

FULBRIGHT: CATALYST FOR INTERNATIONAL RESEARCH COLLABORATION

DAVID R. KING

ABSTRACT

David R. King shares insights on his international research collaboration which represented a valuable element of his Fulbright experience. In the decade prior to his research and teaching as a Fulbrighter, David produced seven publications with international scholars. In comparison, he has had nine publications in the five years following his Fulbright experience, expanding his research collaboration to include colleagues across five continents. Overall, broader research collaboration has enabled David to attain a better understanding of his research in the area of mergers and acquisitions (M&A).

Keywords: Fulbright • international • research • collaboration



INTRODUCTION

While business management is an international phenomenon, research on management is largely based in North American contexts and undertaken by US researchers who are generally less aware of research produced elsewhere. This is often true for my research specialty involving mergers and acquisitions (M&A). One reason is that archival data on US public firms (stock and accounting) is readily available. Another reason reflects that M&A has been a common part of the US business environment for at least a century, with acquisitions representing a common firm growth strategy. However, the prevalence of M&A has expanded worldwide and, in the new millennium, most acquisition activity takes place on a cross-border scale. Specifically, worldwide investment in M&A actually exceeds investment into research and development, to the extent that the sums spent on M&A annually exceed the GDP of Germany. As a result, it is common for cross-border acquisitions to drive or respond to industry changes.

Consolidation based on demographic changes and reduced government support has also seen M&A make substantive inroads across the higher education sector. For example, in Philadelphia alone, the combination of Philadelphia University and Thomas Jefferson University, in 2017, was followed by the acquisition of the University of Sciences by Saint Joseph's University in 2022. Evidently, economies of scale and other advantages can improve the survival of organizations that combine. However, the combination of previously separate organizations can be disruptive and the associated anxiety and uncertainty can lead to unplanned turnover of

employees that may reduce the benefits of the new structure. As such, the planned benefits that M&A may contribute to research need to observe that the implementation process associated with combining organizations may initially yield fluctuating performances.

Identifying the influences and drivers of M&A performance has been the core focus of my research. However, attaining a better understanding of M&A is often hindered by the time (e.g., several years) required for an acquirer to search for a target, negotiate an agreement, perform due diligence, comply with regulatory requirements, legally complete a deal, and ultimately, integrate previously separate operations. Many of the activities outside of announcing a negotiated agreement and legally completing it, are not made public and the people involved usually sign non-disclosure agreements. As a result, most M&A phases outside the announcement and completion stage have not been extensively examined by US scholars, illustrating the lack of insight into both pre-acquisition decisions and post-acquisition integration. The combined implication of the high dollar value spent on M&A annually, their disruptive impact on organizations, and limited understanding of the phenomenon suggests that insights from research can provide societal benefits. Further, in light of the globalization of M&A activity, quality research outputs would clearly benefit from evidence attained via international research collaboration.

FACTORS UNDERSCORING THE NEED FOR INTERNATIONAL RESEARCH COLLABORATION

International collaborative efforts in studying M&A have distinct advantages, including those M&A research questions that may be overlooked by US based researchers. First, such collaboration can take advantage of different perspectives and training. Doctorate education outside the US often places greater emphasis on qualitative methods, enabling a longer time perspective and ability to address different research questions. Second, it broadens the location of research, as different institutional contexts (e.g., legal traditions, political systems, types of economies) impact M&A activity in a country. Additionally, differences in the prevalence of family businesses in a country display marked differences in M&A activity. Further, researchers outside the US can have greater access to non-public information through network advantages of operating in smaller countries. Fundamentally, a better understanding of M&A activity encompassing sounder integration and performance, requires the broader examination of research questions and integration of accumulated research findings, than those traditionally examined in the US

ROLE OF FULBRIGHT

As a cultural exchange program, Fulbright brings people from different nations together. For Fulbright Scholars, the exchange sends US academics to education institutions across 135 countries to conduct research and teach. During my four-month Fulbright Scholarship at the Management Center Innsbruck (MCI) in 2018, I conducted research and taught a strategic management course to undergraduate and graduate students. The teaching required a US semester length course to be compressed into four, full days, and necessitated adjusting reading and assignments, as well as updating examples to make them familiar to students. This led me to critically examine implications for my students in Austria and those that I have subsequently taught in the US upon my return. Further, my experience at MCI also offered me an opportunity to teach a graduate course on M&A, my primary area of research interest, for the first time. As a result, I was able to supervise a Masters thesis of a student whose employer was managing the integration of an acquisition. This experience provided invaluable insights for both the student and me. With this in mind, however, I still spent the greater part of my time at MCI on conducting research and gathering data. This was primarily focused on writing a book summarizing M&A research using the lens of organizational change to integrate research across the phases of an acquisition (e.g., search, completion and completion), with a focus on the importance of context. The resulting book published in 2018 was my second with Routledge.

My first book contributed to my interest in international research and my Fulbright. It was my initial international research collaboration, and it would not have been possible without the publisher wanting a geographically diverse author team. I was approached by the other editors due to my demonstrated knowledge of M&A research from a co-authored meta-analysis or survey of existing research findings published in 2004. The initial collaboration on my first book with Routledge underscored the benefits of different research perspectives and traditions to examine different aspects of M&A activity. Further, it resulted in additional research projects, including visits to conferences on M&A hosted in Innsbruck in 2015 and 2016. These visits and my growing international research collaborative efforts would ultimately lead to my letter of invitation for a Fulbright in Austria.

My time in Europe facilitated by the Fulbright Scholarship also enabled me to meet researchers in my field and expand my established research collaborations. For example, during my grant period I visited the University of Innsbruck, University of Barcelona, Lancaster University, University of Iceland, and the University of Trento. This contributed to expanding my research network, research activity and topics, and publication outputs.

For example, exposure to other researchers in Italy drew me to research the intersection of family firms and M&A. Family firms are more common in Europe, and they tend to make better corporate restructuring decisions (i.e., acquisitions and divestment); but they are also restructuring less often than US firms. While this conflicts with expectations that firms need significant experience to manage acquisitions, it is consistent with the notion that successfully managing an acquisition takes time.

This also made me reflect on topics related to M&A that are similarly overlooked. A broader examination of topics associated with M&A contributed to a third book with Routledge, published in 2022, that also covers divestment and alliances. Reflecting the importance of international research collaboration, eleven of the eighteen contributors to the book are based outside the US. More importantly, many of the research collaborations that I have developed with international colleagues have become lasting friendships.

REFLECTIONS ON INTERNATIONAL RESEARCH COLLABORATION

The inter-contextual evidence and understanding that international research collaboration offers brings different perspectives and study topics closer to the managers that make and implement acquisition decisions across international settings. The need for inter-contextual examination of M&A is reflected in the parable of blind men describing an elephant as a wall, telephone pole, or snake, depending on their individual perspectives. Similar to the need to consider different perspectives to frame an understanding of the different parts of an elephant, integrating different perspectives, research traditions, and research questions is needed to understand the complexity of M&A and other business phenomenon. For example, acquisitions occur more frequently in countries with common law, but acquirers from civil law countries are better at managing differences in country legal traditions. Overall, I am grateful to have expanded my research journey and research collaboration with a broader circle of colleagues, a circle that I would not have had without the benefit of my Fulbright experience.

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NOTES

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Author in Town Center of Innsbruck, Austria

BIOGRAPHY

David R. King earned his PhD in strategy and entrepreneurship from Indiana University's Kelley School of Business. After retiring from the US Air Force where he managed aircraft procurement programs, he joined academia. Currently, Dave is the Higdon Professor of Management in the College of Business at Florida State University where he teaches undergraduate and graduate courses. Dave's primary research interest examines merger and acquisition (M&A) activity, integration and performance. In 2018, Dave enjoyed a joint research and teaching Fulbright to the Management Center Innsbruck in Austria, and, in 2022, he was selected as a Fulbright Alumni Ambassador. He can be contacted at drking@fsu.edu.
