

WHAT DRIVES MERGER AND ACQUISITION SUCCESS? A MULTILEVEL SYSTEMATIC LITERATURE REVIEW

Ibnu Hadi^{1*}

¹ Universitas Pembangunan Nasional Veteran Jakarta (Indonesia)

*) email: 2510124001@upnvj.ac.id

Abstract

Mergers and acquisitions (M&A) are widely employed as strategic instruments to achieve growth, restructuring, and competitive advantage. Nevertheless, the persistent gap between expected synergies and realized post-merger performance suggests that M&A success is shaped by a complex and interdependent configuration of determinants rather than by financial considerations alone. This study systematically synthesizes the key determinants and causal mechanisms of M&A success through a Systematic Literature Review (SLR) of 60 peer-reviewed international journal articles published between 2020 and 2025. The review was conducted in accordance with the PRISMA 2020 guidelines and analyzed using thematic synthesis. The findings indicate that the determinants of M&A success can be organized into four interrelated clusters: (1) institutional environment, (2) corporate governance and managerial characteristics, (3) strategic fit and resource capabilities, and (4) post-merger integration and behavioral factors. These clusters operate through core mechanisms, including the quality of strategic decision-making, synergy realization and organizational learning, institutional legitimacy and uncertainty reduction, and the effectiveness of social and cultural integration. From a theoretical perspective, this study integrates Agency Theory, Upper Echelons Theory, the Resource-Based View, Dynamic Capabilities, Institutional Theory, and behavioral perspectives into a unified multilevel framework that conceptualizes M&A success as the outcome of interactions across macro-level institutional conditions, meso-level governance and strategic configurations, and micro-level integration processes and human dynamics. By adopting this multilevel perspective, the study advances the M&A literature beyond fragmented, single-level explanations and clarifies how structural contexts, organizational capabilities, and social processes jointly shape value creation. Practically, the findings suggest that sustainable M&A success depends not only on strategic and financial alignment but also on robust governance structures, adaptive organizational capabilities, and effective management of cultural and behavioral integration. The proposed conceptual framework offers a comprehensive foundation for scholars and practitioners to better understand and manage M&A as an integrated process of economic, organizational, and socio-cultural transformation.

Keywords: *Mergers and Acquisitions; M&A Success; Institutional Environment; Strategic Fit*

1. INTRODUCTION

Mergers and acquisitions (M&A) constitute one of the most widely adopted corporate strategies to achieve growth, restructuring, and sustainable competitive advantage through market expansion, technology acquisition, and strategic repositioning within industries. At the global level, M&A activities have continued to intensify in line with market liberalization, international economic integration, and the acceleration of digital transformation, which compel firms to pursue expansion and strategic renewal (Angwin et al., 2022). Despite their strategic importance, a substantial proportion of M&A transactions fail to realize the expected synergies and

do not generate sustainable long-term value for shareholders, raising fundamental questions regarding the determinants of post-merger success (Sha et al., 2020).

From a macro-level perspective, the institutional environment plays a critical role in shaping the opportunities, risks, and legitimacy of M&A transactions. Regulatory quality, legal certainty, and policy stability influence transaction costs, levels of uncertainty, and investor confidence, particularly in cross-border acquisitions (Rao et al., 2023). Differences in institutional quality across countries have also been shown to moderate post-merger integration and performance through their effects on investor protection, cross-jurisdictional coordination, and stakeholder acceptance (Brahma et al., 2023).

At the firm level, the corporate governance literature emphasizes that ownership structure, board composition and independence, and internal control mechanisms significantly affect the quality of M&A decision-making, especially in target selection, valuation, and the management of integration risks (Acero & Alcalde, 2021). Moreover, top management characteristics, such as executive team stability and prior acquisition experience, shape strategic orientation and coordination capabilities during the post-merger phase, thereby influencing operational and financial performance (Cai et al., 2025).

From a strategic and resource-based perspective, M&A success is strongly conditioned by the degree of strategic fit and resource complementarity between acquiring and target firms. Knowledge base relatedness and technological proximity facilitate knowledge transfer and organizational learning, thereby enhancing the realization of innovative and operational synergies (Květoň et al., 2020). In addition, a firm's ability to reconfigure and recombine resources adaptively constitutes a critical prerequisite for sustaining competitive advantage in dynamic post-merger environments (Ramadhana et al., 2022).

Behavioral and post-merger integration (PMI) research further indicates that many M&A failures stem from ineffective management of human and cultural factors. Communication quality, change leadership, and the management of employee identity and emotions play a central role in shaping acceptance of the merged organization and in ensuring the alignment of structures and work processes (Luan et al., 2025). Cultural distance and low levels of inter-unit trust may hinder coordination, reduce motivation, and delay synergy realization even when economic complementarities are strong (Lin & Pursiainen, 2023).

Despite the valuable insights offered by these perspectives, the literature on M&A success remains highly fragmented. Most studies focus on single clusters of determinants whether institutional, governance-related, strategic, or behavioral without integrating them into a comprehensive analytical framework. Furthermore, the majority of existing research operates at a single level of analysis, predominantly the firm level, and therefore fails to fully explain how macro-level institutional conditions, meso-level governance and strategic factors, and micro-level behavioral and

integration processes interact in shaping post-merger outcomes (Teerikangas & Colman, 2020).

Addressing this gap, the present study aims to systematically synthesize the determinants and causal mechanisms of M&A success through a Systematic Literature Review (SLR) of high-quality international journal articles published between 2020 and 2025, following the PRISMA 2020 protocol (Page et al., 2021). Specifically, the study classifies the determinants of M&A success into four major clusters: institutional environment; corporate governance and managerial characteristics; strategic fit and resource capabilities; and post-merger integration and behavioral factors. It further identifies the causal mechanisms linking these clusters to multiple dimensions of post-merger success.

By integrating Institutional Theory, Agency Theory, Upper Echelons Theory, the Resource-Based View, Dynamic Capabilities, and behavioral perspectives into a unified multilevel conceptual framework, this study conceptualizes M&A success as the outcome of interactions across macro (institutional), meso (governance and strategy), and micro (integration processes and human dynamics) levels. This multilevel approach extends the existing literature beyond fragmented factor-based explanations toward a causal and integrative understanding of M&A as a complex process of economic, organizational, and socio-cultural transformation.

2. METHODOLOGY

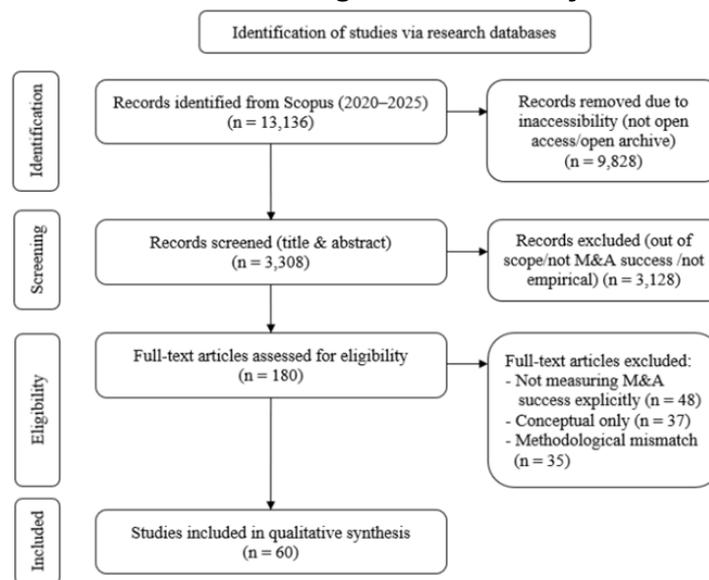
This study adopts a Systematic Literature Review (SLR) approach to identify, integrate, and synthesize the determinants and causal mechanisms of merger and acquisition (M&A) success based on recent empirical evidence. The SLR method is employed because it enables a transparent, structured, and replicable process for developing evidence-based knowledge and for consolidating fragmented findings within the management and strategy literature (Snyder, 2019). The review process follows the PRISMA 2020 (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines to ensure methodological rigor, clarity of the study selection procedure, and accountability in reporting (Page et al., 2021).

The literature search was conducted using reputable international academic databases, with Scopus as the primary source, focusing on peer-reviewed journal articles published between 2020 and 2025. This time window was selected to capture the most recent developments in M&A research in the context of globalization, digital transformation, and evolving corporate governance practices (Huang & Shen, 2024). The search strategy employed combinations of keywords such as “merger and acquisition success,” “M&A performance,” “post-merger integration,” “synergy realization,” and “corporate governance and acquisitions,” connected through Boolean operators (AND, OR) to obtain a comprehensive yet conceptually relevant body of literature (Ahsan et al., 2024).

Studies were included in the review if they met the following criteria: (1) they were published in reputable international peer-reviewed journals; (2) they explicitly focused on mergers and acquisitions as the primary research object; (3) they examined post-merger success or performance in financial, market-based, strategic, or organizational integration dimensions; and (4) they provided sufficient methodological information and empirical findings to allow systematic data extraction and synthesis. In contrast, non-journal publications, purely conceptual papers without empirical testing, and studies addressing M&A motives without evaluating post-merger outcomes were excluded from the analysis (Tranfield et al., 2003).

The study selection process followed the four main stages of the PRISMA 2020 framework, namely identification, screening, eligibility, and inclusion. After removing duplicates, titles and abstracts were screened for topical relevance, followed by full-text assessments to ensure compliance with the inclusion criteria. Through this procedure, a total of 60 articles were retained as the final corpus for the SLR. The overall selection process and the number of studies at each stage are illustrated in Figure 1 (PRISMA Flow Diagram).

Figure 1. PRISMA 2020 Flow Diagram of the Study Selection Process



Source: Processed Data (2026)

From each selected article, information was extracted regarding research context, methodological design, key determinants, causal mechanisms, dimensions of success, theoretical perspectives, and level of analysis. These data were organized into a study matrix to support the coding and integration process. The complete matrix of the 60 reviewed studies is available as supplementary material upon request. The analysis was conducted using a thematic synthesis approach to group empirical evidence into conceptual themes representing patterns of determinants and causal relationships across studies (Thomas & Harden, 2008). This approach allows the

integration of quantitative and qualitative findings and facilitates the identification of mechanisms explaining how different factors influence M&A success in diverse contexts.

Through iterative coding and thematic synthesis, the determinants of M&A success were clustered into four major categories: institutional environment; corporate governance and managerial characteristics; strategic fit and resource capabilities; and post-merger integration and behavioral factors. These clusters were subsequently integrated into a multilevel conceptual framework that maps the interactions among macro-, meso-, and micro-level factors and the causal mechanisms linking them to multiple dimensions of post-merger success. Accordingly, the methodology not only serves as a systematic procedure for literature selection and synthesis, but also provides the analytical foundation for developing an integrated understanding of M&A as a process of institutional, organizational, and socio-cultural transformation.

3. FINDINGS AND DISCUSSION

Based on the results of the Systematic Literature Review of 60 reputable international journal articles published between 2020 and 2025, the findings indicate that merger and acquisition (M&A) success is a multidimensional phenomenon that cannot be explained by a single group of factors in isolation. Thematic synthesis reveals four major clusters of determinants that consistently emerge in the literature: (1) institutional environment, (2) corporate governance and managerial characteristics, (3) strategic fit and resource capabilities, and (4) post-merger integration and behavioral factors. These clusters interact through specific causal mechanisms that link external context, the quality of strategic decision-making, synergy potential, and implementation effectiveness, thereby shaping multiple dimensions of post-merger success, ranging from market and financial performance to organizational learning and long-term stability.

To provide a comprehensive overview of the synthesis results, Table 1 presents a summary of the determinant clusters, the key determinants within each cluster, the underlying causal mechanisms, the relevant theoretical perspectives, and the dimensions of M&A success that are affected.

Table 1. Synthesis of Determinant Clusters and Causal Mechanisms of Merger and Acquisition Success

Cluster	Key Determinants	Causal Mechanisms	Theoretical Perspective	Dimensions of Success
Institutional Environment (Macro)	Regulatory quality, policy stability, investor protection, legal certainty	Reduction of uncertainty, enhancement of market	Institutional Theory	Market reaction, smooth cross-border transactions,

Cluster	Key Determinants	Causal Mechanisms	Theoretical Perspective	Dimensions of Success
		legitimacy, lower transaction costs		value sustainability
Corporate Governance & Managerial (Meso)	Board structure, independence, executive incentives, top management experience	Improved decision quality, mitigation of agency conflicts, control of overpayment	Agency Theory; Upper Echelons Theory	Post-merger financial performance, effectiveness of integration strategy
Strategic Fit & Resource Capabilities (Meso)	Asset complementarity, technological relatedness, absorptive capacity, dynamic capabilities	Synergy realization, organizational learning, resource reconfiguration	Resource-Based View; Dynamic Capabilities	Operational synergies, innovation, competitive advantage
Integration & Behavioral Factors (Micro)	Cultural compatibility, communication, change leadership, employee involvement	Reduction of resistance, formation of shared identity, social coordination	Behavioral Theory; Post-Merger Integration	Human resource stability, integration effectiveness, long-term performance

Source: Processed Data (2026)

3.1. Cluster 1: Institutional Environment (Macro Level)

The institutional environment moderates M&A success through regulatory quality, legal certainty, investor protection, and policy stability, which influence transaction costs, risk perceptions, and market legitimacy. From the perspective of Institutional Theory, strong institutions reduce uncertainty and information asymmetry, thereby enhancing investor and stakeholder confidence in expected synergies and the sustainability of post-merger value (Rao et al., 2023). Empirical evidence further indicates that political stability and effective regulation strengthen market reactions and facilitate cross-border integration, whereas institutional weaknesses increase the risk of transaction failure and coordination barriers (Brahma et al., 2023; Ince, 2024).

3.2. Cluster 2: Corporate Governance and Managerial Characteristics (Meso Level)

At the organizational level, M&A success is strongly influenced by the effectiveness of corporate governance and the quality of top management in guiding strategic decision-making. Independent boards, robust monitoring mechanisms, and well-aligned incentive systems enhance the quality of target screening, valuation, and integration risk control, thereby reducing agency conflicts and the tendency toward

overpayment (Acero & Alcalde, 2021). Furthermore, the experience and stability of executive teams shape cognitive orientation and coordination capabilities during the post-merger process, which in turn strengthen integration effectiveness and medium-term financial performance (Cai et al., 2025; Song & Wang, 2025).

3.3. Cluster 3: Strategic Fit and Resource Capabilities (Meso Level)

M&A success is also determined by the degree of strategic fit and capability complementarity between the acquiring firm and the target. The Resource-Based View and Dynamic Capabilities perspectives emphasize that post-merger value creation depends not merely on asset size or value, but on the alignment of knowledge bases, technological relatedness, and learning capacity that enable effective resource transfer and recombination (Květoň et al., 2020). Empirical studies show that absorptive capacity and organizational reconfiguration capability strengthen the realization of operational and innovation synergies, thereby enhancing medium- to long-term competitive advantage (Huang & Xie, 2023; Ramadhana et al., 2022).

3.4. Cluster 4: Post-Merger Integration and Behavioral Factors (Micro Level)

At the micro level, behavioral dynamics and post-merger integration (PMI) processes constitute critical determinants of whether strategically planned synergies are actually realized. Cultural compatibility, communication quality, change leadership, and employee involvement influence acceptance of the merged organization and the alignment of structures and work processes (Lin & Pursiainen, 2023). Empirical evidence indicates that trust, perceived fairness, and employees' emotional stability reduce resistance, accelerate collective learning, and strengthen cross-unit coordination, which ultimately have positive effects on post-merger operational performance and innovation (Degbey & Pelto, 2021; Luan et al., 2025).

3.5. Multilevel Integration: Macro–Meso–Micro Interactions

Taken together, the four clusters demonstrate that M&A success results from the interaction of determinants across multiple levels of analysis. The institutional environment at the macro level provides legitimacy and structural certainty that shape firms' strategic scope; governance, managerial characteristics, and strategic fit at the meso level determine decision quality and synergy potential; while integration effectiveness and behavioral dynamics at the micro level determine the actual realization of that potential. Misalignment across levels, for instance, sound strategic logic in weak institutional contexts, or strong governance without effective social integration, can hinder post-merger value creation (Teerikangas & Colman, 2020). Accordingly, the SLR findings underscore that M&A should be understood as a multilevel process involving institutional, organizational, and behavioral dimensions simultaneously, rather than merely as a financial event or a strategic transaction.

4. CONCLUSION

Based on a Systematic Literature Review of 60 high-quality international studies, this paper demonstrates that merger and acquisition (M&A) success is a multidimensional outcome shaped by the interaction of determinants across multiple levels of analysis. The thematic synthesis identifies four interrelated clusters of key determinants, namely the institutional environment, corporate governance and managerial characteristics, strategic fit and resource capabilities, and post-merger integration and behavioral factors. These clusters operate through causal mechanisms that link uncertainty reduction and institutional legitimacy, the quality of strategic decision-making, synergy realization and organizational learning, as well as the effectiveness of social and cultural integration, thereby influencing various dimensions of post-merger performance.

From a theoretical standpoint, this study contributes to the M&A literature by developing a multilevel conceptual framework that integrates Institutional Theory, Agency Theory, Upper Echelons Theory, the Resource-Based View, Dynamic Capabilities, and behavioral perspectives. By explicitly modeling the interactions among macro-level institutional conditions, meso-level governance and strategic factors, and micro-level integration processes and human dynamics, the framework moves beyond fragmented, single-level explanations and provides a more comprehensive understanding of value creation in M&A.

From a practical perspective, the findings highlight that sustainable M&A success cannot be achieved solely through financial or strategic alignment. Instead, it requires a holistic approach that simultaneously considers institutional context, robust governance structures, adaptive organizational capabilities, and effective management of cultural and behavioral integration. For executives, board members, and policymakers, the proposed multilevel framework offers an analytical basis for designing acquisition strategies and integration processes that are more resilient and context-sensitive. Future research may empirically test the cross-level interactions identified in this framework using longitudinal and cross-country designs, thereby further advancing knowledge on the dynamic processes underlying successful mergers and acquisitions.

ACKNOWLEDGEMENTS

The authors would like to thank the Universitas Pembangunan Nasional Veteran Jakarta for providing the supports for this study.

REFERENCES

Acero, I., & Alcalde, N. (2021). Institutional context as a moderator of the relationship between board structure and acquirer returns. *Research in International Business and Finance*, 57. <https://doi.org/10.1016/J.RIBAF.2021.101420>

- Ahsan, F. M., Popli, M., & Kumar, V. (2024). Formal institutions and cross-border mergers and acquisitions: A systematic literature review and research agenda. *International Business Review*, 33(5). <https://doi.org/10.1016/J.IBUSREV.2024.102306>
- Angwin, D. N., Urs, U., Appadu, N., Thanos, I. C., Vourloumis, S., & Kastanakis, M. N. (2022). Does merger & acquisition (M&A) strategy matter? A contingency perspective. *European Management Journal*, 40(6), 847–856. <https://doi.org/10.1016/J.EMJ.2022.09.004>
- Brahma, S., Zhang, J., Boateng, A., & Nwafor, C. (2023). Political connection and M&A performance: Evidence from China. *International Review of Economics & Finance*, 85, 372–389. <https://doi.org/10.1016/J.IREF.2023.01.026>
- Cai, C., He, L., & Wen, J. (2025). Stability of executive teams, corporate financialization, and cross-border mergers and acquisitions. *International Review of Economics & Finance*, 100. <https://doi.org/10.1016/J.IREF.2025.104124>
- Degbey, W. Y., & Pelto, E. (2021). Customer knowledge sharing in cross-border mergers and acquisitions: The role of customer motivation and promise management. *Journal of International Management*, 27(4). <https://doi.org/10.1016/J.INTMAN.2021.100858>
- Huang, G., & Shen, L. (2024). When does digital merger and acquisition create shareholder value? An empirical investigation in the Chinese context. *Heliyon*, 10(14). <https://doi.org/10.1016/J.HELİYON.2024.E34237>
- Huang, J., & Xie, T. (2023). Technology centrality, bilateral knowledge spillovers and mergers and acquisitions. *Journal of Corporate Finance*, 79. <https://doi.org/10.1016/J.JCORPFIN.2023.102366>
- Ince, B. (2024). How do regulatory costs affect mergers and acquisitions decisions and outcomes? *Journal of Banking & Finance*, 163. <https://doi.org/10.1016/J.JBANKFIN.2024.107156>
- Květoň, V., Bělohradský, A., & Blažek, J. (2020). The variegated role of proximities in acquisitions by domestic and international companies in different phases of economic cycles. *Papers in Regional Science*, 99(3), 583–602. <https://doi.org/10.1111/PIRS.12506>
- Lin, T. C., & Pursiainen, V. (2023). Social trust distance in mergers and acquisitions. *Journal of Banking & Finance*, 149. <https://doi.org/10.1016/J.JBANKFIN.2023.106759>
- Luan, Z., Huang, S., & Wen, J. (2025). Employee emotions, employee resilience, and cross-border mergers and acquisitions performance. *International Review of Economics & Finance*, 104. <https://doi.org/10.1016/J.IREF.2025.104631>
- Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., Shamseer, L., Tetzlaff, J. M., Akl, E. A., Brennan, S. E., Chou, R., Glanville, J., Grimshaw, J. M., Hróbjartsson, A., Lalu, M. M., Li, T., Loder, E. W., Mayo-Wilson, E., McDonald, S., ... Moher, D. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *BMJ*, 372. <https://doi.org/10.1136/bmj.n71>
- Ramadhana, M. O., Adioetomo, S. M., Irbansyah, B., & Hartijasti, Y. (2022). Building Acquisition Management Capability to Improve Firm Performance in Acquisitions: *International Journal of Asian Business and Information Management*, 13(2). <https://doi.org/10.4018/IJABIM.289650>

- Rao, S., Koirala, S., Aldhawayn, S., & Corbet, S. (2023). Geopolitical risk and M&A: The role of national governance institutions. *Economics Letters*, 225. <https://doi.org/10.1016/J.ECONLET.2023.111062>
- Sha, Y., Kang, C., & Wang, Z. (2020). Economic policy uncertainty and mergers and acquisitions: Evidence from China. *Economic Modelling*, 89, 590–600. <https://doi.org/10.1016/J.ECONMOD.2020.03.029>
- Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*, 104, 333–339. <https://doi.org/10.1016/J.JBUSRES.2019.07.039>
- Song, Y., & Wang, Q. (2025). The double-edged sword of political power in Chinese merger and acquisitions: CEOs, boards, and market reactions. *International Review of Economics & Finance*, 104. <https://doi.org/10.1016/J.IREF.2025.104752>
- Teerikangas, S., & Colman, H. L. (2020). Theorizing in the qualitative study of mergers & acquisitions. *Scandinavian Journal of Management*, 36(1). <https://doi.org/10.1016/J.SCAMAN.2019.101090>
- Thomas, J., & Harden, A. (2008). Methods for the thematic synthesis of qualitative research in systematic reviews. *BMC Medical Research Methodology*, 8. <https://doi.org/10.1186/1471-2288-8-45>
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a Methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review. *British Journal of Management*, 14, 207–222. <https://doi.org/10.1111/1467-8551.00375>