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Abstract

Theory suggests tha result of acquisitions. This d e acquiring and targetfirms. Howeve d where differences (versus ms. Tests of these competing hypotheses confirmed that differences contributed significantly to performance in the mergedfirm. Thisfinding may suggest that traditional distinctions between related and unrelated mergers may not be as useful as once thought. A focus on specific resources rather than strategy types in the merger and acquisition research may better explain firm performance.

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1Complete data were available for 441 mergers in the capital intensity tests, 396 in the administrative intensity tests, 429 in the debt intensity tests and 198 in the R&D intensity tests.

2Although pooling versus purchase approaches to accounting for acquired firm assets may affect the analysis (Ravenscraft & Scherer, 1987), most of the merged firms in this analysis were completed in a period when the purchase approach was required. Therefore, this issue was unlikely to have affected the results.

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