, and consequently, the greater its ability to make investments, including M&As. Size can be considered a highly relevant indicator for resources the company possesses. The number of employees is frequently used to indicate firm size. Such a measure also indicates the competences possessed by the firm, as employees naturally have a variety of competences in an array of areas such as technology, finance, marketing, and supply chain management.

Capabilities

Along with tangible and intangible resources, the ability to combine, refine, and renew these resources, in other words, company capabilities (Teece et al., 1997), also indicate to investors the potential performance outcomes of M&A deals, and they have been frequently investigated in M&A research, particularly prior M&A experience. According to the findings of Meschi and Metais (2006), M&A experience has a positive impact on abnormal returns for the acquirer on the day of the deal announcement. Similarly, Harzing (2002) finds a positive relationship between acquirer experience and the value creation of cross-border M&As. Barkema and Schijven (2008) argue that prior experience signals to investors that the acquirer is able to select appropriate targets and integrate them successfully. More recently, Galavotti et al. (2017, p. 129) find evidence that prior cross-border acquisition experience "generates momentum for subsequent cross-border acquisitions to the extent that coordination can be effectively managed". Furthermore, the literature also suggests that experience from past deals can be valuable to firms both in success and in failure (Vermeulen & Barkema, 2001; Nadolska & Barkema, 2007; Collins et al., 2009; Zollo, 2009). In other words, experience from both successful and unsuccessful acquisitions can help firms improve their future M&A outcomes.

Scholars also consider that an acquirer's prior performance can influence investors' perceptions of an M&A deal, since if an acquirer has performed well in the past, this is more likely to be the case in the future.

M&A research has considered leverage an important financial capability. High leverage can provide both a positive and a negative signal to investors. It can suggest that the acquirer will lack the financial resources needed for post-acquisition integration (Hitt et al., 1998). On the other hand, leverage can signal that acquisition strategy is not driven by excess cash.

To summarize, prior research has identified several resources and capabilities that investors take into account when they form perceptions and make investment decisions regarding M&A deals. In addition to these, other factors relative to the strategic fit between the acquirer and the target firm can provide valuable signals to investors about the M&A deal.

Strategic fit

The 'relatedness' of acquirer's and target's resources is important with regard to the stakeholder value created by M&As. The underlying hypothesis is that when the resources of the two entities are related, the deal should create greater value than when its purpose is diversification (Dos Santos et al., 2008). Unrelated M&A deals are regarded as riskier, because the acquirer cannot transfer its knowhow to the target, making post-acquisition performance less certain. Research has thus stressed that when relatedness is high, the chances of post-acquisition performance are greater (King et al., 2004), as relatedness is a crucial factor of synergies in M&As (Signori & Vismara, 2018). However, Barney (1988) notes that the relatedness should be studied in combination with other conditions.

In addition to relatedness, the international dimension of M&A deals is another factor relevant to the outcome of M&A deal announcements. Investors often consider cross-border M&As riskier than domestic deals, for three main reasons. First, cross-border M&As entail dealing with different country settings, such as institutions and regulations, which can be challenging for the acquirer. Second, investors may anticipate that cultural differences will lead to post-integration problems. Sociocultural differences may affect the acquirer's ability to understand and interact with the host environment (Miller & Eden, 2006), as the acquirer may lack sufficient understanding of different social norms, beliefs and values (Hofstede, 1980; Kogut & Singh, 1988). Third, acquirers might suffer from the liability of foreignness (Zaheer, 1995) when acquiring firms in countries in which they have no significant presence. The liability of foreignness is conceptualized as a phenomenon whereby foreign firms are at a disadvantage compared with local firms in a host country (Miller & Eden, 2006; Moeller et al., 2013; Zhou & Guillén, 2015). One might therefore expect investors to evaluate international deals more negatively than domestic deals. However, as we have already argued, this condition should be analysed in conjunction with others, as investors consider a combination of conditions rather than single conditions when evaluating an M&A deal.

We depict the theoretical framework underpinning our investigation in Figure 1.

METHOD

Analytical approach

Our analytical approach is fuzzy-set qualitative comparative analysis (fsQCA)—a relatively novel method pioneered by political science researchers (Ragin, 2000; Fiss, 2011). The fsQCA analytical approach proved suitable for our research goals. Our fundamental premise is that investors follow deals closely and care about whether acquirers have enough resources to succeed, and whether deals offer enough opportunities for success. However, the effect of acquirer's resources on adding value to deals can be ambiguous, that is, more resources do not always mean superior deal outcomes (Eckbo, 2009; Ang & Ismail, 2015). Moreover, resources can incorporate threats, that is, if handled poorly, they can jeopardize deal outcomes (Kim et al., 2011; Qiu et al., 2014). Hence, our research goal is to show that the

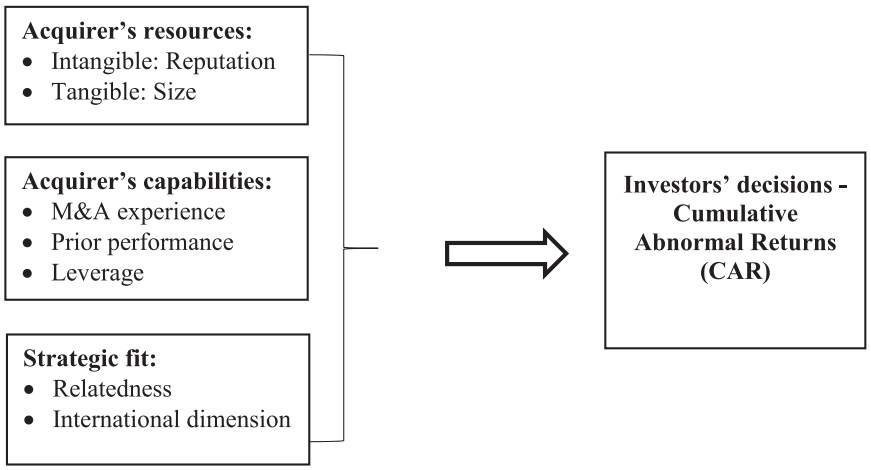

FIGURE 1 A theoretical framework of factors influencing investors' decisions following acquisition announcements

ambiguity over whether acquirer's resources create opportunities or threats can be resolved by identifying and theorizing about *configurations* of acquirer's resources.

Unlike regression analysis, which focuses on the net impact of individual factors on outcomes, fsQCA is an integrative approach, emphasizing the derivation and interpretation of combinations of factors (i.e., configurations) and their association with the outcomes of interest (Fiss, 2007; Rihoux & Ragin, 2009). Rather than linear algebra and probability theory, fsQCA is powered by Boolean algebra and set theory (Fiss, 2007; Rihoux & Ragin, 2009; Whitesitt, 2012). And instead of establishing associations between independent and dependent variables, fsQCA establishes associations between causal and outcome conditions. Finally, studies in various social science disciplines have demonstrated the superior interpretability of configurations over regression coefficient estimates (Aguilera & Desender, 2012; Bell et al., 2014; Campbell et al., 2016; Cabrilo & Dahms, 2020; Fainshmidt et al., 2020).

fsQCA comprises several steps (Fiss, 2007, 2011). First, we calibrate causal and outcome conditions, that is, transform the independent and dependent variables numerically to reflect their set-memberships of presence and absence, 1 and 0. While dichotomous variables are calibrated into crisp-sets either "fully-in" or "fully-out" (i.e., 1 or 0), continuous variables are calibrated into fuzzy sets memberships ranging on a scale between "fully-in," "neither in, nor out," and "fully-out" (i.e., 1, 0.5, 0). Each of the variables underwent the procedure of calibration in order to be qualitatively and quantitatively adjusted for fuzzy-set QCA (Fiss, 2011; Greckhamer et al., 2018). The procedure of calibration consists of arithmetic operations in which the values of the observations are numerically readjusted to reflect their fuzzy-set membership score, that is, the degree to which each value of the observations belongs to a condition (full membership) or not (full non-membership) (Ragin, 2008; Fiss, 2011). The most tested and validated method of calibration is the direct method of assignment of membership scores (Ragin, 2008; Rihoux & Ragin, 2009; Greckhamer et al., 2018). According to Ragin (2008), it takes the following steps to transform continuous and ordinal variables into membership scores:

1. Determining and fixing the upper and lower bound thresholds and the crossover point for each of the variables. This must be performed based on substantive knowledge about the variables and/or on the sample characteristics when necessary (e.g., Campbell et al., 2016; Greckhamer, 2016).
2. Calculation of the deviation scores for each of the observations and their conversion into log odds. A deviation score is the difference between the value of an observation and the value of the crossover point set in the previous step, and its conversion into log odd is performed by multiplying it with:
   a. the ratio of log odd of full membership (for values above the value of the crossover point),
   b. or the ratio of log odd of full non-membership (for values below the value of the crossover point).
3. Transformation of log odds into membership scores through the following arithmetic formula:

$$\text{Membership score} = \exp(\text{log odds})/[1 + \exp(\text{log odds})].$$

As stated above, the calibration procedure is both qualitative and quantitative. It is quantitative because of the arithmetic transformations based on the value converted into membership scores, and qualitative because of the thresholds selected and fixed according to the contextual substance surrounding the variables (Misangyi et al., 2017; Furnari et al., 2020). We have set the thresholds by following the best practices suggested in methodological review studies (Misangyi et al., 2017; Greckhamer et al., 2018; Furnari et al., 2020). In accordance with these best practices, we set the thresholds either by finding scales that have already been tested and validated in the literature (e.g., Campbell et al., 2016; Greckhamer, 2016), or by setting the thresholds in

accordance with the precepts established by Rihoux and Ragin (2009) and Ragin (2008) in their seminal works on the fsQCA method. It is imperative to note that due to the substantive and contextual nature of the thresholds, they may not be adjusted randomly, because doing so would make little theoretical sense and would yield inconsistent empirical results.

We calibrated the causal and outcome conditions of our study using the direct calibration procedure in the software package fsQCA 3.0 (fs/QCA Software, 2017). After calibrating the conditions, the second step was to construct the truth table, comprising all combinations of the values of causal conditions corresponding to the outcome condition. The total number of possible combinations (i.e., rows in the truth table) equals 2^k, where k is the number of causal conditions. Only a fraction of all the possible combinations of causal conditions in the truth table will be reflected in the data, and even fewer of the combinations will qualify for the solutions (Rihoux & Ragin, 2009). To be considered viable, configurations must pass the thresholds of both frequency and consistency. The frequency threshold is the number of cases in the sample belonging to each of the configurations. The larger the sample size, the higher the frequency threshold, that is, the minimum number of cases belonging to a configuration (Rihoux & Ragin, 2009). Following previous studies, we set the frequency threshold at 11 cases per configuration, so that at least 80% of all the cases of the sample was retained (Crilly, 2010; Fiss, 2011; Campbell et al., 2016). Next, we operationalized the consistency threshold using two indicators—raw and PRI (Proportional Reduction in Inconsistency) consistency—both of which reflect the level to which the cases belonging to each configuration are structurally consistent with each other in their conditions, and the degree to which they represent those conditions (Rihoux & Ragin, 2009). While raw consistency reflects the degree to which a configuration of causal conditions corresponds to an outcome, PRI consistency reflects the degree to which that configuration corresponds to both the outcome and the inverse of that outcome. Concurrent high raw and PRI consistency values signify more robust results, namely, configurations highly likely to correspond to a single outcome. Following prior management studies using fsQCA, we set the thresholds for raw and PRI consistency at 0.80 and 0.70 (Crilly, 2010; Fiss, 2011; Campbell et al., 2016).

To derive the final two separate sets of configurations—those corresponding to the outcome and the opposite outcome—we used the computational algorithms embedded in the fs/QCA 3.0 software. fs/QCA 3.0 applies easy and difficult counterfactuals to derive complex, parsimonious, and intermediate solutions based on the easy and complex counterfactuals. In the final configurations, solid black circles represent the presence of conditions, while hollow circles represent the absence of conditions within the scope of a configuration.

Sample

We compiled our dataset using data obtained from several well-established sources. The originality of our research, besides the configurational approach, resides in its inclusion of an intangible resource—reputation—in our data and analysis. Indeed, while many authors have emphasized the role of reputation in M&As, it has very rarely been included in empirical studies. Because reputation data was available for US and European companies for the 2010–2015 period, we have collected data covering this period from other sources. First, we collected data on US and European acquisitions from Zephyr by Bureau van Dyck. We focused on both domestic and transnational deals between 2010 and 2015 inclusively. To ensure we captured a broad sample of deals, we set our sample to include all announced and completed intra- as well as inter-industry deals. Second, we collected data on the reputation of acquiring companies from Reputation Institute—a pioneer in measuring and tracking the perceived reputation of companies and their top executives around the globe. Third, we collected company-specific data about acquirers from DataStream by Thomson Reuters. Fourth, we calculated the short-term cumulative abnormal returns of acquiring companies using stock-price data collected from DataStream. We adopted a lagged design in which the causal conditions trailed the outcome condition by one year (Misangyi & Acharya, 2014; Campbell et al., 2016). After collecting the initial data from each of the sources and matching the causal and outcome conditions for each deal, we derived the final dataset comprising 1,065 observations.

Measurement and calibration of conditions

Cumulative abnormal returns of acquirers

We estimated the cumulative abnormal returns of acquirers over the period spanning five business days before and after deal announcements, namely, CAR [−5; +5]. Review studies and meta-analytical studies (Hackbarth & Morellec, 2008; Stahl & Voigt, 2008; Haleblian et al., 2009) suggest that event windows of [−1; +1], [−3;+3], and [−5;+5] are consistent in their values and can be relied upon with the same degree of confidence. Hence, in this study we have chosen to use CAR [−5;+5] as the outcome condition in line with prior studies on M&A performance (Becher, 2009; Baker et al., 2012; Gaur et al., 2013). Following prior studies, we calculated the cumulative abnormal returns using the market model with an estimation period between 265 and 11 days before announcement dates (Aybar & Ficici, 2009). In accordance with the scale developed by Campbell et al. (2016) specifically for calibrating acquirer-CAR, we set an increase of five percentage

points (i.e., +5%) as "fully-in," no change (i.e., 0%) as the crossover point, and negative five percentage points (i.e., −5%) as "fully-out."

Acquirer's reputation

We calibrated the causal condition of the acquirer's reputation using the original measurement scale ranging from 0 (worst reputation) to 100 (best reputation). In accordance with the original measurement scale, we set 100 as "fully-in," 50 as the crossover point, and 0 as "fully-out."

Acquirer's experience

We measured the acquirer's experience as the total number of deals made by acquirers over the 10 years before the focal deals (Cuypers et al., 2017). We calibrated the causal condition of acquirer's experience using 76 as the level for "fully-in" (95th percentile of the sample), 18 as the crossover point (the median of the sample), and 3 as the level for "fully-out" (5th percentile of the sample).

Acquirer's leverage

We measured the acquirer's leverage as the ratio between the total amount of debt and common equity one year before the focal deals (Ahern, 2012). We calibrated the causal condition of acquirer's leverage (expressed in percentage points), using a scale on which 295.50% was the level for "fully-in" (95th percentile of the sample), 45.23% was the crossover point (the median of the sample), and 9.83% was the level for "fully-out" (5th percentile of the sample).

Acquirer's prior performance

We measured the acquirer's prior performance as that acquirer's return on equity one year before the focal deals (Cording et al., 2008). We calibrated the causal condition of prior acquirer's performance using a scale on which 48 was the level for "fully-in" (95th percentile of the sample), 16.53 was the crossover point (the median of the sample), and 0.26 was the level for "fully-out" (5th percentile of the sample).

Acquirer's size

We measured the acquirer's size as that acquirer's number of employees one year before the focal deals (Krishnan et al., 2007). We chose to measure acquirer's size using the number of employees for the following reasons. First, from a theoretical perspective, in this study, we consider acquirer's size a causal condition whose importance derives from the amount of resources that acquirers could deploy in their deals. In line with the M&A literature (Larsson & Lubatkin, 2001; Amiot et al., 2006; Maguire & Phillips, 2008), we consider the availability of human and financial resources as instrumental in achieving positive outcomes in deals. Following the lead of extant M&A studies using the number of employees to express acquirer's size, we reasoned that this measure directly reflects the amount of human resources available to acquirers as well as the amount of financial resources by proxy. This is because developing and keeping human resources requires considerable financial commitment (Maguire & Phillips, 2008; Datta et al., 2010), thus indicating the financial strength of acquirers.

Second, from a methodological perspective, measures of acquirer's size expressed in monetary terms are at risk of being compromised in terms of cross-country comparability due to the cross-country variance in methods of accounting as well as the fluctuations in exchange rates between the currency of measurement and the currency of expression of acquirer's size. Indeed, the practice of accounting differs across countries, making monetary expression of firm size highly sensitive to the differences in how firms in different countries are legally obliged to measure their total assets (Barth et al., 2008; Nobes, 2009; Almeida et al., 2011). Furthermore, due to the fluctuation in exchange rates between different currencies and the US dollar, monetary measures will be exposed to inconsistencies related to exchange rate fluctuations (Shwayder, 1972; Engel, 1999).

We calibrated the causal condition of acquirer's size using a scale on which 302,000 was the level for "fully-in" (95th percentile of the sample), 63,621 was the crossover point (the median of the sample), and 5,482 was the level for "fully-out" (5th percentile of the sample).

Relatedness and internationality

We measured industry relatedness between acquirers and targets as the numerical similarity of their primary (first) four-digit SIC codes, that is, more shared digits in the first four-digit SIC codes corresponds to greater industry relatedness (Campbell et al., 2016). This measure is widely accepted for measuring industry relatedness in the M&A literature. The similarity between SIC codes is considered a reliable indication of the degree of similarity of business (Haleblian & Finkelstein, 1999; Laamanen & Keil, 2008; Campbell et al., 2016). However, we acknowledge the limitation of SIC codes as a measure of vertical relatedness of business. Consequently, this will limit the relevance of our results to horizontal relatedness between acquirers and targets. We calibrated industry relatedness using a scale on which four identical digits in the SIC

codes indicated "fully-in," two identical digits was the crossover point, and no identical digits indicated "fully-out." Finally, we assigned values of 1 to international deals and 0 to domestic deals.

Table 1 presents the variables, their measurement, and the sources. Table 2 shows the calibration scales for the causal and outcome conditions of our study.

RESULTS

Our fuzzy-set qualitative comparative analyses yielded five configurations (see Table 3), three of which correspond to positive outcomes for acquirers (i.e., CAR higher than positive five percentage points) and two of which correspond to negative outcomes (i.e., CAR lower than negative five percentage points).

TABLE 1 Variables, measurement and sources

Variable	Measurement	Source
CAR	Cumulative Abnormal Returns of the acquirer, based on a market model	Author's calculation based on Datastream
Reputation	RepTrackTM index, developed by the Reputation Institute, based on a survey of more than 2000 individuals per country	Local branches of the Reputation Institute
Experience	Number of cross-border acquisitions conducted by the acquirer over the 10-year period prior to the focal deal	Authors' calculation based on Zephyr
Size	Number of employees	Datastream
Prior performance	Return on equity one year before focal deals	Datastream
Leverage	Ratio between the acquirers' total debt and common equity one year before focal deals (in %)	Datastream
Relatedness	Numerical similarity of their primary (first) four-digit SIC codes	Authors' construction based on Zephyr
International	Dummy variable: 1 if the acquirer and the target are not located in the same country	Authors' construction based on Zephyr

A hollow circle indicates the absence of a condition in a specific configuration, meaning that this condition is not part of the configuration, whereas a solid circle indicates the presence of a condition in a specific configuration. A blank space indicates no empirical impact of the causal condition on the outcome, which means that it does not matter whether the condition is present or absent in the configuration, as it does not participate in determining the outcome.

For the three configurations corresponding to positive outcomes, the overall solution coverage is 0.24 and the overall solution consistency is 0.80. For the two configurations corresponding to negative outcomes, the overall solution coverage is 0.20 and the overall solution consistency is 0.85. The overall solution coverage and consistency for the positive and negative outcomes are in line with previous methodological standards (Crilly, 2010; Campbell et al., 2016). Below, we first provide detailed interpretations of the presence of each causal condition in each configuration (lateral view). Then we interpret each of the configurations (vertical view).

Cross-configurational analysis by causal conditions (lateral view)

Experience is a necessary condition in all deals perceived by investors as "bad," while the lack of experience is a necessary condition for well-perceived deals. It appears therefore that investors prefer when non-experienced acquirers are involved in M&As. Taken at face value, this echoes recent findings in finance and management suggesting that highly acquisitive firms are more often punished by investors after M&As (Lockett et al., 2011; Malhotra et al., 2018).

Reputation is present in configurations generating both positive and negative outcomes. Hence, it becomes important to interpret the presence of reputation in conjunction with other causal conditions. In other words, if highly reputed firms conduct M&As that investors both like and dislike, then what other resources differentiate the two categories? Nevertheless, we note that reputation is present in all configurations, which demonstrates its importance (in combination with other factors) for investor perception of the deals. In line with the configurational approach, although reputation is present in configurations leading both to positive and negative outcomes, it should not be excluded from the analysis, on the contrary, its important role should be highlighted.

Size appears a necessary condition for bad investor perceptions, that is, it is included in both configurations 3 and 4. It determines good investor perceptions to a lesser degree (configuration 1 does not include it, while configuration 2 does). We performed two types of robustness checks, using the total assets and the revenue of the acquirers alternatively as the measure of acquirer's size.

TABLE 2 Calibration scales of causal and outcome conditions

	Mean	S.D.	Fully-in	Crossover	Fully-out
Experience	26.70	24.17	76	18	3
Reputation	67.20	7.70	100	50	0
Size (employees)	90,609.59	93,920.45	302,000	63,621	5,482
Prior performance	26.79	221.27	48	16.53	0.26
Leverage	106.44	267.06	295.50	45.23	9.83
Relatedness	0.57	0.50	4	2	0
International	0.61	0.49	1	-	0
CAR [−5; +5]	−0.18	5.51	5.00	0.00	−5.00

TABLE 3 Configurations leading to positive and negative M&A outcomes

	Positive M&A outcome (CAR > 5%)			Negative M&A outcome (CAR < −5%)	
	1a	1b	2	3	4
Experience	⊗	⊗	⊗	●	●
Reputation	●	●	●	●	●
Size (employees)	⊗		●	●	●
Prior performance		●	●	⊗	●
Leverage	●	●	●		⊗
Relatedness	●	●	⊗	●	●
International	⊗	⊗	●	⊗	●
Raw coverage	0.10	0.09	0.14	0.08	0.12
Unique coverage	0.01	0.01	0.14	0.08	0.12
Consistency	0.78	0.80	0.81	0.83	0.86
Solution coverage	0.24			0.20	
Solution consistency	0.80			0.85	

Note: ● indicates the presence of antecedent condition, ⊗ indicates the absence of antecedent condition. A blank space indicates a lack of empirical impact of the causal condition.

The original results retain their interpretation and robustness and the overall solution coverage and consistency indicators remain close to those of the original analyses.

Prior performance appears to be important, though not necessary, for good investor perceptions, since while it is included in configurations 1b and 2, it does not matter at all for configuration 1a. It is less associated with bad investor perceptions (configuration 4 includes it, while configuration 3 does not).

Leverage appears necessary for good investor perceptions, since it is included in all three configurations 1a, 1b, and 2. The absence of leverage also appears to indicate bad deals.

Relatedness appears necessary for bad investor perceptions (it is included in both configurations 3 and 4). Its role is less clear for good investor perceptions (it is included in configurations 1b and 2, but not in configuration 1a).

Internationality does not appear to determine either good or bad investor perceptions. In other words, investors consider that good and bad deals can occur both domestically and internationally.

Individual configurations (vertical view)

We distinguish two groups of transactions in which acquirers benefitted from more than 5% positive CAR, namely, those in configurations 1a and 1b, and those in configuration 2. Configurations 1a and 1b comprise related domestic deals, while configuration 2 comprises diversifying international deals.

Deals in configurations 1a and 1b benefit from economies of scale and increased domestic market share (related and domestic). In both configurations, the acquirers are non-acquisitive, well-reputed, and are not pre-disposed to spending frivolously (due to high leverage). Acquirers in configuration 1a are small in terms of employee numbers, while those in configuration 1b are historically high-performers. Comparing size and prior performance, it appears that, all things being equal, performance does not matter for small acquirers, while size does not matter for high performers.

Deals in configuration 2 benefit from complementary resource acquisition and/or business diversification (unrelated and international). In this configuration,

acquirers are large, non-acquisitive, and have good reputations and prior performance. This last condition and the differences in strategic fit between the acquirer and the target single out this configuration among those leading to a positive outcome. Indeed, this is the only configuration involving an international unrelated acquisition.

Among the deals in which acquirers suffered from more than 5% negative CAR, we also distinguish two groups of transactions—configurations 3 and 4. Configuration 3 comprises deals made by experienced, highly reputed, large firms—whose prior performance is poor—to acquire domestic, related targets. This configuration indicates that acquirers might be looking to solve their performance problems by making acquisitions. Configuration 4 are deals pursued for international expansion within the same industry by acquisitive, highly reputed, large firms with good performance and little leverage.

DISCUSSION AND CONCLUSION

Our study provides support for the key principles of fsQCA, demonstrating its appropriateness for the examination of business-related phenomena. We find five configurations, three leading to good (positive) and two leading to bad (negative) short-term stock-market performance, that is, positive or negative perception of M&A deals by investors around the announcement of the deal. This confirms the principle of equifinality, stipulating that there are different pathways to performance, not just one (Ragin, 2008). In other words, several configurations of conditions (variables) can lead to the same result. Moreover, we find that the badly performing deals do not symmetrically oppose successful ones. Indeed, we find two rather than three configurations of bad deals, and some conditions can be found in both types of deals. We thus find evidence of asymmetric causality, in line with prior research (Campbell et al., 2016). Taken together, our findings support the idea that investors assess holistically (Schijven & Hitt, 2012), rather than examining the effect of individual factors separately and disconnectedly.

Unlike Campbell et al. (2016), whose results exhibit a much higher solution coverage for bad rather than good deals (0.28 versus 0.18), our solution coverage is similar for both types, although slightly higher for good deals (0.24 versus 0.20). However, our study places greater emphasis on the acquirer's characteristics and on reputation in particular, which might explain the difference. According to Campbell et al. (2016, p. 175), "superior deals often rely on private synergy, which cannot be accurately assessed without access to private information"; however, the inclusion of the acquirer's reputation might mitigate the opacity of successful deals. To offer deeper understanding of positively and negatively perceived deals, we profile each of the configurations below before discussing individual conditions.

Deals with a positive outcome

Three configurations generate a positive reaction, thus creating value for the acquirer around the announcement of the deal. Because we consider the two first configurations as quite similar, we have labelled them 1a and 1b. The first configuration points to a well-reputed firm that does not rely heavily on acquisitions to grow. Indeed, it lacks experience in this field, having made three or fewer acquisitions in the past 10 years. This means that each acquisition is probably selected very carefully to accomplish a very precise strategic objective. Despite being a large firm in legal terms, the acquirer is relatively small for such firms. It is leveraged, indicating to investors that it is not making the acquisition because of excess cash, and therefore is not acting opportunistically. Again, this indicates that the acquisition is made for a very specific goal. Acquirer and target are in related industries and are located in the same country. Together, these conditions suggest the example of a well-reputed firm that is looking to increase its domestic market share through a related acquisition. We can label this configuration a *domestic, scale-focused, related acquisition*. As the companies are related, investors anticipate the creation of synergies and a relatively easy integration of the acquired firm, as the acquirer has appropriate knowledge of the industry to conduct the integration. This might explain why the investors consider such deals appropriate and are confident that they will create value for the acquirer.

The second configuration, 1b, shares some of the features of 1a. The acquirer is also inexperienced in acquisitions, and investors do not consider its size as an important factor. It is a well-reputed firm and produces good returns on equity. Again, the acquirer is leveraged, indicating that acquisitiveness and empire-building (Jensen, 1986) are not its intention. The target operates in a related industry on the acquirer's domestic market. As size is not considered an important condition in this configuration, we can assume that the acquirer is looking to broaden its domestic product range, by buying a firm operating in a related area with complementary products or technologies. We could label this configuration *domestic, scope-focused, related acquisition*. Investors may assess such deals positively because the operation makes strategic sense and is low-risk, given the acquirer's high performance.

The last configuration leading to a positive outcome shares some of the features of the two previous configurations, but it also presents some particularities. In this configuration, the acquirer is also a well-reputed, well-performing firm and an inexperienced acquirer. It is also highly leveraged, as in configurations 1a and 1b, indicating to investors that the deal is not driven by

acquisitiveness (Ghosh & Jain, 2000; Aivazian et al., 2005). The acquirer, a large firm, is acquiring an unrelated firm in a foreign market. Geographic expansion is therefore one important motive driving the acquisition, the other being entry to another industry via acquisition. We label this configuration *international conglomerate diversification*. The potential of this type of configuration probably lies in economies of scope and learning (Hitt et al., 2017). The acquirer can learn in two ways. First, it can learn by operating in a different market from its domestic one, in terms of culture, norms, institutions, competition, and so on, gaining experience that can encourage it to increase its international presence in the future. Second, the acquirer can learn from a different industry, which can benefit its original activities if the industry in which the target operates has unique or superior features. However, given the greater risk of non-relatedness both industry-wise and country-wise, it is crucial for the acquirer to have a number of features: non-acquisitiveness, good reputation, good prior performance, and size. Investors may well consider that large firms with good prior performance have the necessary resources to undertake a risky, international, unrelated acquisition. Taken together, investors might evaluate the potential of such deals positively, because they expect substantial learning benefits for the acquirer.

Deals with a negative outcome

As indicated in Table 3, configurations 3 and 4 lead to negative acquisition outcome. Configuration 3 are deals made by large, acquisitive buyers with a good reputation but poor prior performance, whose purpose is probably to create economies of scale and/or domestic market power. We label this configuration *performance-boosting domestic expansion*. Such buyers may well be making acquisitions to solve problems of poor performance. Investors therefore assume that they are unable to improve their performance internally and are trying to buy an external solution to their problems. Moreover, investors could interpret acquisitiveness as particularly troublesome, since it could signal that buyers attempt to use the costly, high-risk instrument of acquisitions to solve all their problems. Given that such deals usually involve a premium, investors may consider this method of solving poor performance problems as too costly.

Configuration 4 comprises deals made by large, experienced, well-reputed firms, with good performance and an absence of leverage, indicating surplus cash available, and pursuing related acquisitions abroad. These acquisitions are probably conducted for the purpose of market power accumulation, and perhaps, to a lesser extent, cost-optimization (due to geographic differences). We label this configuration *aggressive empire building*. Despite the acquirers' proven strengths, their acquisitions are regarded as bad deals because of their acquisitiveness, their potential overconfidence (due to good prior performance and good reputation), and their accumulation of unlimited resources that could be wasted without extreme care (i.e., lack of leverage and a large number of employees). Furthermore, as the M&A literature has shown, firms with good prior performance and/or a well-established, enduring reputation tend to suffer from hubris when making acquisitions (Roll, 1986; Hayward & Hambrick, 1997; Malmendier & Tate, 2008, 2015). In other words, investors do not like it when a large, well-reputed firm that has been performing well enough to have no leverage (because it does not need to borrow too much on its balance sheet) suddenly decides to buy an international competitor. We present the five configurations that we identified in Figure 2.

Resources, capabilities, and strategic fit

After detailing the features of positively and negatively perceived acquisitions, we turn to the contribution of the factors included in the configurations: acquirer's resources and capabilities, and the strategic fit between the acquirer and the target.

In terms of resources, size is present not only in the negative configurations, but also in one of the positive configurations. Consequently, size can be considered a fuzzy factor, contributing sometimes to positive, sometimes to negative outcomes. Although its presence is necessary, which means that investors take it into account, it should be analysed in conjunction with other factors. The same goes for reputation. Reputation is present in all our configurations, both good and bad, which suggests that investors can judge deals by well-reputed firms both positively and negatively. While reputation seems to be a necessary condition in all types of deals, we need to investigate what kind of *combinations* of reputation and other factors generate positive outcomes. Our argument is founded on the idea of investors' visceral perceptions of the potential success or failure of acquisitions, based on the buyer's procurement of new resources and on the opportunities and/or threats raised by the deal (Schijven & Hitt, 2012; Campbell et al., 2016). Investors follow deals closely, and they care about whether acquirers have enough resources to succeed and whether the deals offer development opportunities. On the other hand, finance and management studies have repeatedly demonstrated that the procurement of new resources does not guarantee value creation in M&As (Park, 2002; Cording et al., 2008; Zaheer et al., 2013). On the contrary, certain opportunities provided by deals can harbor implicit threats, that is, opportunities can prove fruitless if handled badly, and can jeopardize the success of a deal (Boone & Mulherin, 2008; Malmendier & Tate, 2008). Hence, we demonstrate that this ambiguity can be clarified by examining higher-order interactions between the acquirer's resources and the opportunities

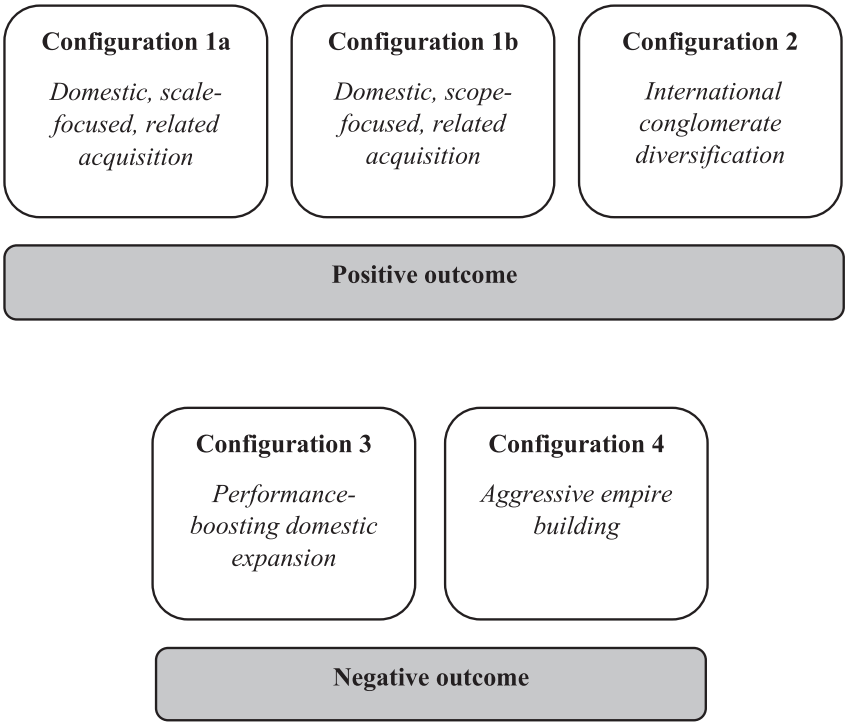

FIGURE 2 A graphical representation of configurations corresponding to positive and negative investor reactions

raised by the deal, namely, which resources enable buyers to make the most of the opportunities or mitigate the threats raised by a deal.

With regard to capabilities, investors almost always seem to view experience badly. Overall, and perhaps counterintuitively, our results suggest that acquirer experience is a weakness rather than a strength when it comes to investors' perceptions. In this study, we consider acquirer's M&A experience as a measure of the stock of capabilities of making successful deals. As such, the number of deals performed in the past has been conventionally considered a reliable measure of acquirer's M&A capabilities (McDonald et al., 2008; Zollo & Reuer, 2009; Castellaneta & Conti, 2017). According to this stream of literature, it is the participation in M&As, not the outcomes of those deals, that affords acquirers the valuable experience about the "good" and the "bad" practices. In fact, as demonstrated by meta-analyses (Datta & Grant, 1990; King et al., 2004; Stahl & Voigt, 2008), M&A outcomes often depend on factors external to acquirers, depending on random chance as much as on acquirers' capabilities. Consequently, the number of deals in which an acquirer has participated in the past would reflect more reliably their capabilities of doing M&As. This can be viewed through the notion of a track record. The fact of having done many deals establishes a structural, as opposed to a substantive, perception of expertise.

However, we appreciate fully the counterintuitiveness of our finding regarding the lack of acquirer's experience as a condition for positive investor reaction to announced deals. Although some M&A studies have suggested that more experience is, by and large, a positive factor for outcomes of M&As (Loderer & Martin, 1990, 1997), others have contributed to a more nuanced view on acquirer's experience (Singh & Zollo, 1998; Haleblian & Finkelstein, 1999). Specifically, it is argued that too much experience can lead to hubristic attitudes on the part of acquirers, who will then fail to perceive adequately the complexity and risks involved in their deals (Roll, 1986; Seth et al., 2000). Our results appear to elaborate on this view in particular. We equally find that investors do not view acquirer's experience as a universal positive factor to M&A success, but rather as a factor that contributes to acquirer's hubris or, at least, as an indicator of acquisitiveness, which is often another negative factor for M&A outcomes (Beckman & Haunschild, 2002; Yim, 2013). This last point is akin to investors seeing experience in a dubious light, wherein the random variability of deals renders so much experience suspect as a guarantor of competence. However, this may also be because investors interpret experience as *acquisitiveness*. In other words, investors may prefer deals initiated by infrequent acquirers and dislike those made by frequent buyers, because they might believe that acquisitions are made just for the sake of acquiring (whatever company), and not necessarily for strategic or financial reasons.

Leverage appears in all three configurations that investors perceive positively. However, it is also present in one of the configurations that leads to negative outcomes, which means that leverage also has to be examined in combination with other factors. Prior performance is a similar case, as it is present in some of

the positive configurations, but also in one of the negative configurations.

In terms of strategic fit, relatedness can also act both ways, appearing in both types of configuration. As for the geographical dimension, both domestic and international deals can be viewed positively or negatively.

It appears therefore that out of the seven factors in our configurations, only acquisition experience is always negative. Investors consistently view deals conducted by acquisitive firms negatively. To some extent, this finding contradicts prior research, which indicates that the role of experience is unclear and complex (King et al., 2004). In our study, we consistently find it in poorly perceived deals. All the other conditions in our configurations can be considered "fuzzy," meaning that they can act both ways, and therefore need to be analysed in combination with other factors.

Contributions, limitations and future research

Building on the seminal work by Campbell et al. (2016), this research advances knowledge of the ways in which investors assess M&A announcements. In particular, we show that instead of analysing the impact of individual factors on investors' decisions, scholars should acknowledge investors' holistic, configurational, rather than factor-by-factor, reasoning. We reveal that several factors related to the acquirer and the nature of the deal should be studied in combination. We advance M&A research, and in particular, the emerging stream based on fsQCA, by including acquirer-specific variables in our analysis, particularly their resources and capabilities. This focus on resources and capabilities extends the scarce prior work conducted on the topic (Campbell et al., 2016). Indeed, the method of fuzzy-set qualitative comparative analysis allows for a key feature of the resulting configurations—equifinality (Fiss, 2007; Rihoux & Ragin, 2009). Equifinality of configurations means that despite the differences in constitution of the configurations, each of the configurations corresponds equally to the outcome of interest, for example, CAR, in our study. In contrast to the reductionist view of resources as individually contributing to firm outcomes (Anderson, 1999; Fainshmidt et al., 2020), we see our results as a significantly evolved way of perceiving how acquirers can achieve positive outcomes by means of different bundles of resources. Our study joins the steadily growing literature stream advocating for the holistic consideration of resources as acting not independently of other contributing factors, but instead contributing to firm outcomes through complex interaction (Gruber et al., 2010; Misangyi et al., 2017; Furnari et al., 2020). More broadly, our results suggest that these different bundles can be viewed as the different means of resource orchestration through which firms achieve their goals (Sirmon et al., 2011).

Within the framework of resource orchestration (Sirmon et al., 2011), our results show that to send positive signals to the financial market, acquirers must manage the breadth of resource orchestration carefully by choosing to diversify either across products or across borders. By extending the breadth of either the product range or the international presence through M&As, acquirers can orchestrate their resources at a level of complexity that is manageable, and yield positive returns, thus sending a positive signal to the financial market. Furthermore, our results (configuration 3 corresponding to positive investor reaction) confirm the findings of Hitt et al. (2006) by demonstrating that human resources (the number of employees) are crucial for successful cross-border M&As, namely, the simultaneous presence of the causal conditions of human resources and internationality and product relatedness in the same configuration, corresponding to positive investor reaction. We also contribute to management and strategy literature more generally by proposing strategic profiles of M&A deals: domestic, scale-focused, related acquisition; domestic, scope-focused, related acquisition; international conglomerate diversification; performance-boosting domestic expansion; aggressive empire building. These profiles advance strategy literature by uncovering the strategic nature of M&As. Furthermore, by showing that some resources act in both positive and negative configurations, we suggest that how resources are deployed (in our case, for which kinds of acquisitions), is decisive in understanding the complex impact of resources on strategic moves and their outcomes.

Our study is not without limitations that open up avenues for future research. First, our dataset comprises deals completed by firms with a reputation score developed by the Reputation Institute. Due to the availability of reputation data, it covers M&A deals completed by US and European acquirers over the 2010–2015 period. Similarly, our analysis does not include deals by acquirers not scrutinized by the Reputation Institute. Second, further research could investigate more precisely the role of the *results* of the previous participations in M&As. Since developmental scientists and psychologists have determined that learning can occur differently (Levitt & March, 1988; Popper & Lipshitz, 2000; Jiménez-Jiménez & Sanz-Valle, 2011) and that the substance of learning (Fiol & Lyles, 1985; Crossan, Lane, & White, 1999; Argote & Miron-Spektor, 2011) can vary with the outcomes of the events under which learning occurs, we believe that more investigation into this direction should be conducted in the field of M&As. Third, the number of factors included in the analysis is limited to seven. Future research could pursue our line of investigation exploring the role of other factors in investors' assessments of M&A deals.

fsQCA opens up an entirely new world of research in the M&A literature, providing scholars with the opportunity to analyse M&A deals using a novel approach. We

hope that our study will stimulate other researchers to join the fsQCA community and propose alternative explanations for some of the inconclusive findings relative to the performance of M&A deals.

ORCID

Ana Colovic https://orcid.org/0000-0002-0979-7402
Olivier Lamotte https://orcid.org/0000-0003-2050-3193

REFERENCES

Agrawal, A. & Jaffe, J.F. (2000) The post-merger performance puzzle. In: Cooper, C. & Gregory, A. (Eds.) *Advances in mergers and acquisitions*. Bingley, UK: Emerald Group, pp. 7–41.

Aguilera, R.V. & Desender, K.A. (2012) A bundle perspective to comparative corporate governance. In: Kabbach de Castro, L.R. (Ed.) *The SAGE Handbook of Corporate Governance*. London: SAGE Publications, pp. 379–405.

Ahern, K.R. (2012) Bargaining power and industry dependence in mergers. *Journal of Financial Economics*, 103(3), 530–550. https://doi.org/10.1016/j.jfineco.2011.09.003

Aivazian, V.A., Ge, Y. & Qiu, J. (2005) The impact of leverage on firm investment: Canadian evidence. *Journal of Corporate Finance*, 11(1–2), 277–291. https://doi.org/10.1016/S0929-1199(03)00062-2

Almeida, H., Campello, M. & Hackbarth, D. (2011) Liquidity mergers. *Journal of Financial Economics*, 102(3), 526–558. https://doi.org/10.1016/j.jfineco.2011.08.002

Amiot, C.E., Terry, D.J., Jimmieson, N.L. & Callan, V.J. (2006) A longitudinal investigation of coping processes during a merger: Implications for job satisfaction and organizational identification. *Journal of Management*, 32(4), 552–574. https://doi.org/10.1177/0149206306287542

Anderson, P. (1999) Complexity theory and organization science. *Organization Science*, 10(3), 216–232. https://doi.org/10.1287/orsc.10.3.216

Ang, J.S. & Ismail, A.K. (2015) What premiums do target shareholders expect? Explaining negative returns upon offer announcements. *Journal of Corporate Finance*, 30, 245–256. https://doi.org/10.1016/j.jcorpfin.2014.12.015

Argote, L. & Miron-Spektor, E. (2011) Organizational learning: From experience to knowledge. *Organization Science*, 22(5), 1123–1137. https://doi.org/10.1287/orsc.1100.0621

Aybar, B. & Ficici, A. (2009) Cross-border acquisitions and firm value: An analysis of emerging-market multinationals. *Journal of International Business Studies*, 40(8), 1317–1338. https://doi.org/10.1057/jibs.2009.15

Baker, H.K., Dutta, S., Saadi, S. & Zhu, P. (2012) Are good performers bad acquirers? *Financial Management*, 41(1), 95–118. https://doi.org/10.1111/j.1755-053X.2012.01179.x

Barkema, H.G. & Schijven, M. (2008) How do firms learn to make acquisitions? A review of past research and an agenda for the future. *Journal of Management*, 34(3), 594–634. https://doi.org/10.1177/0149206308316968

Barney, J. (1991) Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. https://doi.org/10.1177/014920639101700108

Barney, J.B. (1988) Returns to bidding firms in mergers and acquisitions: Reconsidering the relatedness hypothesis. *Strategic Management Journal*, 9(S1), 71–78. https://doi.org/10.1002/smj.4250090708

Barth, M.E., Landsman, W.R. & Lang, M.H. (2008) International accounting standards and accounting quality. *Journal of Accounting Research*, 46(3), 467–498. https://doi.org/10.1111/j.1475-679X.2008.00287.x

Bauer, F. & Matzler, K. (2014) Antecedents of M&A success: The role of strategic complementarity, cultural fit, and degree and speed of integration. *Strategic Management Journal*, 35(2), 269–291. https://doi.org/10.1002/smj.2091

Becher, D.A. (2009) Bidder returns and merger anticipation: Evidence from banking deregulation. *Journal of Corporate Finance*, 15(1), 85–98. https://doi.org/10.1016/j.jcorpfin.2008.08.005

Beckman, C.M. & Haunschild, P.R. (2002) Network learning: The effects of partners' heterogeneity of experience on corporate acquisitions. *Administrative Science Quarterly*, 47(1), 92–124. https://doi.org/10.2307/3094892

Bell, R.G., Filatotchev, I. & Aguilera, R.V. (2014) Corporate governance and investors' perceptions of foreign IPO value: An institutional perspective. *Academy of Management Journal*, 57(1), 301–320. https://doi.org/10.5465/amj.2011.0146

Boone, A.L. & Mulherin, H.J. (2008) Do auctions induce a winner's curse? New evidence from the corporate takeover market. *Journal of Financial Economics*, 89(1), 1–19. https://doi.org/10.1016/j.jfineco.2007.08.003

Cabrilo, S. & Dahms, S. (2020) The role of multidimensional intellectual capital and organizational learning practices in innovation performance. *European Management Review*, 17(4), 835–855. https://doi.org/10.1111/emre.12396

Campbell, J.T., Sirmon, D.G. & Schijven, M. (2016) Fuzzy logic and the market: A configurational approach to investor perceptions of acquisition announcements. *Academy of Management Journal*, 59(1), 163–187. https://doi.org/10.5465/amj.2013.0663

Capron, L. & Pistre, N. (2002) When do acquirers earn abnormal returns? *Strategic Management Journal*, 23(9), 781–794. https://doi.org/10.1002/smj.262

Castellaneta, F. & Conti, R. (2017) How does acquisition experience create value? Evidence from a regulatory change affecting the information environment. *European Management Journal*, 35(1), 60–68. https://doi.org/10.1016/j.emj.2016.07.002

Chalençon, L., Colovic, A., Lamotte, O. & Mayrhofer, U. (2017) Reputation, e-reputation, and value-creation of mergers and acquisitions. *International Studies of Management and Organization*, 47(1), 4–22. https://doi.org/10.1080/00208825.2017.1241086

Collins, J.D., Holcomb, T.R., Certo, S.T., Hitt, M.A. & Lester, R.H. (2009) Learning by doing: Cross-border mergers and acquisitions. *Journal of Business Research*, 62(12), 1329–1334. https://doi.org/10.1016/j.jbusres.2008.11.005

Cording, M., Christmann, P. & King, D.R. (2008) Reducing causal ambiguity in acquisition integration: Intermediate goals as mediators of integration decisions and acquisition performance. *Academy of Management Journal*, 51(4), 744–767.

Crilly, D. (2010) Predicting stakeholder orientation in the multinational enterprise: A mid-range theory. *Journal of International Business Studies*, 42(5), 694–717.

Crossan, M.M., Lane, H.W. & White, R.E. (1999) An organizational learning framework: From intuition to institution. *Academy of Management Review*, 24(3), 522–537. https://doi.org/10.5465/amr.1999.2202135

Cuypers, I.R.P., Cuypers, Y. & Martin, X. (2017) When the target may know better: Effects of experience and information asymmetries on value from mergers and acquisitions. *Strategic Management Journal*, 38(3), 609–625. https://doi.org/10.1002/smj.2502

Datta, D.K. & Grant, J.H. (1990) Relationships between type of acquisition, the autonomy given to the acquired firm, and acquisition success: An empirical analysis. *Journal of Management*, 16(1), 29–44. https://doi.org/10.1177/014920639001600103

Datta, D.K., Guthrie, J.P., Basuil, D. & Pandey, A. (2010) Causes and effects of employee downsizing: A review and synthesis. *Journal of Management*, 36(1), 281–348. https://doi.org/10.1177/0149206309346735

Dierickx, I. & Cool, K. (1989) Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35(12), 1504–1511. https://doi.org/10.1287/mnsc.35.12.1504

Dollinger, M.J., Golden, P.A. & Saxton, T. (1997) The effect of reputation on the decision to joint venture. *Strategic Management*

Journal, 18(2), 127–140. https://doi.org/10.1002/(SICI)1097-0266(199702)18:2<127::AID-SMJ859>3.0.CO;2-H

Dos Santos, M.B., Errunza, V.R. & Miller, D.P. (2008) Does corporate international diversification destroy value? Evidence from cross-border mergers and acquisitions. *Journal of Banking & Finance*, 32(12), 2716–2724. https://doi.org/10.1016/j.jbankfin.2008.07.010

Eckbo, B.E. (2009) Bidding strategies and takeover premiums: A review. *Journal of Corporate Finance*, 15(1), 149–178. https://doi.org/10.1016/j.jcorpfin.2008.09.016

Engel, C. (1999) Accounting for U.S. real exchange rate changes. *Journal of Political Economy*, 107(3), 507–538. https://doi.org/10.1086/250070

Fainshmidt, S., Witt, M.A., Aguilera, R.V. & Verbeke, A. (2020) The contributions of qualitative comparative analysis (QCA) to international business research. *Journal of International Business Studies*, 51(4), 455–466. https://doi.org/10.1057/s41267-020-00313-1

Fiol, C.M. & Lyles, M.A. (1985) Organizational learning. *Academy of Management Review*, 10(4), 803–813. https://doi.org/10.5465/amr.1985.4279103

Fiss, P.C. (2007) A set-theoretic approach to organizational configurations. *Academy of Management Review*, 32(4), 1180–1198. https://doi.org/10.5465/amr.2007.26586092

Fiss, P.C. (2011) Building better casual theories: a fuzzy set approach to typologies in organizational research. *Academy of Management Journal*, 54(2), 393–420. https://doi.org/10.5465/amj.2011.60263120

fs/QCA Software. (2017) http://www.socsci.uci.edu/~cragin/fsQCA/software.shtml

Furnari, S., Crilly, D., Misangyi, V.F., Greckhamer, T., Fiss, P.C. & Aguilera, R. (2020) Capturing causal complexity: Heuristics for configurational theorizing. *Academy of Management Review*, in press. https://doi.org/10.5465/amr.2019.0298

Galavotti, I., Cerrato, D. & Depperu, D. (2017) Experience and cross-border acquisitions: An organizational learning perspective. *European Management Review*, 14(2), 119–131. https://doi.org/10.1111/emre.12094

Gaur, A.S., Malhotra, S. & Zhu, P. (2013) Acquisition announcements and stock market valuations of acquiring firms' rivals: A test of the growth probability hypothesis in China. *Strategic Management Journal*, 34(2), 215–232. https://doi.org/10.1002/smj.2009

Ghosh, A. & Jain, P.C. (2000) Financial leverage changes associated with corporate mergers. *Journal of Corporate Finance*, 6(4), 377–402. https://doi.org/10.1016/S0929-1199(00)00007-9

Greckhamer, T. (2016) CEO compensation in relation to worker compensation across countries: The configurational impact of country-level institutions. *Strategic Management Journal*, 37(4), 793–815. https://doi.org/10.1002/smj.2370

Greckhamer, T., Furnari, S., Fiss, P.C. & Aguilera, R.V. (2018) Studying configurations with qualitative comparative analysis: Best practices in strategy and organization research. *Strategic Organization*, 16(4), 482–495. https://doi.org/10.1177/1476127018786487

Gruber, M., Heinemann, F., Brettel, M. & Hungeling, S. (2010) Configurations of resources and capabilities and their performance implications: An exploratory study on technology ventures. *Strategic Management Journal*, 31(12), 1337–1356. https://doi.org/10.1002/smj.865

Hackbarth, D. & Morellec, E. (2008) Stock returns in mergers and acquisitions. *The Journal of Finance*, 63(3), 1213–1252. https://doi.org/10.1111/j.1540-6261.2008.01356.x

Haleblian, J., Devers, C.E., McNamara, G., Carpenter, M.A. & Davison, R.B. (2009) Taking stock of what we know about mergers and acquisitions: A review and research agenda. *Journal of Management*, 35(3), 469–502. https://doi.org/10.1177/0149206308330554

Haleblian, J. & Finkelstein, S. (1999) The influence of organizational acquisition experience on acquisition performance: A behavioral learning perspective. *Administrative Science Quarterly*, 44(1), 29–56. https://doi.org/10.2307/2667030

Hall, R. (1992) The strategic analysis of intangible resources. *Strategic Management Journal*, 13(2), 135–144. https://doi.org/10.1002/smj.4250130205

Harzing, A.-W. (2002) Acquisitions versus greenfield investments: International strategy and management of entry modes. *Strategic Management Journal*, 23(3), 211–227. https://doi.org/10.1002/smj.218

Hayward, M.L.A. & Hambrick, D.C. (1997) Explaining the premiums paid for large acquisitions: Evidence of CEO hubris. *Administrative Science Quarterly*, 42(1), 103–127. https://doi.org/10.2307/2393810

Hitt, M., Harrison, J., Ireland, R.D. & Best, A. (1998) Attributes of successful and unsuccessful acquisitions of US firms. *British Journal of Management*, 9(2), 91–114. https://doi.org/10.1111/1467-8551.00077

Hitt M.A., Bierman L., Uhlenbruck K. & Shimizu K. (2006) The importance of resources in the internationalization of professional service firms: The good, the bad, and the ugly. *Academy of Management Journal*, 49(6), 1137–1157. https://doi.org/10.5465/amj.2006.23478217

Hitt, M.A., Ireland, R.D. & Hoskisson, R.E. (2017) *Strategic management: Competitiveness and globalization*, 12th edition. Boston: Cengage Learning.

Hitt, M.A., King, D., Krishnan, H., Makri, M., Schijven, M., Shimizu, K. & Zhu, H. (2009) Mergers and acquisitions: Overcoming pitfalls, building synergy, and creating value. *Business Horizons*, 52(6), 523–529. https://doi.org/10.1016/j.bushor.2009.06.008

Hofstede, G. (1980) *Culture's consequences: International differences in work-related values*. London: Sage.

Jensen, M.C. (1986) Agency cost of free cash flow, corporate finance, and takeovers. *American Economic Review*, 76(2), 323–329.

Jiménez-Jiménez, D. & Sanz-Valle, R. (2011) Innovation, organizational learning, and performance. *Journal of Business Research*, 64(4), 408–417. https://doi.org/10.1016/j.jbusres.2010.09.010

Kim, J.-Y., Haleblian, J. & Finkelstein, S. (2011) When firms are desperate to grow via acquisition: The effect of growth patterns and acquisition experience on acquisition premiums. *Administrative Science Quarterly*, 56(1), 26–60. https://doi.org/10.2189/asqu.2011.56.1.026

King, D.R., Dalton, D.R., Daily, C.M. & Covin, J.G. (2004) Meta-analyses of post-acquisition performance: Indications of unidentified moderators. *Strategic Management Journal*, 25(2), 187–200. https://doi.org/10.1002/smj.371

Kogut, B. & Singh, H. (1988) The effect of national culture on the choice of entry mode. *Journal of International Business Studies*, 19(3), 411–432. https://doi.org/10.1057/palgrave.jibs.8490394

Krishnan, H.A., Hitt, M.A. & Park, D. (2007) Acquisition premiums, subsequent workforce reductions and post-acquisition performance. *Journal of Management Studies*, 44(5), 709–732.

Laamanen, T. & Keil, T. (2008) Performance of serial acquirers: Toward an acquisition program perspective. *Strategic Management Journal*, 29(6), 663–672. https://doi.org/10.1002/smj.670

Lamotte, O., Chalençon, L., Mayrhofer, U. & Colovic, A. (2021) Intangible resources and cross-border acquisition decisions: The impact of reputation and the moderating effect of experiential knowledge. *Journal of Business Research*, 131, 297–310. https://doi.org/10.1016/j.jbusres.2021.03.044

Larsson, R. & Lubatkin, M. (2001) Achieving acculturation in Mergers and Acquisitions: An international case survey. *Human Relations*, 54(12), 1573–1607. https://doi.org/10.1177/00187267015412002

Levitt, B. & March, J.G. (1988) Organizational learning. *Annual Review of Sociology*, 14(1), 319–340. https://doi.org/10.1146/annurev.so.14.080188.001535

Lockett, A., Wiklund, J., Davidsson, P. & Girma, S. (2011) Organic and acquisitive growth: Re-examining, testing and extending Penrose's growth theory. *Journal of Management Studies*, 48(1), 48–74. https://doi.org/10.1111/j.1467-6486.2009.00879.x

Loderer, C. & Martin, K. (1990) Corporate acquisitions by listed firms: The experience of a comprehensive sample. *Financial Management*, 19(4), 17–33. https://doi.org/10.2307/3665607

Loderer, C. & Martin, K. (1997) Executive stock ownership and performance tracking faint traces. *Journal of Financial Economics*, 45(2), 223–255. https://doi.org/10.1016/S0304-405X(97)00017-2

Maguire, S. & Phillips, N. (2008) Citibankers' at Citigroup: A study of the loss of institutional trust after a merger. *Journal of Management Studies*, 45(2), 372–401. https://doi.org/10.1111/j.1467-6486.2007.00760.x

Malhotra, S., Reus, T.H., Zhu, P. & Roelofsen, E.M. (2018) The acquisitive nature of extraverted CEOs. *Administrative Science Quarterly*, 63(2), 370–408. https://doi.org/10.1177/0001839217712240

Malmendier, U. & Tate, G. (2008) Who makes acquisitions? CEO overconfidence and the market's reaction. *Journal of Financial Economics*, 89(1), 20–43. https://doi.org/10.1016/j.jfineco.2007.07.002

Malmendier, U. & Tate, G. (2015) Behavioral CEOs: the role of managerial overconfidence. *Journal of Economic Perspectives*, 29(4), 37–60. https://doi.org/10.1257/jep.29.4.37

McDonald, M.L., Westphal, J.D. & Graebner, M.E. (2008) What do they know? The effects of outside director acquisition experience on firm acquisition performance. *Strategic Management Journal*, 29(11), 1155–1177. https://doi.org/10.1002/smj.704

Meschi, P.X. & Metais, E. (2006) International acquisition performance and experience: A resource-based view. Evidence from French acquisitions in the United States (1988–2004). *Journal of International Management*, 12(4), 430–448. https://doi.org/10.1016/j.intman.2006.05.001

Miller, S.R. & Eden, L. (2006) Local density and foreign subsidiary performance. *Academy of Management Journal*, 49(2), 341–355. https://doi.org/10.5465/amj.2006.20786081

Misangyi, V.F. & Acharya, A.G. (2014) Substitutes or complements? A configurational examination of corporate governance mechanisms. *Academy of Management Journal*, 57(6), 1681–1705. https://doi.org/10.5465/amj.2012.0728

Misangyi, V.F., Greckhamer, T., Furnari, S., Fiss, P.C., Crilly, D. & Aguilera, R. (2017) Embracing causal complexity: The emergence of a neo-configurational perspective. *Journal of Management*, 43(1), 255–282. https://doi.org/10.1177/0149206316679252

Moeller, M., Harvey, M., Griffith, D. & Richey, G. (2013) The impact of country-of-origin on the acceptance of foreign subsidiaries in host countries: An examination of the 'liability-of-foreignness. *International Business Review*, 22(1), 89–99. https://doi.org/10.1016/j.ibusrev.2012.02.006

Nadolska, A. & Barkema, H.G. (2007) Learning to internationalise: The pace and success of foreign acquisitions. *Journal of International Business Studies*, 38(7), 1170–1186. https://doi.org/10.1057/palgrave.jibs.8400318

Nobes, C.W. (2009) Observations on measuring the differences between domestic accounting standards and IAS. *Journal of Accounting and Public Policy*, 28(2), 148–153. https://doi.org/10.1016/j.jaccpubpol.2009.01.003

Park, C. (2002) The effects of prior performance on the choice between related and unrelated acquisitions: implications for the performance consequences of diversification strategy. *Journal of Management Studies*, 39(7), 1003–1019. https://doi.org/10.1111/1467-6486.00321

Peteraf, M.A. (1993) The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal*, 14(3), 179–191. https://doi.org/10.1002/smj.4250140303

Petkova, A.P., Wadhwa, A., Yao, X. & Jain, S. (2014) Reputation and decision making under ambiguity: A study of US venture capital firms' investments in the emerging clean energy sector. *Academy of Management Journal*, 57(2), 422–448. https://doi.org/10.5465/amj.2011.0651

Popper, M. & Lipshitz, R. (2000) Organizational learning: Mechanisms, culture, and feasibility. *Management Learning*, 31(2), 181–196. https://doi.org/10.1177/1350507600312003

Qiu, B., Trapkov, S. & Yakoub, F. (2014) Do target CEOs trade premiums for personal benefits? *Journal of Banking & Finance*, 42, 23–41. https://doi.org/10.1016/j.jbankfin.2014.01.013

Ragin, C.C. (2000) *Fuzzy-set social science*. Chicago and London: University of Chicago Press.

Ragin, C.C. (2008) *Redesigning social inquiry: Fuzzy sets and beyond*. Chicago and London: University of Chicago Press.

Reuer, J.J. & Ragozzino, R. (2014) Signals and international alliance formation: The roles of affiliations and international activities. *Journal of International Business Studies*, 45(3), 321–337. https://doi.org/10.1057/jibs.2014.3

Rihoux, B. & Ragin, C.C. (2009) *Configurational comparative methods: Qualitative comparative analysis (QCA) and related techniques*. London: SAGE Publications.

Roll, R. (1986) The hubris hypothesis of corporate takeovers. *The Journal of Business*, 59(2), 197–216. https://doi.org/10.1086/296325

Schijven, M. & Hitt, M.A. (2012) The vicarious wisdom of crowds: Toward a behavioral perspective on investor reactions to acquisition announcements. *Strategic Management Journal*, 33(11), 1247–1268. https://doi.org/10.1002/smj.1984

Seth, A., Song, K.P. & Pettit, R. (2000) Synergy, managerialism or hubris? An empirical examination of motives for foreign acquisitions of U.S. firms. *Journal of International Business Studies*, 31(3), 387–405. https://doi.org/10.1057/palgrave.jibs.8490913

Shwayder, K.R. (1972) Accounting for exchange rate fluctuations. *The Accounting Review*, 47(4), 747–760.

Signori, A. & Vismara, S. (2018) M&A synergies and trends in IPOs. *Technological Forecasting and Social Change*, 127, 141–153. https://doi.org/10.1016/j.techfore.2017.05.014

Singh, H. & Zollo, M. (1998) The impact of knowledge codification, experience trajectories and integration strategies on the performance of corporate acquisitions. Working paper, The Wharton Financial Institutions Center, The Wharton School, University of Pennsylvania.

Sirmon, D.G., Hitt, M.A., Ireland, R.D. & Gilbert, B.A. (2011) Resource orchestration to create competitive advantage: Breadth, depth, and life cycle effects. *Journal of Management*, 37(5), 1390–1412. https://doi.org/10.1177/0149206310385695

Spence, M. (1973) Job market signaling. *Quarterly Journal of Economics*, 87(3), 355–374. https://doi.org/10.2307/1882010

Stahl, G.K. & Voigt, A. (2008) Do cultural differences matter in mergers and acquisitions? A tentative model and examination. *Organization Science*, 19(1), 160–176. https://doi.org/10.1287/orsc.1070.0270

Stiglitz, J.E. (2000) The contributions of the economics of information to twentieth century economics. *Quarterly Journal of Economics*, 115(4), 1441–1478. https://doi.org/10.1162/003355300555015

Teece, D.J., Pisano, G. & Shuen, A. (1997) Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z

Vermeulen, F. & Barkema, H. (2001) Learning through acquisitions. *Academy of Management Journal*, 44(3), 457–476.

Whitesitt, J.E. (2012) *Boolean algebra and its applications*. Mineola, New York: Dover Publications.

Yim, S. (2013) The acquisitiveness of youth: CEO age and acquisition behavior. *Journal of Financial Economics*, 108(1), 250–273. https://doi.org/10.1016/j.jfineco.2012.11.003

Zaheer, A., Castañer, X. & Souder, D. (2013) Synergy sources, target autonomy, and integration in acquisitions. *Journal of Management*, 39(3), 604–632. https://doi.org/10.1177/0149206311403152

Zaheer, S. (1995) Overcoming the Liability of Foreignness. *Academy of Management Journal*, 38(2), 341–364.

Zhou, N. & Guillén, M.F. (2015) From home country to home base: A dynamic approach to the liability of foreignness. *Strategic Management Journal*, 36(6), 907–917. https://doi.org/10.1002/smj.2242

Zollo, M. (2009) Superstitious learning with rare strategic decisions: Theory and evidence from corporate acquisitions. *Organization Science*, 20(5), 894–908. https://doi.org/10.1287/orsc.1090.0459

Zollo, M. & Reuer, J. (2009) Experience spillovers across corporate development activities. *Organization Science*, 21(6), 1195–1212.

How to cite this article: Colovic, A., Lamotte, O. & Yang, J. (2021) Investors' decisions following acquisition announcements: A configurational analysis of the role of acquirers' resources, capabilities, and strategic fit with the target firm. *European Management Review*, 1–17. https://doi.org/10.1111/emre.12481