



INSTITUTO
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Corporate Governance Role in Mergers and Acquisitions

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Master in Management

Supervisor:

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Departamento de Marketing, Operações e Gestão Geral (DMOG)

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BUSINESS
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Resumo

Este estudo tem como objetivo cobrir uma falha na literatura ao examinar a influência que a Corporate Governance tem na performance operacional de empresas que realizaram fusões ou aquisições, medidas através do ROA e ROE. O objeto da nossa análise são 286 negócios que aconteceram entre 2008 e 2016 durante os períodos pré-fusão e até 5 anos após a fusão ou aquisição. Utilizando o teste T para comparação de médias, podemos concluir um decréscimo da performance das empresas adquirentes comparativamente ao ano anterior à fusão, enquanto houve uma melhoria significativa da Corporate Governance. Através da Análise de regressões, identificamos uma relação positiva entre a Corporate Governance e a rentabilidade das empresas nos anos antes da fusão e no ano da fusão, enquanto esta variável também era positivamente relacionada com uma maior percentagem de administradores não executivos no conselho de administração no ano da fusão e no terceiro ano após a fusão. Praticamente não foi possível detetar relação entre as variáveis em estudo com o ROE, porque os modelos não verificavam todas as premissas. Foi possível verificar que este é positivamente afetado pela Corporate Governance, firmas que diversificaram o negócio (Estratégia de diversificação) e por firmas com uma percentagem superior de não-executivos no conselho de administração. A Corporate Governance é positivamente afetada pela média de presenças nas reuniões, média de anos no conselho de administração, e por firmas com maior percentagem de não executivos e membros independentes no conselho de administração, sendo negativamente afetada quando o Chairman é também CEO.

Palavras-chave: Fusões e aquisições, Performance operacional, Estratégia Corporativa, Corporate Governance, Medidas de base contabilística, Sinergias

JEL Classification System

C30 – Multiple or Simultaneous Equation Models • Multiple Variables - General

G34 – Mergers • Acquisitions • Restructuring • Corporate Governance Multiple or Simultaneous Equation Models • Multiple Variables

Abstract

This research aimed to fill a gap in the literature by analysing the influence Corporate Governance has on the operational performance of firms that go through a Merger and acquisition process, measured by ROA and ROE. The objects of our research are 286 deals from 2008 to 2016 and we analyse a time period from one year pre-merger to five years post-merger. Using the comparison of means T-test, we conclude that the mean operational performance decreases in the post-merger period compared to the pre-merger one, while the Corporate Governance Score has a significant increase. By the regression analysis performed we could detect significant and positive relationship between Corporate governance and the profitability of firms (ROA) for the pre-merger year of study and for the year of study, while more independent and the higher the percentage of non-executive members on the board positively relate to better ROA, on the year of the merger and the 3rd year post-merger. We could barely detect any significant relationship between the variables and ROE, as the assumptions of the analysis would not be met for most periods. Yet, we found it is positively influenced by the Corporate Governance Score, Firms that diversified their business (Diversification strategy) and by firms with higher percentage of non-executive board members. Corporate Governance is positively related to the average attendance to board meetings, the average board tenure, and to firms with higher percentage of independent and non-executive board members, being negatively related to boards where the chairman is also the CEO.

Keywords: Mergers and Acquisition, Operating Performance, Corporate strategy, Corporate Governance, Accounting-based measures, Synergy.

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Glossary

M&A – Merger and Acquisition

CG – Corporate Governance

ROA – Return-on-Assets

ROE – Return-on-Equity

Pp – Percentual point

Symbols

β – Coefficient of independent variables

α – Constant of Regression Analysis

1. Introduction

1.1. Contextualization

Why do so many Mergers and Acquisitions (M&As) fail? What are the good practices when performing an M&A? Empirical data has been highlighting that M&As of listed Companies tend to destroy value for the acquirer firms more often than they create (Alexandridis *et al.*, 2017). Despite this fact, the latest data on M&A for the year 2021, by PwC, shows that the global disruption triggered by the Covid-19 pandemic, made many companies to rethink their strategies and review their portfolios. This led to strategic acquisitions and divestitures in order to create new synergies and develop their competitive advantages, which is what makes M&A deals so enticing. The pandemic also arose the flaws of a system that used to subcontract part of the operations, which made many companies stop their operations due to dependency on suppliers. This problem made many companies rethink their operations and to make decisions on deals to seek cost synergies. Also, in the PwC report, it emphasizes the current trend to support sustainability and reduce environmental and social issues, with ESG being a pivotal strategic resource for both companies and on M&A deals. Despite its tendency to generate less value for acquirer firms, M&As still are one of the most preferred strategies for diversification and synergy creation from managers around the world.

Starting by introducing Mergers and Acquisitions (M&A), these deals are a fundamental component and the most popular method of the growth strategy of many companies as an alternative for strategic organic growth. It gained major importance with the belief that the synergies created will have positive wealth effects for acquirers, and the value created combined of both firms is greater than each individually. Despite its popularity, in the last fifty or more years of academic research, resulting in a considerable number of studies conducted in its different disciplinary perspectives, academics have failed to show why there is such a high level of M&A deals underperforming. Hence, many scholars have focused their studies on whether there is a positive or a negative impact of M&A deals in corporate financial performance and the drivers for success. M&A are a multilevel, multidisciplinary and multistage phenomenon (Angwin, 2007; Javidan, Pablo, Singh, Hitt, and Jemison, 2004) and so it may require an integrative framework approach concerning multiple periods of time, and various perspectives to better understand this phenomenon. Comparing the first Quarter of 2019 with the first quarter

of 2021, despite the curve falling in 2020, both the volume of M&A deals and their value has increased (by PwC analysis, link in the references). The volume has increased from around 11000 M&A deals to 14000, and the agglomerated deals value from 1000 billion to 1200 Billion US dollars.

On the other hand, Corporate Governance (CG) has also been getting notoriety among academics and policymakers, as well as corporate managers, due to corporate collapses and scandals involving major companies resulting in huge financial losses and mass redundancies. To avoid and reduce such events, progress has been made to review and change the comprehensive corporate governance rules and improve corporate governance practices promptly and continuously.

There is still a huge gap in academia regarding the links between corporate governance and Merger and Acquisitions and the impact of corporate governance in companies that go through the process, and thus we intend to give some insights on this matter and add to the current academic research with the knowledge we may gather.

Mergers and acquisitions are a very popular growth strategy which most managers opt for because of its' vast set of possible advantages for a company that wants to improve its operations either on the same industry or on another industry, or because they want to opt for a diversification strategy or have tax/cost benefits, etc. However, M&A have a success rate around 50% (Appelbaum *et al.*, 2000, and Agrawal & Jaffe, 2000), which is a very low success rate in the long term. The reasons for such events can be very diversified, namely bad coordination, miscommunication, poor deal structure, management motives, and risk deals.

There is a constant need of empirical research on these transactions to better understand the good practices. But no deal is equal. Each deal has its own way to be performed and it regards different people, different cultures interacting, different types of management, even on the same industries. Thus, there is not a defined path to success. What research can do is to identify correlations between different dimensions. In this case, the purpose of this research is to find which corporate governance ideal and governance practices are more related to M&A performance, which dimensions and structure of the board, compensation systems, and the relation between stakeholders and managers are more related to the success of M&A.

To be able to do so, it is proposed that by using accounting-based measures it is possible to evaluate the performance of finalized M&A deals, which is a subject that has already some research done, but still needs more literature to complement and improve the insights on this subject. The present literature despite evaluating specific dimensions of firm performance, usually ignore its multidimensional nature (Meglio, 2009; Schoenberg, 2006). This method

does not represent the big picture to analyse the relationship between corporate governance and mergers and acquisition, as it is a robust approach for the problem and only considers the accounting and financial information of the reports of companies, without looking for personal motives, changing process, managerial hubris. This method also relies in the quality of the financial information that companies provide.

Literature has also a need for multiple accounting-based measures within the same study to obtain more robust results, with multiple time-lags to see the differences between the periods of study, to consider the effects on the target firm, and the combination of accounting measures with other performance measures (market-based, etc.) (Papadakis & Thanos, 2015).

The majority of studies regarding these two dimensions, usually concern the short-term period right before and after an M&A is announced and measures the Cumulative Abnormal returns and the effect of the M&A has on the market and for the shareholders of the firms that will go through the M&A process. Defrancq *et al.* (2021) for example, studied the association of board composition of acquirer boards and the abnormal returns of the shareholders, finding evidence that board diversity has a beneficial effect on M&A value creation. Others such as Malikov *et al.* (2021) studied the effect that post-merger operating has on workforce reductions, finding a negative relationship between the two dimensions, and implying that good CG plays an important role in understanding the effect of acquisition-related workforce reduction. There are a lot of variables that could influence or serve as substance for studies, and it is with this point of view we intend to contribute with complementary data to help other academics improve theory and investors to make better informed decisions.

Despite not finding any paper concerning the relationship of CG on the firms' valuation in the post-merger period for the acquirer firms, following both M&A and CG research on the relationship each dimension has on firm performance in the long-run, either by using linear regression models with Tobins'Q hybrid ratio, the Return-on-Assets, or other Performance ratios for the long-run, we decided to cover this gap discovered on the literature and develop a construct similar to what we find on firm performance of M&A or CG separately, by developing a Multiple Linear Regression Model which concerns both M&A and CG variables to investigate what effects they have on firm performance.

1.2. Research questions and Objectives

The objective of this dissertation is to provide new insights and new data for the current studies that connect mergers and acquisitions and corporate governance. The data already analysed by

investigators is vague and since the two topics are vast, is hard to choose just a small set of variables to study and conclude for the big picture. And since this is a topic that is relatively unknown in academia, with our findings and research we pretend to contribute with a multistage model which connects multiple periods and variables, which could bring a bigger understanding about the topic.

We intend to give insights to the following questions, is corporate governance significantly related to operating performance of firms that go through M&A deals? What Board characteristics influence the operating performance in the Post-M&A period? Do M&As improve the acquirers' firm operating performance? Which board characteristics are more related to the improvement of the firm's performance in the post-M&A period? Which board characteristics negatively impact the acquirers' firm long-term performance?

Such questions are still vague in academia, and with the construct we built and the data we gathered, we also expect to give question to more topic-specific questions. Does Board diversity positively affect the performance of M&As? Does board member compensation a significant impact on the performance of M&A deals? Do M&As have higher probability to have higher performance in deals made in different industries? Or in new countries?

1.3. Structure

We will start by presenting the literature review on the topics to study, starting by developing the Merger and Acquisition theme, the motives that managers usually have to go through these deals, the phases of the deals, the success factor to successfully integrate both organisations, and how has performance been measured to evaluate the success or failure of these deals. Afterwards, we will develop the recent developments on Corporate Governance and the importance it has for companies to thrive and maintain control over its structure and activities. Subsequently, we will present some index constructs that have been built to measure the corporate governance of firms and which characteristics impact the firm's performance the most.

We will then present our methodology and how the data was gathered, how we built our analysis and the statistical methods used to assess our hypothesis. Which will be analysed in the following Section.

We will finalise our study with the conclusions we took from the statistical analysis and give some limitations of our construct, along with some advice for future research.

2. Literature Review

2.1. Mergers and Acquisition

Mergers and Acquisitions (M&A) is a term that refers to transactions made between two companies which can either describe the consolidation of companies or assets. Although we generally use M&A as way to refer to this tool of strategy, mergers differ from acquisitions. An acquisition or takeover is the purchase of one company's rights by another, implying an offer from the acquiring company for the common stock of the target company or acquiree. On the other hand, a merger is where two companies about the same size, combine to form a new entity, where shareholders of both firms agree to exchange their shares for shares of the new company (Grant, 2016).

M&A is an important strategy companies have in their lifecycle which has an important impact both on the firm's operations and on its activities. Citing Renneboog and Vansteenkiste (2019) «M&A transactions enable firms to grow faster than firms relying on organic growth, allow them to penetrate new markets and cross-sell into a new customer base, expand their scope by acquiring a set of complementary products, buy a pipeline of R&D intensive products, patents, or trade secrets, avoid upstream or downstream market foreclosure by suppliers, reduce taxes by means of new subsidiaries situated in tax-friendly countries, realize cost synergies by eliminating surplus facilities and overheads, reduce competition, improve access to capital, etc». Although the benefits are plenty, it is still unclear why M&A deals underperform and continue to exhibit high rates of failure (Gomes *et al.*, 2013).

«M&A is a multilevel, multidisciplinary, and multistage phenomenon» (Angwin, 2007; Javidan, Pablo, Singh, Hitt, and Jemison, 2004) which study should require an integrative framework, to highlight all of its characteristics, by connecting different approaches to perceive and compare results from different variables at the different stages of the process (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009; King *et al.*, 2004; Pablo & Javidan, 2004; Shimizu, Hitt, Vaidyanath, and Pisano, 2004; Stahl & Voight, 2008), to better capture the whole essence of the phenomenon.

2.2. Motives for M&A

To better understand the popularity of M&A we need to understand the key motives that managers have to engage in such complex deals that turn them into success or failure (Seth, Song, and Pettit,

2002). There are three main motives discussed in academia, the synergy motive which was first introduced by Porter (1985), who says that the primary reason for M&A is to achieve synergy by the integration of both business units combined to achieve an increased competitive advantage, the managerial self-interest or materialism motive, and hubris motive (Carpenter and Sanders, 2007).

«The term synergy refers to the ability of two or more units to generate greater value than they could working apart» (Calipha, Tarba and Brock, 2010). Carpenter and Sanders (2007) refer five types of synergy, namely reducing threats from other competitors, increased market power, cost savings, financial strength and financial leverage. Similarly, Campbell and Goold (1998) identify six types of synergy, shared know-how, shared tangible resources, pooled negotiation power, coordinated strategies, vertical integration and combined business creation. These thoughts are in line with the one from Porter (1985), when presented his ideas on the positioning of a company in the market, introducing cost leadership, differentiation and focus strategies to obtain a sustainable competitive advantage. Porter (1985) also claims that the strengths or weaknesses of a company are significant as a function of its impact on relative cost or differentiation.

M&A are also a good alternative to enter a new business, competitive strategy or technology to companies that want to enter a new product or market segment (Calipha, Tarba and Brock, 2010). The main motives Calipha, Tarba and Brock (2010) take from their research analysis are the synergy one, growth in market power, increase in market share, to spread the risk by investing, and to enlarge the product line or complement the products or services.

M&A's can be divided into three types depending on whether the strategic focus is concentration or diversification, namely vertical, horizontal, or conglomerate. A horizontal merger occurs when two competitors that operate in similar industries combine, increasing the market power and reducing anticompetitive effects, and could be performed by expanding to a new geographical location or by increasing their range of products in the same market. A vertical merger occurs when two companies of the same supply-chain combine, integrating two companies that have a buyer-seller relationship, they grow vertically in the supply-chain. Finally, a conglomerate occurs when two companies that are not industry or supply-chain related combine (Gaughan, 2010). Wheelen and Hunger (2001) categorize the concentration strategies in vertical growth or horizontal growth as its main objective, and diversification strategies as conglomerate (growth to unrelated industries) or concentric (growth to related industries).

2.3. Phases of M&A

M&A deals have several phases which are followed until the deals are closed. Although there is no consensus about the number of phases in academia, most researchers when developing their thoughts described similar activities during their whole process of M&A. Calipha, Tarba and Brock (2010) reviewed the M&A issue and research to categorize the main phases, motives and success factors, summarizing the following perspectives. Boland (1970) divides the process in two phases, pre-merger and post-merger. In turn, Appelbaum *et al.* (2000a, 2000b) describe three main periods, pre-merger, during- and post-merger. Yet, Carpenter and Sanders (2007) divide into four phases, idea, justification (due diligence and negotiation included), acquisition integration, and results appraisal.

Calipha, Tarba and Brock (2010) also note that although most academics focus on narrow topics, this information will be used by corporations that may assign different teams specialized in each phase of the process, and, despite the number of phases we assign, it should not affect the overall strategic objective of M&A. As the list goes on, we may notice that even if the number of phases increases, academics are only dissecting more and more each initial phase of pre-merger and post-merger into the tasks that the whole M&A process should follow until its completion.

2.4. M&A Success factors

Calipha, Tarba and Brock (2010) emphasizes twelve categories for success factors. The *strategic motive*, claiming that the objectives for the deal should be aligned with the capabilities and objectives of the company. *The type and/or degree of diversification*, which is influenced by the match and relationship of the firms. Selection Criteria, when selecting the potential merger partners. *Price of the deal*. *Strategic fit*, defined as “the degree to which the target firm augments or complements the parent’s strategy and thus makes identifiable contributions to the financial and nonfinancial goals of the parent” (Jemison & Sitkin, 1986, p. 146). *Human resource management*, regarding the changing process near all the employees. *Operating managers and key staff people*, on the implementation of the acquisition decision. *Corporate culture*, aligning the cultural differences and integrating efforts in the post-merger periods. *Difference in size*, may reflect lack of empathy and misunderstandings between the organizations. *Organizational structure*, regarding the level of centralization. *Control systems*, which may lead to defective reporting relationships. *Analysis of Future capital need*. *Ambiguity* caused by unanswered questions which can lead to severe misunderstandings. *Management involved in the process*. Finally, *Examination of all shareholders*.

Appelbaum *et al.* (2000a, 2000b) stress out the issue and importance of communication during the whole process of M&A, examine the corporate culture and change effects on employees and the stress within the M&A environment. Appelbaum *et al.* (2000a, 2000b) conclude that communication is crucial for the better performance of a company, because providing clear, consistent, factual, sympathetic and up-to-date information will lead to an increase in employee productivity, which will consequently positively impact the performance. Proper communication will also be reflected in an easier corporate culture and process change because it will reduce the stress caused by change on employees and reinforce their trust on their superiors.

Emanuel *et al.* (2013) recognize pre- and post- merger success factors present in the literature. A pre-merger factors, Emanuel *et al.* (2013) recognizes choice of evaluation of the strategic partner, to pay the right price, size mismatches and organisation, overall strategy and accumulated experience on M&A, courtship, communication before merger, and future compensation policy. The post-merger factors are integration strategies, post-acquisition leadership, speed of implementation, post-merger integration team and disregard of day-to-day business activities, communication during implementation, management of corporate and national cultural differences.

These enounced key success factors for M&As to thrive rely on high levels of coordination, organisation and communication during the whole process.

2.5. Measures of Performance

Richard *et al.* (2009) aggregate the measures of performance in three groups, objective measures, accounting and financial market measures and firm survival, and subjective and quasi subjective measures, which regard survey-based self-reports. These measures target the product market, financial and shareholder outcomes of performance (Richard *et al.*, 2009).

The accounting measures are widely used since there is valid correlation between economic and accounting return. Nevertheless, when analysing the data, researchers must be aware that these measures may be distorted by accounting policies, human error, and deception. Accounting measure such as Cash Flow from operations, EBIT, EBITDA, Market share, Profit Margin, return on equity, and other measures listed by Richard *et al.* (2009) are widely used. Financial market measures are the preferred instrument for characterizing organization performance (Richard *et al.*, 2009). Measures such as Beta coefficient, Earnings-per-share, Market value, and others, are also listed by Richard *et al.* (2009). There are some measures that are hybrid of accounting and financial measures, such as, Cash flow per share, Tobins'Q, Internal rate of return, etc. (Richard *et al.*, 2009).

2.6. Mergers and Acquisition performance

The performance measures in empirical studies include both subjective assessment and objective assessment. Subjective measurements of performance regard the degrees of synergy realization, integration effectiveness and strategic gap reduction. Objective measurements use accounting-based performance, market performance and other operational data (Das and Kapil, 2012). We can also distinguish two important dimensions to evaluate performance, level of analysis and the time horizon. The time horizon used vary from short-term (e.g., around the announcement date) to long-term (up to five years after completing the acquisition). The level of analysis involved improvement of firm performance or competitive position to process efficiency, and we can distinguish three different levels, the task level, the transaction level, and the firm level (Zollo and Meier, 2008). Zollo and Meier (2008) categorize the different dimensions of M&A performance as the integration process performance, employee retention, customer retention, accounting performance, long-term financial performance, short-term financial performance, acquisition survival, innovation performance, knowledge transfer, systems conversion, variation in market share and overall acquisition performance.

To objectively measure M&A performance we could do it either by assessing shareholder returns or by accounting performance (Renneboog and Vansteenkiste, 2019). Indicators such as the Cumulative Abnormal Returns (CARs) is a cross-sectional approach used to calculate the sum of abnormal returns generated over a short or long event window, starting at, prior to, or after the event, by earning abnormal returns on a day-by-day basis (Renneboog and Vansteenkiste, 2019). Returns differ over time and across takeover waves. Despite having been reported slightly negative and positive returns (close to 0%) and at times indistinguishable from zero (Netter *et al.*, 2011), the combined weighted acquirer and target announcement returns are significantly positive and slightly increase over time, and so, takeovers are expected to create value, and it is expected to create more value for the shareholders who hold most of the bargaining power in the negotiations (Renneboog and Vansteenkiste, 2019). However, Yaghoubi *et al.*, (2016) state that most of the previous research that uses the long-term abnormal return method provides evidence that the post-completion performance of acquirers, on average, is negative or optimistically around zero.

On the other hand, Accounting-based performance measures are used to measure the operating performance of the firms that go through the M&A process. Indicators such as the Return on Assets (ROA), the Return on Equity (ROE), Tobins'Q, etc., have been widely used to track the operating performance of firms in the long run (Das and Kapil, 2012). Papadakis and Thanos (2010) found no correlation between ROA and the managers subjective assessment to M&A's, Yaghoubi *et al.*,

(2016) refer that several studies that use accounting ratios or economic value-added methods document positive average performance. Concluding, we could say that it is not yet clear what is the extent of influence that M&A's have on the long-run operating performance measures.

2.7. Corporate governance

Corporate Governance has recently gained much attention among academics, regulators, practitioners and the press, mainly because there have been multiple corporate meltdowns from managerial fraud, misconduct, and negligence, causing severe losses to shareholder wealth, and massive bankruptcies. Regulation was needed to gain back the trust for capital markets and efforts have been done in promoting transparency and accountability (Baker and Powell, 2009). The first efforts were done by Cadbury (1992), followed by The Sarbanes-Oxley Act of 2002 and the G20/OECD Principles of Corporate Governance (2015). This governance devices are intended to align or ensure the managerial behaviours and actions pursue the company's goal, either in an Anglo-Saxon perspective of maximization of shareholders' wealth (Baker and Powell, 2009; and Bradley, 2004), or the German system, who often perceive both internal and external stakeholders' interests and the balance between them (Bradley, 2004).

Baker and Powell (2009) define corporate governance as a set of procedures, customs, policies, laws, and institutions that affect a company's strategy, the way it is directed, administered and controlled. Internal and external systems and procedures are mechanisms of corporate governance to ensure that the company is well directed by the management of the corporation, or agent, and used to ensure the benefit of all principals, shareholders and some stakeholders.

In academia, corporate governance is usually divided into four areas of study, Board composition and size, executive/director compensation and ownership, corporate governance and firm performance, and other governance issues (Baker and Powell, 2009).

In board composition and size of the board, it is evaluated the level of independence of the board, or in other words, the difference between outside and inside directors that compose the board, and its size (Baker and Powell, 2009). Ncube (2006) also discusses the importance of board committees. Jensen (1993) believes there may be a board effectiveness decline with the increase of board members, because smaller boards can make decisions more quickly, hold more candid discussions and be less controlled by the management. Several studies have also been conducted showing positive relation between board diversity and firm value (Adams & Ferreira, 2009; Carter, Simkins, & Simpson, 2003) while others do not find a relationship (Marinova *et al.*, 2015 and Kakabadse *et al.*, 2015).

The idea behind executive/director compensation and ownership as a major area stands on the fact that higher paid directors are less likely to risk their jobs and will have more incentives to perform better (Baker & Powell, 2009).

2.8. Corporate Governance and firm Performance

The link between corporate governance and firm performance is still weak, but it is widely accepted that poor governance will most likely lead to lower performance. Thus, better governance may lead to better performance. Many researchers developed along the years several approaches to check for causality and association between corporate governance and firm performance, either in the long term or short-term periods. Some indexes have been developed to quantify corporate governance of firms and compare them. For example, Gompers, Ishii, and Metrick (2003) developed the GIM index, and Rani *et al.* (2014) developed the Corporate Governance Score (CGS). Researchers such as Black *et al.* (2017) evaluated the construct validity of some indices, building country-specific indices, country-specific governance elements due to the different norms and regulations of the countries, stressing of that the use of such indices should be done carefully due to norm restrictions, cultural diversity and if it is firm or country-level analysis. Profitability, operational, financial, liquidity, and leverage measures are also used to evaluate the performance of a firm and compare them with Corporate governance scores and dimensions (Rani *et al.* 2014).

However, more usual than not, it is the study of separate corporate governance variables that are studied regarding performance. Many studies were conducted to find the relationship of the board structure and firm performance (Bhagat & Bolton, 2008), or if the type of ownership affects the decision-making and the composition of the board (Ben-Amar *et al.*, 2013).

Regarding other corporate governance issues, a firm could also be affected in terms of takeover vulnerability, dividend pay-out, credit ratings, cost of debt financing, recognition of write-offs, and takeover premiums.

2.9. Corporate governance indices and scoring

Corporate Governance indices are constructed to represent the strength of the shareholders and governance mechanisms between companies, and to study the empirical relationship with corporate performance. (Gompers *et al.*, 2003)

Gompers *et al.* (2003) introduced the GIM index as a proxy for shareholder rights, which is based on twenty-four corporate governance provisions published by the Investor Responsibility Research Center. The value of the index for a firm is equal to the number of provisions that limits

the shareholders rights of a firm. Gompers *et al.* (2003) include restrictions such as golden parachutes, poison pills, supermajority requirements, and classified boards. Their findings show a strong correlation between corporate governance and stock returns in the 1990s, on a long-run event study test.

Bradley (2004) describes the Standard & Poor's corporate governance score with four key components, Ownership structure & influence, Shareholders rights and stakeholder relations, Financial transparency and information disclosure, and Board structure and Process.

Refinitiv EIKON, a platform used widely for trading, market information and historical research data developed its own ESG rating, evaluating companies in term of their environmental, social and governance factors. It also evaluates the ESG controversies, in case a scandal happens around the companies. The governance categories of the rating are Corporate social responsibility strategy, management and shareholders, this will be our independent variable on the regression analysis construct, to identify if it significantly relates to M&A.

2.10. Corporate governance and mergers and acquisition

Wang and Xie (2009) believe that in an M&A operation that is accompanied by a change in control, the acquirer's shareholder rights will replace the acquiree's shareholders rights. Therefore, after the transaction the target's assets will be in control of the managers that are governed by the acquirer's shareholder rights. When an acquisition is in place, and the acquirer's rights are stronger than the acquiree's, the change in control will result in an improvement in corporate governance at the target, as a result of the better use of targets' assets which may take the form of making profitable investments, and thus improving the operating efficiency of the existing assets or reducing self-dealing managerial behaviour/ expropriation of shareholder wealth. The opposite may occur if the acquirers' shareholder rights are weaker than the acquirees' shareholder rights (Wang and Xie, 2009). Wang and Xie (2009) research support the hypothesis that acquisitions of poorly managed targets by well-run acquirers create more value than other M&A, when focusing on the shareholder's rights as proxy of performance.

Tampakoudis *et al.* (2018) studied the effect of corporate governance mechanisms such as voting rights, anti-takeover provisions and board size on the acquirers' gains, finding that these corporate governance measures have a positive impact, and a board size of eight directors is negatively related to announcement-period abnormal returns.

Rani *et al.* (2014) developed a Corporate Governance index based on 67 attributes of corporate governance in a questionnaire to evaluate Indian companies showing positive results for companies

with higher corporate governance score in terms of short-term abnormal returns, long-term financial performance and higher valuation in post-M&A period. Furthermore, companies with better governance score are likely to be more profitable and will increase investors' confidence, influencing positively the firm's valuation.

Carline *et al.*, (2009) found that board ownership, board size and block-holder control have a statistical and economical significant impact on operating performance, using operating cashflow return and the abnormal returns.

Malikov *et al.*, (2021) studied the role of corporate governance on workforce-reduction in the post M&A period, finding a negative relationship between employment reductions and post-acquisition operating performance.

Based on our literature review, we have identified a gap in the literature that we intend to address in this study: Does Corporate Governance have an influence on the profitability, in the long run, of firms that go through a M&A process? Which Corporate Governance Variables affect the most the profitability in the long run? Which Corporate Governance dimensions are more related to good firm performance? Is there any connection between M&A strategies and firm performance? All these questions are still to be answered and we intend to give, with our approach, insights on good practices, indicators of M&A synergistic gains, and complement the current studies with new data. With this purpose we propose a multiperiod analysis to check for significant correlations and relationships between performance variables and corporate governance ones in firms that went through a M&A.

3. Conceptual Model and Research Hypothesis

In this chapter we will give an overview of our model and about the data we extracted from Refinitiv EIKON datastream. We will start by specifying our dataset and variables. Afterwards we will present our study design and how our variables fit in our model. Finally, we will present our hypothesis to test.

3.1. Data and Sample Description

We extracted our dataset from the Refinitiv EIKON database, where we restricted our search to completed mergers and acquisitions from 2008-2016. The deals are all valued above 1,000,000,000\$, which limited our research for acquirer companies in activity on the following countries, the USA, the UK, Belgium, Spain, France, the Netherlands, Germany, Sweden, and Italy. We also limited our dataset to 13 different industries, on which are excluded the banking and financial services sector due to the strict and specific regulations they need to comply. From the dataset we gathered, we also needed to filter only the firms that have the RIC, which is the firm code on the database, so all these criteria result in a final sample of 28 deals.

Using the EIKON database section for M&A we gathered information from the deals relevant for our research, which will be used to construct the control variables. Information such as the acquirer and target nations and industries, the objective of the M&A, the deal attitude, and the percentage of the target that was acquired. We then proceeded to gather relevant information on the firms' regarding their ROA and ROE performance indicators, and several corporate governance variables (displayed in Appendix 1) for the 1-year pre-merger, the year of the merger and for the subsequent 3rd, 4th and 5th years post-merger. Other explanatory variables such as the acquirer firms' size, the debt-to-equity and debt-to-assets ratios for the year of the merger, were also gathered to serve as control variables for the construct.

All the information gathered for this event study is only concerning the acquirer firms, and it is their performance that will be studied.

3.2. Study Design

In this section we will go through all the steps will follow to conduct our research.

The Software used to analyse the data is SPSS Statistics by IBM.

We will analyse the data using multiple linear regression analysis for both ROA and ROE measures of performance of the acquirer firms from the pre-merger period (1 year prior to the M&A – $Y-1$), the year of the merger ($Y0$) and the 3rd, 4th, and 5th year post-merger ($Y+3$, $Y+4$, $Y+5$, respectively). The study of the effects of CG variables and M&A on the ROA and ROE is common in the literature, as presented above in the Literature Analysis, but the study of the effects of CG in M&A by these two performance measures is not usual. So, we will follow the method used by Defrancq, *et al.*(2021), who studied the effect of CG variables on the M&A announcement returns for the short run. Our objective is to replace the performance measure used by Defrancq, *et al.*(2021) (Cumulative Abnormal Returns) by the ROA and ROE measures of performance and add other CG variables studied by other investigators. We will also analyse the effects for the periods that followed the M&A, stated above, and find if there is any correlation, between performance of M&As and CG variables.

We will start with the descriptive analysis of variables for the year of the merger ($Y0$), where we will analyse the dependent variables, ROA and ROE, the independent variable, Corporate Governance Score (CGScore), which will also be dissected into some relevant variables that influence it, and the control variables, Firm Size, Debt/Equity, Debt/Assets, Deal Size, Diversification, Deal Attitude, Synergy, Percentage Acquired and Cross-Border. After we will analyse the evolution of the Dependent and Independent variables, using the Paired Samples T-Test.

Then, we will use the multiple linear regression model to assess which variable influence the performance ratios, for each year, and for the mean of the post-merger years ($Y+3$, $Y+4$, $Y+5$). We will also conduct a multiple linear regression to assess which corporate governance variables influence the most the Corporate Governance score.

Since the sample dimension is large ($n = 287 > 30$) we don't have to perform the goodness-of-fit tests of normality and can use the Central Limit Theorem (CLT) to ensure the approximate Normality of X and, hence, the test's applicability for all the multiple linear regressions we will perform.

For the Multiple Linear Regression analysis, we will adopt throughout the study the minimum Ordinary Least Square Method.

3.3. Variable Measurements

In this section, we first introduce the event study methodology that is used to capture the two accounting-based performance measures, ROA and ROE.

Measuring firm performance – Dependent Variable

To measure performance in the long run we will use the Return-on-Assets (ROA) and the Return-on-Equity (ROE). Two different performance measures to create two different ways of research and compare the correlation results for the sample.

ROA is a very popular accounting measure of performance and is defined as the ratio of net operating profit to the firm's start of the year assets recorded on its balance sheet (Richard *et al.*, 2009). It is usually denominated as profitability, as well, the higher the value of ROA, the better profitability it has on its own assets.

ROE, on the other hand, helps understand whether the companies are efficient or not in generating profits, and is defined as a measure of how much the firm generates for its owners, ROE is equal to net profit divided by the book value of shareholder's equity (Richard *et al.*, 2009).

Construct

Model [1]: $ROA(t) = \alpha + \beta \text{Governance} + \delta \text{Control} + \eta_i + \varepsilon_i \times t$,

with only CGScore% as independent variable;

Model [2]: $ROE(t) = \alpha + \beta \text{Governance} + \delta \text{Control} + \eta_i + \varepsilon_i \times t$,

with only CGScore% as independent variable;

Model [3]: $ROA(t) = \alpha + \beta \text{Governance} + \delta \text{Control} + \eta_i + \varepsilon_i \times t$,

including as independent variables all 15 governance variables, maintaining the same control variables;

Model [4]: $ROE(t) = \alpha + \beta \text{Governance} + \delta \text{Control} + \eta_i + \varepsilon_i \times t$,

including as independent variables all 15 governance variables, maintaining the same control variables;

Model [5]: $CGScore\%(t) = \alpha + \beta \text{Governance} + \varepsilon_i \times t$,

where Governance is constituted by all 15 CG variables.

Independent Variable

For our construct we will firstly study the effect of only one independent variable, the CGScore(t)% on the dependent variable, and later we will add the variables in which the

CGScore(t)% divides into, BPAudit(t), BPSize(t), BPIndependence(t), BPDiversity(t), AvBMeetingAttendance(t), BStructureType(t), BSize(t), BGenderDiversity(t), BSpe.Skills(t), AvBTenure(t), DBStructureType(t), BMinorities%(t), BCulturalDiversity%(t), CEOChairmanSep.(t), CEOBMember(t), IndependentBMembers(%) (t), NonExec.BMembers(t), LogBMemberCompensation(t).

Variables	Definition
Dependent Variables	
%ROA(t)	(Income After Taxes/Average total assets) expressed in Percentage
%ROE(t)	(Net Income Before Extraordinary items /Average total equity) expressed in percentage
Independent Variables	
CGScore(t)%	Refinitiv's Governance Pillar Score
CGScoreGrade(t)	Refinitiv's Governance Pillar Score is graded depending on a scale from 0 to 1, divided by percentiles, and to which percentile a letter is associated
BPAudit(t)	Dummy Variable = 1 if the firm has an audit board committee, 0 otherwise
BPSize(t)	Dummy Variable = 1 if the firm has a policy regarding the size of the board, 0 otherwise
BPIndependence(t)	Dummy Variable = 1 if the firm has a policy regarding board independence, 0 otherwise
BPDiversity(t)	Dummy Variable = 1 if the firm has a policy regarding the gender diversity, 0 otherwise
AvBMeetingAttendance(t)	The overall average board meeting attendance during the year, expressed in percentage
BStructureType(t)	The type of structure of the board, could be Unitary, a classic two-tier or a mixed board
BSize(t)	Total number of board members at the end of the fiscal year
BGenderDiversity(t)	Percentage of female members on the board
BSpe.Skills(t)	Percentage of board members who have either an industry specific background or a strong financial background
AvBTenure(t)	Average number of years each member has been on the board
DBStructureType(t)	Dummy variable = 1 if the structure of the firm is unitary, 0 if the structure is either mixed or two-tier
BMinorities%(t)	Percentage of people from minority cultures on the board
BCulturalDiversity%(t)	Percentage of members that have a cultural background different from the location of the corporate headquarters
CEOChairmanSep.(t)	Dummy variable = 1 if the CEO is board member, 0 otherwise

CEOBMember(t)	Dummy variable = 1 if the CEO is also the chairman of the board, 0 otherwise
IndependentBMembers(%) (t)	Percentage of independent board members
NonExec.BMembers(t)	Percentage of non-executive board members
BMemberCompensation(t)	Board members' total compensation
LogBMemberCompensation(t)	Natural Logarithm of the Board members' total compensation
Control Variables	
FirmSize(t)(M USD)	Measured by the total assets of the firm at the end of the year in Million USD
LogFirmSize(t)	Natural Logarithm of the Firm Size
Debt/Equity(t)	This is the ratio of Total Debt as of the end of the fiscal period to total equity for the same period and is expressed in percentage
DealSize(M USD)	Size of the M&A Deal in Million USD
LogDealSize	Natural Logarithm of the Deal Size
CrossBorder	Dummy variable = 1 if the country of the acquirer firm is different from the acquired firm, 0 otherwise
Diversification	Dummy variable = 1 if the industry in which the acquirer firm operates is different from the acquired firm, 0 otherwise
Synergy	Dummy variable = 1 if one of the objectives of the firm for the M&A is to create synergies, 0 otherwise
DealAttitude	Dummy variable = 1 if the attitude towards the M&A was a friendly one, 0 otherwise
%Acquired	Percentage of the acquired firm that was acquired
Debt/Assets(t)	This is the ratio of Total Debt as of the end of the fiscal period to total Assets for the same period and is expressed in percentage

Table 1. Variable description

Control Variables

As control Variables we have characteristic variables and ratios of the firm on the year of the merger, such as the LogFirmSize(t), Debt/Equity(t), Debt/Assets(t), and characteristics of the merger and acquisition deals, LogDealSize(t), CrossBorder, Diversification, Synergy, DealAttitude and %Acquired.

Following this explanation of the variables and methodology to use, we hypothesize:

H1: Corporate Governance Score has a significant impact on the valuation of firms in the post-merger period.

H2: The profitability position and the Corporate Governance of acquirers improves over the post-M&A period.

H3: Board composition and size governance variables have a significant impact on the firm's valuation in the post-merger period.

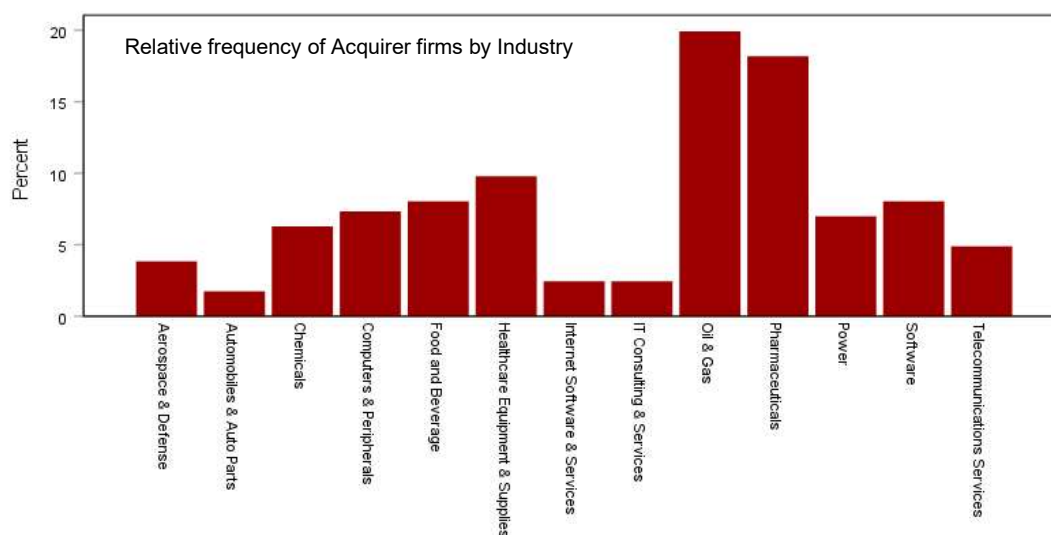
- H4: Executive/director compensation and ownership governance variables have a significant impact on the firm's valuation in the post-merger period.
- H5: M&A control variables have a significant relationship with the firm's performance on the year of the M&A, and on the Post-M&A periods.
- H6: Firm performance is higher in the Post-M&A period rather than on the Pre-M&A period.

4. Results and Discussion

4.1. Descriptive Analysis

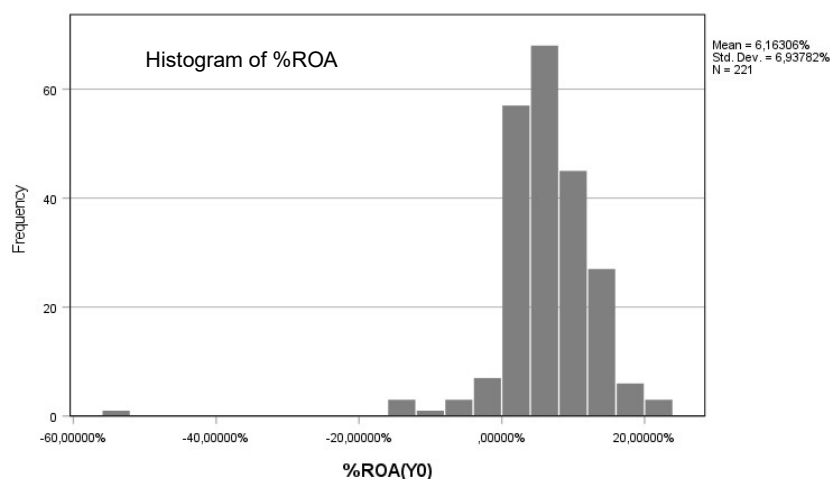
In this section, we will first start to give some descriptive statistics from the variables on the year that the firms incurred on the M&A (Y0) and share some insights on the data we gathered. We may notice that these data shows many outliers which could bias the descriptive analysis.

Most acquirer firms that incurred on M&A deals we have their headquarters on the USA (78,3%) followed by the UK (8,0%). The Industries that had the most M&A are Oil and Gas (19,9%), followed closely by the Pharmaceuticals Industry (18,2%).



Graphic 1. Amount of Acquirer firms by Industry

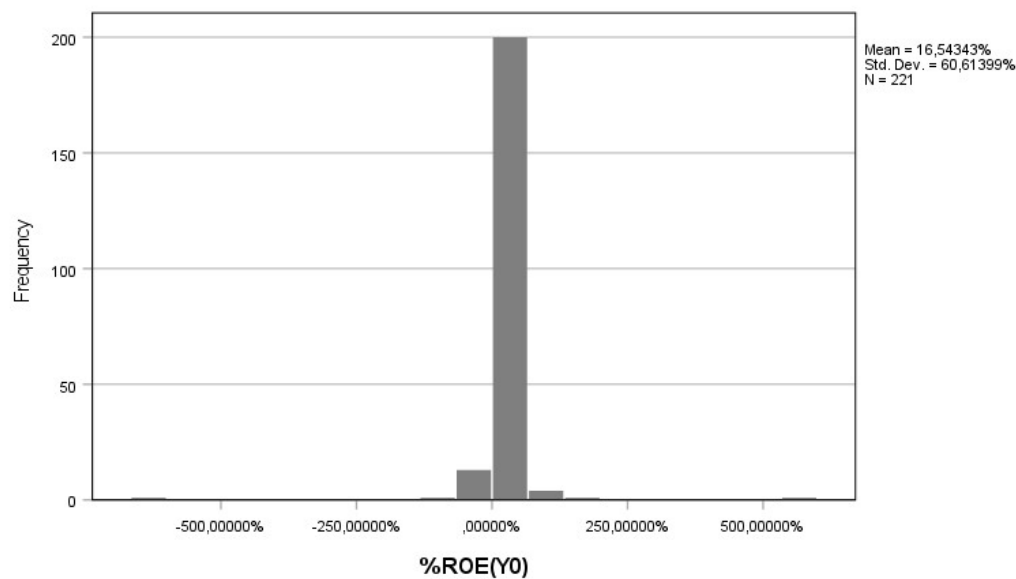
From the 286 deals we gathered, on the year of the merger only 221 firms had data for the dependent variables (%ROA and %ROE) and the independent variable (CGScore%), representing a total of 77,3% of the total dataset firms. (table 2)



Graphic 2. Histogram of %ROA

Regarding the measures of location of the dependent variables, %ROA has a mean of 6,16% and a median of 5,61%, while the %ROE has a mean of 16,54% and a median of 13,36%. If we analyse their 5% trimmed means we can see that %ROA has 6,51%, increasing its value, and %ROE 15,62%, having a negative variation, but showing positive measures and so a good return. Both variables have also low standard errors (%ROA has 0,47% and %ROE has 4,08%) meaning that both variables are representative of the population (see Table 2).

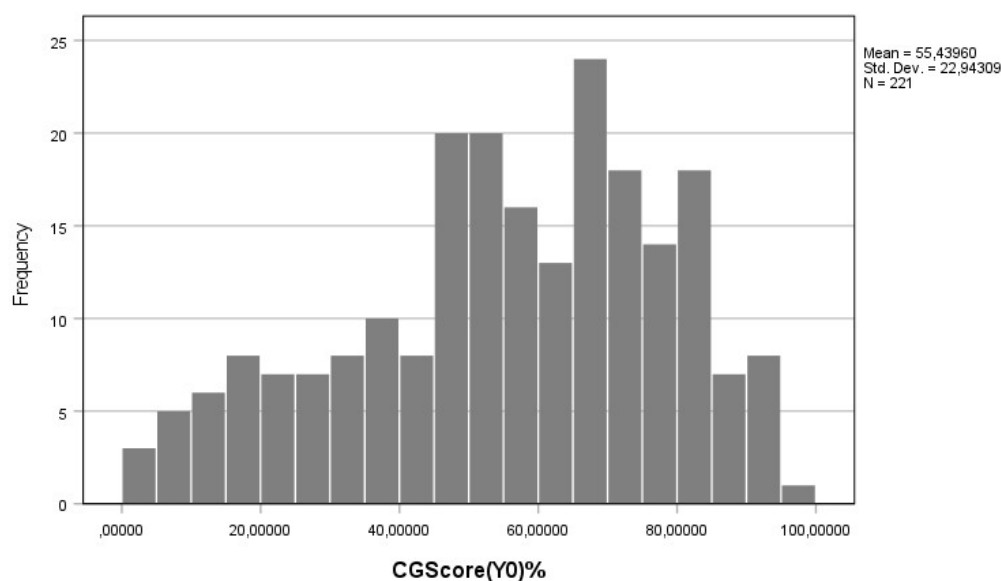
When analysing their measures of dispersion, we can notice a high range of the results in both variables, %ROA has a range of 77,02%, being its minimum and maximum values -55,11% and 21,90%, respectively, and %ROE has a range of 1191,82%, being its minimum and maximum values -604,39% and 587,43%, respectively. And so, their variances are for %ROA, 48,133 and for %ROE, 3674,055, showing the data is more scattered around the mean (see Table 2).



Graphic 3. Histogram of %ROE(Y0)

As measures of shape of the sample, %ROA and % ROE are negatively asymmetric (skewness = -3,25 and = -1,001, respectively) and both variables have high positive values of kurtosis, meaning that their distributions are not normal, which is corroborated by the Komolgorov-Smirnov Goodness-of-fit test to assess the normality of the variables (Sig.<0,05% for both variables) (see Appendix 2).

The CGScore% variable has a mean of 55,44% and a standard error of 1,54%, showing that it is a good representative of the population, its median is 57,50%, and has a variance of 526,35, showing more scattered values around the mean. It has a minimum and maximum values of 0,45 and 95,90, respectively, representing a range of 95,45% which is high, meaning that there are a few firms with very poor corporate governance and other with very good corporate governance. It is negatively asymmetric (-0,43) and is platykurtic, has a flatter distribution (-0,619), hence non-normal (see Table 2).



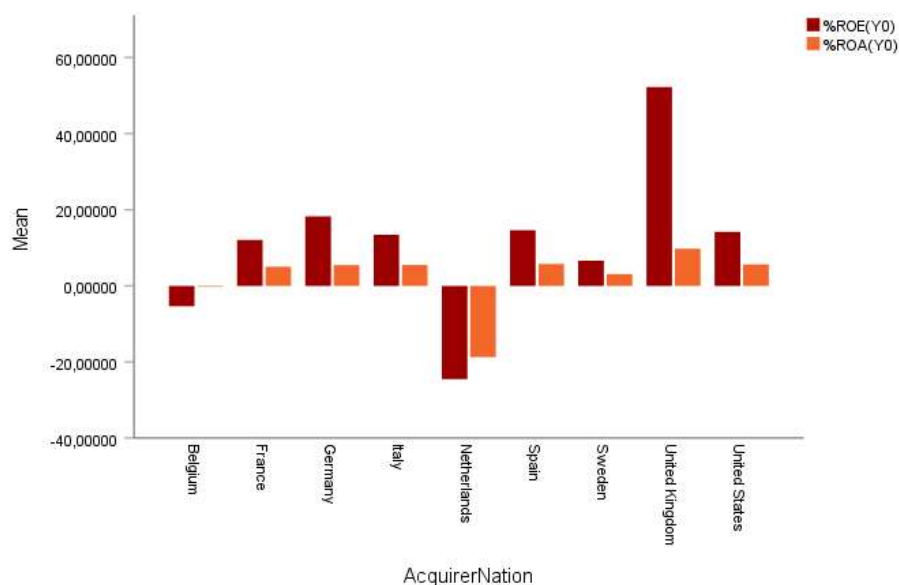
Graphic 4. Histogram of CGScore%

Regarding the variables concerning firms' characteristics we may notice that the mean Firm Size is 33.555,99 Million US Dollars, with a relatively high std error (= 2.748,44) meaning that it is not representative of the population, but if we compare with the natural logarithm of this value, we find a relatively low Std. Error (= 0,9). Its variance is 2.099.988.722,39 and the Std. Deviation is 45.825,63.

The mean Debt-to-Equity ratio is 101,56 and has a Std. Error of 8,23, which indicates that most firms have more debt than equity to leverage their assets, and such a high value could be associated to higher risks. However, if we compare to the mean Equity to Assets, we notice that the mean is only 28,12%, meaning that about 28% of the assets are being leveraged with debt, which could be contradictory with the findings on the Debt-to-Equity ratio.

Regarding M&A variables, we found that the mean Deal Size is 7.504,61 Million US Dollars, with a variance of 166.290.657,18 and a Std Deviation of 12.895,37. The mean percentage acquired was 98,25%. Only 3 deals had a non-friendly attitude, 33,2% of the deals are made with different industries than the acquirer (Diversification), 72,5% have the objective to create synergies and only 23,8% are cross-border deals (see Appendix 2).

Simple Bar Mean of %ROE(Y0), Mean of %ROA(Y0) by AcquirerNation by INDEX

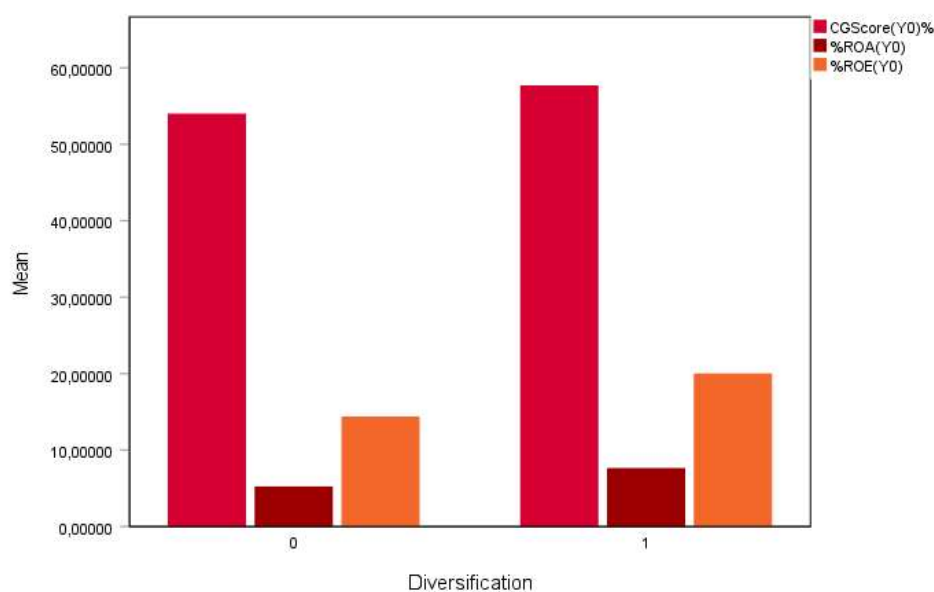


Graphic 5. Mean of %ROE and %ROA by Acquirer Nation

When we analyze the Corporate Governance variables, we find that on average there is an attendance of 83,12% of Board meetings, the mean Board Size is 11, and the average number of years that board members stay on the board is 7.8 years, with a mean of 2.572.690,48 US Dollars of compensation of the Board. On average the number of people from different cultures on the board is only 23,63%, and only 18,29% are on average women.

The mean of independent Board members is 86,40%, on average 77,48% of the board members

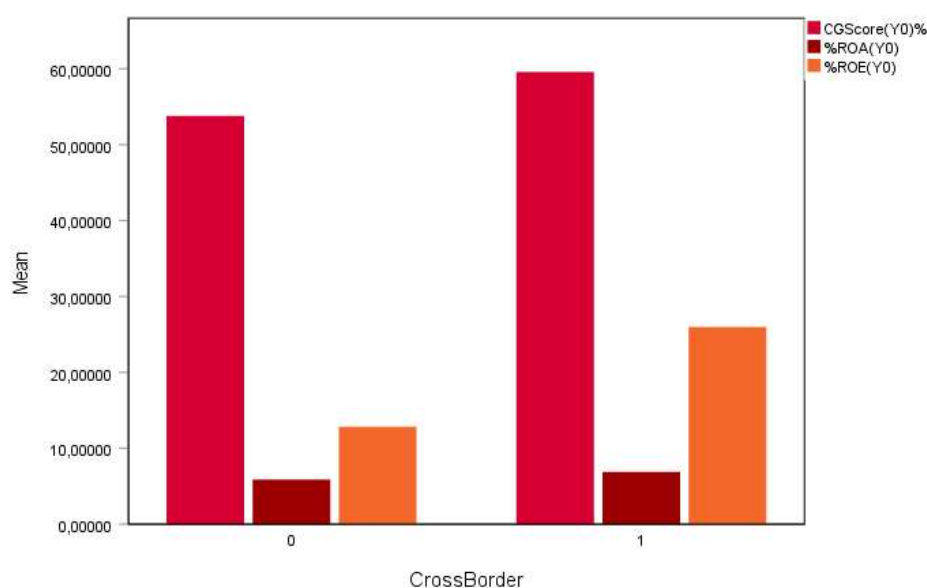
Simple Bar Mean of CGScore(Y0)%, Mean of %ROA(Y0), Mean of %ROE(Y0) by Diversification...



Graphic 6. Mean of CGScore%, %ROA and %ROE by CrossBorder Strategy

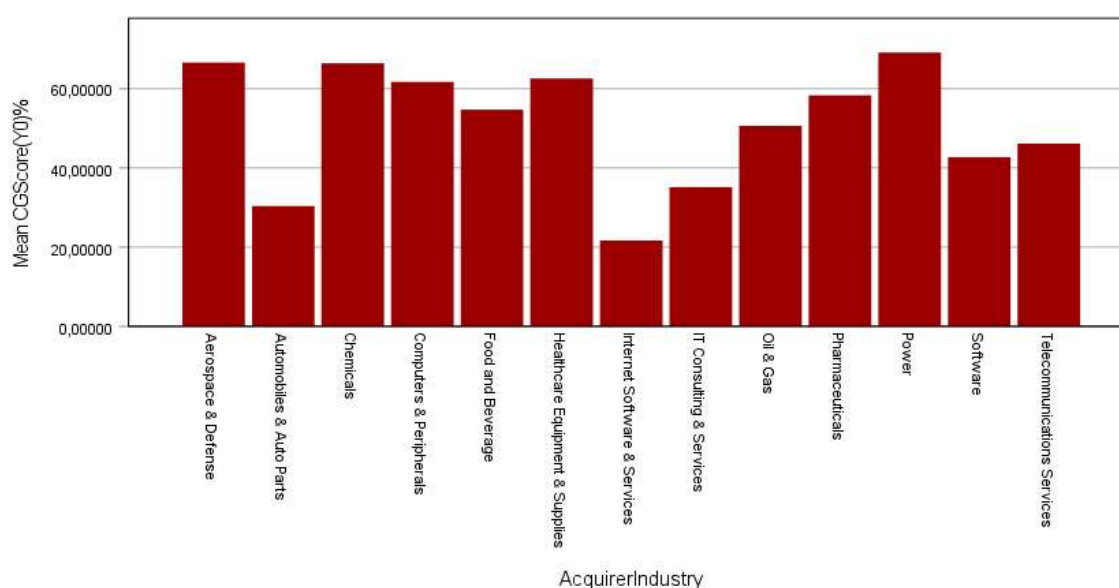
are non-executive and 54,94% have a strong industry or financial background (BSpe.Skills). In 67,8% of the firms, the CEO is a board member and in 46,3% of the firms the CEO is also Chairman. 67,8% of the firms have a unitary board structure and only 35,9% of the firms have a policy for Board Diversity, 66,1% have a policy for Board Size, 73,2% have a policy to have an audit committee and 64,4% have a policy to have independent members on the board (see Appendix 2).

Simple Bar Mean of CGScore(Y0)%, Mean of %ROA(Y0), Mean of %ROE(Y0) by CrossBorder...



Graphic 7. Mean of CGScore%, %ROA and %ROE by Diversification Strategy

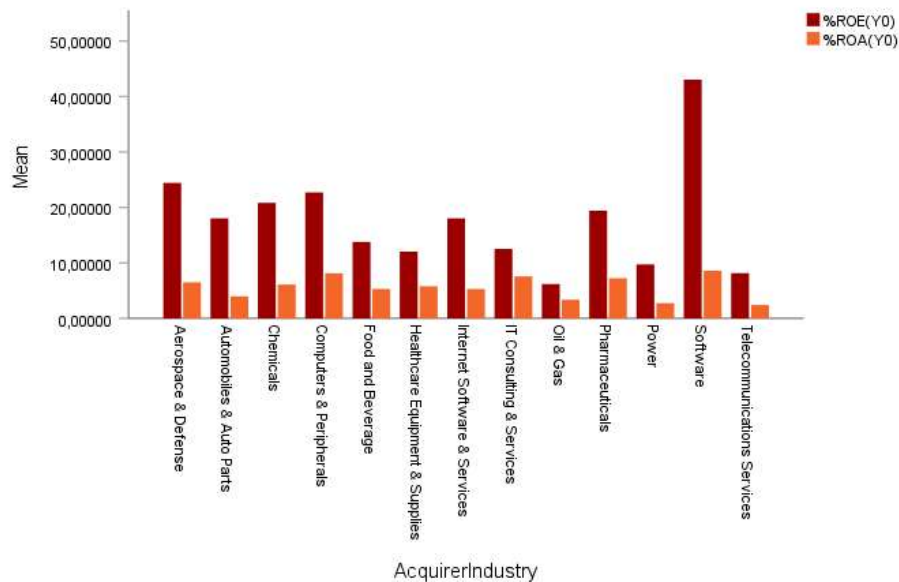
Simple Bar Mean of CGScore(Y0)% by AcquirerIndustry



Graphic 8. Mean of CGScore% by Acquirer Industry

We also found that on the year of the merger, the firms that went for a cross-border merger or for a diversification strategy, had, on average, higher %ROA, %ROE and CGScore%, as seen in the Graphic 6.

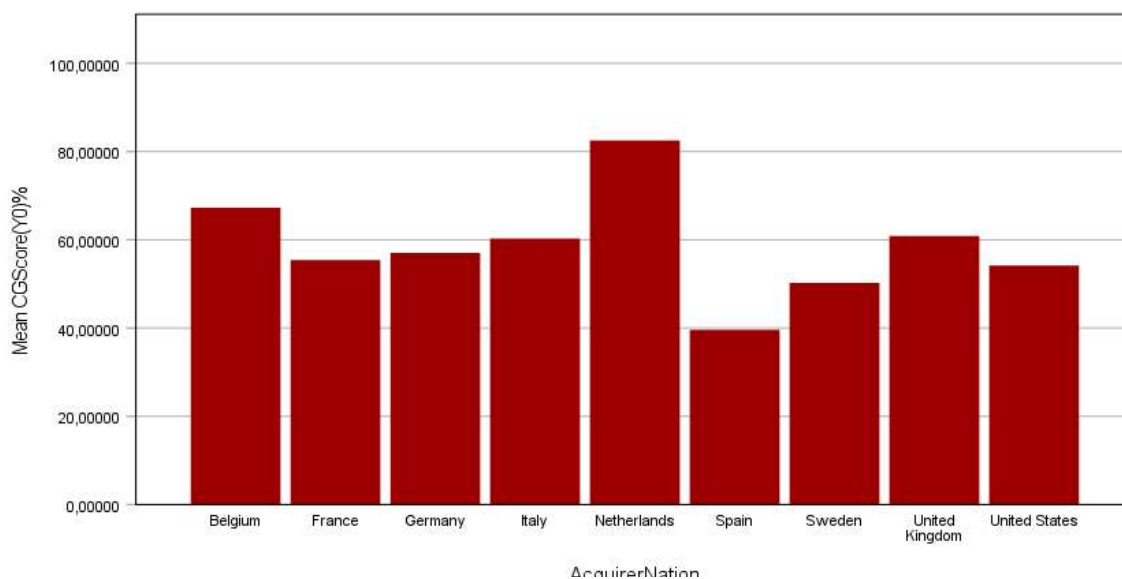
Simple Bar Mean of %ROE(Y0), Mean of %ROA(Y0) by AcquirerIndustry by INDEX



Graphic 9. Mean of %ROA and %ROE by Acquirer Industry

We can also note that the firms that have higher %ROE perform in the Software industry, with an average above 40%. Regarding %ROA, the computer and peripherals industry, along

Simple Bar Mean of CGScore(Y0)% by AcquirerNation



Graphic 10. Mean of CGScore% by Acquirer Nation

with the software, pharmaceuticals and IT consulting and services industries, have the higher average %ROA of the industries analyzed. The industries with lower means are Telecommunication services and Oil& Gas. The industries with higher mean of the CGScore% index are the Power industry, healthcare equipment and aerospace and defense industries, while internet software and services and automotive & auto parts have the lower CGScore% means among the industries analyzed (see Graphic 8).

Examining the %ROA and %ROE means for the countries of study, we can detect that the Netherlands have the lowest means for the ratios, and the only ratio that has negative values. Whilst the United Kingdom has the highest mean for both ratios. On the other hand, the Netherlands have the highest mean CGScore% index followed by Belgium, while Spain has the firms with the lowest mean (see Graphic 10).

4.2. Analysis of the variation of the Means

The aim of the following section is to describe the results attained from the analysis developed based on the previously defined hypothesis. The regression method used was the OLS (Ordinary Least Squares). The discussion of such results will follow on the next section. We will start by presenting the results on the Paired Sample T-Test performed which compares the evolution of the %ROA, %ROE and CGScore% variables through the different years of study.

Paired Sample T-Test

In this part, we consider that a positive and significant difference in profitability ratios indicates a better performance for the post-M&A period.

It is Hypothesized that the profitability position, and the Corporate Governance of acquirers has improved over the post-M&A period (Hypothesis 2). We present the paired sample t-test on the following tables which compares the values of the means between the Pre-merger period with the year of the M&A and the Post-merger periods, for the %ROA, %ROE and CGScore variables.

Descriptives

		Statistic	Std. Error
%ROA(Y0)	Mean	6,1630623%	0,466688%
	95% Confidence Interval for	Lower Bound	5,2433102%
	Mean	Upper Bound	7,0828144%
	5% Trimmed Mean	6,5071509%	
	Median	5,6095400%	
	Variance	48,133	
	Std. Deviation	6,93782173%	
	Minimum	-55,11200%	
	Maximum	21,90348%	
	Range	77,01548%	
	Interquartile Range	6,23584%	
	Skewness	-3,251	,164
	Kurtosis	27,433	,326
%ROE(Y0)	Mean	16,5434252%	4,077338%
	95% Confidence Interval for	Lower Bound	8,5077847%
	Mean	Upper Bound	24,5790658%
	5% Trimmed Mean	15,6220121%	
	Median	13,3573300%	
	Variance	3674,055	
	Std. Deviation	60,613987%	
	Minimum	-604,39033%	
	Maximum	587,42692%	
	Range	1191,81725%	
	Interquartile Range	15,37972%	
	Skewness	-1,001	,164
	Kurtosis	85,511	,326
CGScore(Y0)%	Mean	55,4396047	1,54331895
	95% Confidence Interval for	Lower Bound	52,3980231
	Mean	Upper Bound	58,4811863
	5% Trimmed Mean	56,0542904	
	Median	57,4955000	
	Variance	526,385	
	Std. Deviation	22,94308556	
	Minimum	,45017	
	Maximum	95,90060	
	Range	95,45043	
	Interquartile Range	33,12455	
	Skewness	-,434	,164
	Kurtosis	-,619	,326

Table 2. Descriptive statistics of Y0

Table 3 shows us that %ROE (Tables 3 and 4) exhibits good correlation between the periods (-1,0), (-1,3) and (-1,4) at a level of significance of 5%, with positive correlations (0,577; 0,249; 0,196, respectively). For the comparison of the periods (-1,5) the correlation is not significant. However, there is not a significant average difference between the periods (-1,0), (-1,3) and (-1,4) with a significant level for these values above the level of significance of 5%. For the periods (-1,5) we may notice that there is a significant difference of the means, being, on average, the ROE values pre-merger higher 8,96% than on the 5th year post-merger, with a 95%Confidence Interval (CI) [2,04;15,88].

<i>Paired Samples Statistics</i>					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	%ROE(Y-1)	16,1936527	269	24,60842918	1,50040241
	%ROE(Y0)	15,7168466	269	56,06158633	3,41813525
Pair 2	%ROE(Y-1)	17,4856617	264	33,01393349	2,03186715
	%ROE(Y+3)	13,0117108	264	72,62628461	4,46983883
Pair 3	%ROE(Y-1)	17,0941992	263	32,63269766	2,01221834
	%ROE(Y+4)	15,1871476	263	115,96783424	7,15088300
Pair 4	%ROE(Y-1)	16,9994034	264	31,54315776	1,94134716
	%ROE(Y+5)	8,0401720	264	46,55035558	2,86497634

Table 3. %ROE paired samples statistics

<i>Paired Samples Correlations</i>					
		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	%ROE(Y-1) & %ROE(Y0)	269	,577	<,001	<,001
Pair 2	%ROE(Y-1) & %ROE(Y+3)	264	,249	<,001	<,001
Pair 3	%ROE(Y-1) & %ROE(Y+4)	263	,196	<,001	,001
Pair 4	%ROE(Y-1) & %ROE(Y+5)	264	-,034	,291	,582

Table 4. %ROE paired samples correlations

When we compare the %ROA means for the different periods (tables 5 and 6), we may notice that there is a strong correlation between the means of all the periods, for a significance level of 5% (table). However, for the significance level of 5%, the pre-merger period is on average 2,61, 2,51, and 2,88 points higher than the 3rd, 4th and 5th years post-merger, respectively.

We conclude that the Profitability Position of acquirers is lower in the Post-M&A period, rejecting H2.

<i>Paired Samples Statistics</i>					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	%ROA(Y-1)	5,8253310	270	7,53965385	,45884872
	%ROA(Y0)	5,7177937	270	7,65518036	,46587944
Pair 2	%ROA(Y-1)	5,8150558	268	7,57637009	,46280046
	%ROA(Y+3)	3,2025253	268	6,19255954	,37827078
Pair 3	%ROA(Y-1)	5,7520188	267	7,53956471	,46141387
	%ROA(Y+4)	3,2432001	267	7,18070864	,43945223
Pair 4	%ROA(Y-1)	5,7320781	269	7,49850844	,45719213
	%ROA(Y+5)	2,8519842	269	7,32461933	,44658992

Table 5. %ROA paired samples statistics

<i>Paired Samples Correlations</i>					
		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	%ROA(Y-1) & %ROA(Y0)	270	,630	<,001	<,001
Pair 2	%ROA(Y-1) & %ROA(Y+3)	268	,314	<,001	<,001
Pair 3	%ROA(Y-1) & %ROA(Y+4)	267	,369	<,001	<,001
Pair 4	%ROA(Y-1) & %ROA(Y+5)	269	,261	<,001	<,001

Table 6. %ROA paired samples correlations

For the CGScore%, (tables 7 and 8) we observe that there is a strong correlation between the means for all the periods comparing to the pre-merger year. At a significance level of 5%, the 3rd, 4th, and 5th year post-merger, are on average 2,89%, 4,43%, and 5,91% higher than the pre-merger year, showing an improvement on the CGScores of the firms,

<i>Paired Samples Statistics</i>					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	CGScore(Y-1)%	56,2315860	213	22,79484714	1,56187719
	CGScore(Y0)%	56,3319063	213	22,34040902	1,53073960
Pair 2	CGScore(Y-1)%	56,2315860	213	22,79484714	1,56187719
	CGScore(Y+3)%	59,1239588	213	21,28081678	1,45813754
Pair 3	CGScore(Y-1)%	56,3989018	212	22,71731790	1,56023180
	CGScore(Y+4)%	60,8316180	212	21,05163992	1,44583257
Pair 4	CGScore(Y-1)%	56,2315860	213	22,79484714	1,56187719
	CGScore(Y+5)%	62,1418448	213	20,63259287	1,41372197

Table 7. CGScore% paired samples statistics

Paired Samples Correlations					
		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	CGScore(Y-1)% & CGScore(Y0)%	213	,784	<,001	<,001
Pair 2	CGScore(Y-1)% & CGScore(Y+3)%	213	,528	<,001	<,001
Pair 3	CGScore(Y-1)% & CGScore(Y+4)%	212	,459	<,001	<,001
Pair 4	CGScore(Y-1)% & CGScore(Y+5)%	213	,465	<,001	<,001

Table 8. CGScore% paired samples correlations

4.3. Regression Analysis

In this section we will start by analyzing the regression model for each year, starting by the year of the Merger (Y0), followed by the Pre-merger year(Y-1) and the Post Merger period (Y3, Y4, Y5).

For each period, a multiple regression was run to predict both %ROA and %ROE, with only the CGScore% as independent variable, and later we added to the model the 15 CG variables to the construct to explore if any has significant influence on %ROA and %ROE. For each regression analysis we examined each of the 5 assumptions needed to validate the model: (1) The Residuals distribution is normal – since our sample dimension is large ($n > 30$), we can use the CLT to ensure the approximate normality of the residuals and, hence, the test's applicability. (2) The residuals have mean zero. (3) The residuals have constant variance – We validate this assumption using the white's test which establishes whether the variance of the errors in a regression model is constant, or in other words, homoscedastic, so, if the sig. > p-value(0,05), we reject H0 for this test and confirm the homoskedasticity of the errors. (4) Residuals' independence. All the auxiliar tables to confirm these assumptions will be on display on the Appendices 3 to 7.

Multiple Regression – Y0

For the year of the merger, after validating all the assumptions for %ROA, we can verify that it is significantly affected by the constant, CGScore%, Diversification and Debt/Assets leverage variable, at a level of significance of 5%. In this model we have an R value of 0,376, indicating a weak level of prediction (where 1 is very good and 0 is very weak), the independent variable and control variables explain 14,1% of the variance of the Dependent variable.

For this model, we have a significant constant of 39,019, and the coefficient of the CGScore% is 0,039, meaning that for each percentual point of increase in the CGScore% we have an increase

of 0,039 in %ROA, showing that corporate governance has a positive significant impact on the Return on Assets of the Firms on the year of the Merger, improving the profitability of the firm. ROA is also positively impacted if the acquirer firm acquires or merges with a firm of a different industry, diversifying the business. Also, we may notice that if the Debt/Assets ratio increases 1 percentual point, the firms' profitability decreases, as expected since the firms are funding the business with more debt than they used, which is not advantageous.

<i>Model Summary^b</i>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,376 ^a	,141	,099	5,09559901%

a. Predictors: (Constant), Assets/Equity, CrossBorder, %Acquired, DealAttitude, LogDealSize(Y0), Diversification, CGScore(Y0)%, Synergy, LogFirmSize(Y0), Debt/Equity(Y0)

b. Dependent Variable: %ROA(Y0)

Table 9. %ROA Model prediction summary

When we add the other governance variables, the CGScore% no longer is significantly influent, but we notice that variables such as the percentage of independent board members, the percentage of board members with financial or industry related skills and if there is a policy for the board size positively and significantly influence the profitability. The Debt/Assets negatively impacts %ROA, in accordance with the previous model, and the debt/equity ratio and the Firm size positively influence the profitability. This model is moderately predicted ($R = 0,567$) and the independent variables contribute to 32,2% of the variability of the %ROA. It should be noted that most variables do not have a significant influence over the independent variable.

For %ROE, we verified the homoscedasticity assumption did not very, although by the scatter plot it seemed to be a randomized distribution White's test had a significance of $0,001 < \alpha = 0,05$, so the multiple regression model might not be valid, hence we won't analyse them. However, if we add the other governance variables to the model, although SPSS does not allow us to evaluate the White's test with so many variables, by the graphical analysis of the dispersion of the residuals, we can validate the homoscedasticity assumption (despite all the outliers that bias the model) and validate all assumptions.

<i>Coefficients^a</i>						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	32,019	10,642		3,009	,003
	CGScore(Y0)%	,039	,017	,165	2,310	,022
	LogFirmSize(Y0)	-,601	,322	-,144	-1,867	,063
	Debt/Equity(Y0)	,005	,004	,133	1,412	,160
	LogDealSize(Y0)	-,030	,383	-,006	-,078	,938
	CrossBorder	-,081	,794	-,007	-,103	,918
	Diversification	1,827	,747	,165	2,446	,015
	Synergy	-,718	,901	-,057	-,797	,426
	DealAttitude	-2,116	3,674	-,038	-,576	,565
	%Acquired	-,084	,044	-,126	-1,915	,057
	Debt/Assets(Y0)	-,124	,041	-,296	-3,034	,003

a. Dependent Variable: %ROA(Y0)

Table 10. %ROA Model coefficients

In Model [4], %ROE is significantly influenced by the CGScore%, the Debt/Equity leverage ratio, Diversification strategies, Debt/Assets, and the percentage of independent Board members. Aside, from the debt/assets ratio which negatively influences the model, the other significant variables positively influence it. This model also is moderately predicted by the variables ($R = 0,548$) and the independent variables contribute to 30,1% of the variability of the model.

Regarding the Regression analysis done using CGScore(%) as dependent variable (Model [5]) and the CG variables as independent, after validating all assumptions, we may state that the variables that are significantly and positively related are the Average board meeting attendance the board size, Board gender diversity, the percentage of independent board members and the percentage of non-executive board members, and significant and negatively is CEO-Chairman Separation. With an R of 0,557, the model is moderately predicted, and these variables contribute to 31% of the variability of the model. Along with these findings we may mention that the more the more diversified and independent, with less executive members, the better CGScore(%) firms appear to have, while in the cases that the CEO is also chairman of the board, it tends to negatively impact the CGScore(%) (See Appendix 3).

Multiple Regression – Y-1

For the Pre-merger period, after validating all assumptions for Model [1], we verify that our independent variable, CGScore(Y-1)%, significant and positively impacts the firms performance (Sig.<0,001), by incrementing 0,75 percentual point by each increase of one unity in CGScore%. This model is not well predicted by the variables ($R = 0,321$), since they only explain 10,3% of the variance of the ROA%.

Once again, the ROE% model with only CGScore% as dependent variable (Model [2]) does not verify all assumptions, since the Whites' test for heteroskedasticity has a Sig. <0,001.

Model 5, which evaluates which CG variables are more related to CGScore%, is moderately predicted by the independent variables, which explain 28,1% of its variability. CGScore(Y-1)% is significantly and positively related to the average percentage of board meeting attendance ($\beta = 0,611$), by board gender diversity, the percentage of independent members and non-executive members on the board, whilst being negative and significantly influenced when the CEO is also the chairman of the board.

For Model 3, %ROA is moderately predicted by the variables ($R = 0,466$) which explain 19,9% of its variance. Once again, it is significantly and positively related to CGScore(Y-1)%, which is the only variable that significantly relates to the performance of acquirer firms in the Pre-M&A period.

In Model 4, we validate by the graphic that the dispersion of residuals and predicted values seems random and thus we validate its homoskedasticity, and all the other assumptions. It is moderately predicted by the independent variables ($R = 0,396$), which explain 15,6% of its variance. The only significant related variable is the average board meeting attendance, at a level of significance of 5%, which by increasing 1 unity, increments the ROE% by 0,341 pp. If we increase the level of significance to 10%, other independent variables such as the number of non-executive members on the board ($\beta = -0,368$), the natural logarithm of the board member compensation ($\beta = 4,586$) and the percentage of independent board members ($\beta = 0,201$) become significantly related to %ROE (see Appendix 4).

Multiple Regression – Y+3

For the 3rd year post-M&A, we find that %ROA (Model [1]) is poorly explained by the independent and control variables ($R=0,331$) which only explain for 11% of its variability. It is significantly and positively explained by the firm size and the Debt/assets leverage ratio.

%ROE is heteroskedastic (Whites' test has a significance of 0,001) once again and thus we cannot perform the regression analysis for this Model [2], nor for Model [4], since the dispersion of the residuals and predicted values seems to follow a negative tendency, appearing not to be random.

CGScore(Y+3)% dependent variable of Model [3] has a good level of prediction ($R = 0,644$), and the independent CG variables explain 41,5% of its variance. The Average board meeting attendance, board gender diversity, the Average number of years the members of the board stay on the board, the percentage of independent and non-executive board members are all variables that significantly and positively relate to CGScore(Y+3)%, whilst the firms that have the CEO as board member are negatively related to better CG scores.

For Model [3], %ROA is moderately predicted ($R=0,442$) by the independent and the control variables, which explain 19,5% of its variance. It positive and significantly relates to the firm size of acquirers, the debt to assets leverage ratio, by firms that have a policy for the number of independent members on the board, and the average board tenure. It is negatively impacted by the percentage of board members who have special skills related to industry or financial knowledge (see Appendix 5).

Multiple Regression – Y+4

In the 4th year post-M&A, we can take the same conclusions about the Model [1] of the 3rd year post-M&A. It is moderately predicted by the variables ($R=0,439$), which contribute to 19,2% of its variance. The firm size and the debt-to-equity ratio are positive and significantly related variables to %ROA. Model [3] is also moderately predicted ($R=0,507$) and the variables explain 27,7% of its variance. We can also detect that it is positive and significantly related to the size of acquirer firms, its Debt-to-assets leverage ratio, to companies that diversify their core business when performing M&A and to the average board tenure.

Model [2] and [4] are once again inviable to analyze since their homoscedasticity assumption does not verify (Whites' test is not significant at the 5% level of confidence), and by its scatterplot of residuals and predicted values, we can see that its dispersion is not random.

On the other hand, Model [5] of CGScore(Y+4)% dependent variable is well predicted ($R = 0,625$) by the CG independent variables, which contribute to 42,5% of its variance. The results for the 4th year post-M&A are in line with the relationships between variables detected in the previous year model, a significant and positive relationship between CGScore% and the average board attendance to meetings, board diversity, independent and non-executive board

members percentage, and is negatively affected by CEOs who are also chairman of the board (see Appendix 6).

Multiple Regression – Y+5

In the 5th year post-merger, we detect the similar relationships for Models [1] and [3], which have as dependent variable %ROA(Y+5). Model [1] is poorly predicted by the variables ($R=0,380$), and only has a significant but negative relationship with the debt-to-equity leverage ratio, and a positive one with the firm size. For the Model [3], it is moderately predicted by the independent and control variables ($R=0,425$) which contribute to 18,1% of its variance and its negative and significantly related by boards with a higher percentage of board members with special skills either in industry or in finance/management, and to the debt-to-equity ratio.

Differently to the previous years of study, the %ROE checks all assumptions and when analysing only the Model [2] with only an independent variable, the CGScore(Y+5)%, it is very well predicted by the variables ($R=0,762$), which explain 58,1% of the variance of %ROE. It is negative and significantly related to the Debt/equity leverage ratio, meaning that when companies rely more in debt to finance its activity, the shareholder's profitability is lower. Also, it is significantly and positively related to the debt/assets leverage ratio, which goes against what we stated previously about the debt-to-equity ratio. For Model [4] the variables are a good fit as predictor of %ROE ($R=0,786$) which explain 61,8% of its variance. The relationship with both leverage ratios goes according what we mentioned in the last phrase, a positive significant relationship with the debt-to-assets ratio and a negative one with the debt-to-equity ratio. We could not find any significant relation between the Return-on-equity of acquirer firms in the 5th year post-M&A with any CG or control variable.

Finally to interpret the regression Model [5], the regression model that predicts the CGScore(Y+5)%, we can verify it is well predicted by the variables, which explain 43,9% of its variance. The results are in line with the previous years' results. CGScore(Y+5)% has significant and positive relationship with the average board attendance to meetings, percentage of board diversity, independent and non-executive board members percentage, and is negatively affected by CEOs who are also chairman of the board. However, there is a significant and negative relationship with policies about board independence (see Appendix 7).

Multiple Regression – Average of (Y+3, Y+4, Y+5)

Since the results about the %ROE were not conclusive due to assumptions of the model that could not be verified and, in turn, the analysis of the regression would not be appropriate, we will analyze in this caption, the regression model with the average %ROA or %ROE, and the average CGScore% as independent variable.

The variables descriptive shows an improvement of the average of the of the mean CGScore% compared to the pre-merger period (from 56,39% to 61,33%), but a negative impact on both averages of %ROE and %ROA (from 5,68% in the pre-merger period to 3,10% in the average of the three post-merger periods for %ROA and from 16,89% in the pre-merger period to 12,78% in the average of the three post-merger periods for %ROA).

<i>Paired Samples Statistics</i>					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	%ROA(Y-1)	5,6803898	265	7,50183141	,46083384
	%ROA(Av)	3,09897187412	265	6,640744612397	,407937698754
Pair 2	%ROE(Y-1)	16,8875693	259	31,73998021	1,97222641
	%ROE(Av)	12,7818893	259	86,50810283	5,37535196
Pair 3	CGScore(Y-1)%	56,3989018	212	22,71731790	1,56023180
	CGScore(Av)%	61,3318174	212	20,19382727	1,38691775

Table 11. Average of %ROA, %ROE, CGScore% of paired samples statistics

Regarding the regression analysis for %ROA as dependent variables, the model follows the same structure as Model [1] and is moderately predicted by the variables ($R = 0,449$), which explain 20,1% of its variance. It is positive and significantly related to the firm size and negatively related to the debt-to-equity leverage ratio.

In turn, the heteroskedasticity assumption of the regression model for the average of %ROE could not be confirmed (with the White's test getting a significance of 0,001) thus, no analysis will be performed on this model.

5. Conclusions

Our research shows that the profitability position and firm valuation of acquirers in the Post-Merger period is significantly lower compared to the Pre-merger period for our sample, analysing the comparison of means test. On the other hand, there was an improvement in the post-merger period of the CGScore%, which is a good indicator that there has been a concern by big companies to improve their internal controls, and to meet both the shareholders and stakeholders expectations.

With the regression analysis, we may conclude that despite most models were not the best indicators of predictability for the performance measure, with the variables we used, with an R often below 0,500, we could infer about some significant relationships of performance variables with the Corporate governance ones and the control ones. Our study is inconclusive about the relationship of corporate governance variables in the Post-merger period since we could only analyse the 5th year post merger for models [2] and [4], due to not verifying the assumptions requisites of the regression models.

Our methodology allows us to conclude that for the Year of the merger, %ROA is positive and significantly associated with CGScore%, Diversification, percentage of independent board members, the percentage of board members with financial or industry related skills and with the existence of a policy for the board size. On the other hand, it is negatively and significantly related to the Debt/Assets leverage variable. This means that Corporate Governance plays a significant role on the profitability of firms and is positively impacted by higher percentages of independent board members, with higher percentage of board member specialized in industry related matters or with strong financial knowledge, and by policies about the size of the board. %ROE is significantly and positive related to CGScore%, Diversification strategies, Debt/Assets, and the % of independent Board members, in line with the findings we had on %ROA. Regarding the CG variables that most influence the score of CG of firms, we identify a significant and positive relationship with Average board meeting attendance, Board size, Board gender diversity, the percentage of independent board members and the percentage of non-executive board members. Regarding the pre-merger period, there is a significant relationship of between %ROA and CGScore%, in line with our hypothesis. For %ROE we only verify the existence of relationship using model [4], with

the average percentage of board meeting attendance. CGScore% is significantly and positively related to the average percentage of board meeting attendance by board gender diversity, the percentage of independent members and non-executive members on the board, whilst being negative and significantly influenced when the CEO is also the chairman of the board.

Regarding the Post-merger period, the results for the relationship between %ROA and the independent and control variables are similar for the 3 years of study, finding positive and significant relationships with firm size, debt/assets ratio and by firms that have a policy for the number of independent members on the board, and the average board tenure. The significant and negative association this model highlights between %ROA and the percentage of board members with special Skills, was not expected and goes against the hypothesis that this characteristic would enhance performance in year 3 post-merger. In year 4 post-merger we also find a positive relation with the debt/equity ratio, diversification strategies and the average board tenure. For the 5th year post-M&A we found the same negative relationship with firms with higher percentage of board members with special skills and, against of what was found in the 4th year post-merger, we found a negative relationship with the Debt/equity ratio.

The results for CGScore% are very similar for the 3 years of study in the Post-M&A period. The Average board meeting attendance, Board gender diversity, the Average number of years the members of the board stay on the board, the percentage of independent and non-executive board members are all variables that significantly and positively relate to CGScore%, whilst the firms that have the CEO as board member are negatively related to better CG scores.

These results are in line with the current theories around Corporate governance and performance, as we verify that more independent and constituted with more non-executive board members, enhance the performance of firms, along with the fact that having the CEO as Board member or chairman, lowers the performance, as the decisions taken could be more advantageous to the CEO and not in line with the best interests of the shareholders and stakeholders, in line with the studies of Carline *et al.*, (2009). In addition, more diversified boards are related to better corporate governance scores, in line with what Adams & Ferreira (2009) and Carter, Simkins, & Simpson (2003) studied. We also found some positive relationships between performance and firms that acquired in different industries, in the post-M&A period.

This dissertation has academic implications, as it expands the knowledge on this topic, adding to the literature. The dissertation also has managerial implications as it validates the importance that corporate governance, and some board characteristics displayed have in M&A deals future profitability.

5.1. Limitations

First our model could have had a more embracing set of M&As to analyse, by limiting it to only deals in Europe and the US over 1000M\$, we are only looking after the largest firms. Secondly, we could have divided our model into different categories only to study more specifically the effects of board diversity, or board composition, or the relation between board compensation and firm performance in the Post-M&A period, which with these widely set of different variables was not possible. We also did not cover anti-takeover measures that firms have to avoid unfriendly M&As.

We also did not take out the outliers from the dataset which bias our results and made some regression models unanalysable, which could have provided better insights, and the only method we used for the regression models was the ordinary Least Squares, which could not be the most suitable.

Another point to consider is the fact that we only analysed two operating performance ratios related to the returns for shareholders and the profitability of the firm, not considering other performance dimensions such as liquidity, market-related ratios, cash-flows, etc. which only reflects part of the problem and not the whole. Adding to this, we also only looked at performance in a quantitative way, not in a qualitative one. Having qualitative dimensions added to the study would have brought different insights that numbers can't provide, such as board opinion on some matters, conflicts, decision-making processes, etc.

Finally, we did not cover the short-term period before and after M&As which could also give a different insight on why do some M&As go wrong or not, neither the M&A process per say, the difficulties of going through the process, the integration and merging of the entities or the lay-off of employees. These are all topics to be concerned in future research and the more cross-integration of these topics the better, to develop better data and insights to get closer to the answer to our initial question: Why do M&As fail?

5.2. Future Research

For the future we recommend developing both specific and in-depth approaches regarding this theme. Specific approaches could use industry-specific or country-specific data, or even, specific CG variables to analyze specific problems. To get the bigger picture about M&As, we suggest wider approaches, which could involve multiple time periods, with multiple independent variables to see how the performance indicator reacts or is influenced.

Different methodological approaches might also be interesting to study. Since we only used the Ordinary Least Square Method to develop our Multiple regression analysis, other methods could be better predictors of the model, such as nonlinear regression models, or Least absolute deviations, percentage regression, nonparametric regression, etc.

Other independent variables could be interesting to see the relationship with performance indicators, such as firms' lay-off post-merger.

Other performance indicators could be used in the analysis. Tobins'Q, ROCE, liquidity ratios, Cash Flow returns, etc., would also be interesting to see how the data reacts to different measures of performance, which could highlight different approaches to how we see the performance of firms as a whole.

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Appendix

Appendix 1. Variable Description

These variable descriptions are taken from the variables, and taken from the Refinitiv EIKON database definitions:

ROA (Total Assets) % – This value is calculated as the Income After Taxes for the fiscal period divided by the Average total assets and is expressed as percentage. Average Total assets is the average of total assets at the beginning and the end of the year.

ROE (Total Equity) % – This value is calculated as the Net Income Before Extraordinary items for the fiscal period divided by the same period Average total equity and is expressed as percentage. Average total equity is the average of total equity at the beginning and the end of the year. Available for industrial and Utility companies.

Total Debt to Total Equity (%) – This is the ratio of Total Debt as of the end of the fiscal period to total equity for the same period and is expressed in %

Firm Size (measured by the Total Assets reported) – represents the total assets reported (\$)

Total debt to total assets (%) – This is the ratio of Total Debt as of the end of the fiscal period to total Assets for the same period and is expressed in %.

Governance Pillar Score – Refinitiv's Governance Pillar Score is the weighted average relative rating of a company based on the reported governance information and the resulting three governance category scores.

Governance Pillar Score Grade – Refinitiv's Governance Pillar Score is graded depending on a scale from 0 to 1, divided by percentiles, and to which percentile a letter is associated.

Audit Board Committee – Does the company have an audit board committee?

Policy Board Size – Does the company have a policy regarding the size of its board?

- the company strives to maintain a well-balanced board through an adequate number of board members
- numerical boundaries set as to the ideal size of the BOD (board of directors), number of individuals (board members) who can sit on BOD

Policy Board Independence – Does the company have a policy regarding the independence of its board?

- the company strives to maintain a well-balanced board through an adequate number of independent board members
- independent board members maintain integrity and independence in decision making

Policy Board Diversity – Does the company have a policy regarding the gender diversity of its board?

- the company strives to maintain a well-balanced board through an adequate female and/or intercultural (race, religion, culture) representation on the board

Average Board Meeting Attendance – The average overall attendance percentage of board meetings as reported by the company.

- Overall board members conduct regular meetings during the year, board meeting average is the attendance average provided details of members attended versus the total number of board meetings held

Board Structure type – The company has a unitary board structure, a classical two-tier board structure with a supervisory board or a mixed two-tiered board structure with a board of directors and a supervisory board.

- unitary board structure (executive director on board)
- classical two-tier board structure (two separate board i.e. supervisory board and executive board)
- mixed board (executive, supervisory board, employee representatives, shareholder representatives, external auditors)”

Board Size – The total number of board members at the end of the fiscal year.

Board Gender Diversity – Percentage of female on the board.

Board Specific Skills – Percentage of board members who have either an industry specific background or a strong financial background.

Average Board Tenure – Average number of years each board member has been on the board.

Board Cultural Diversity – Percentage of board members that have a cultural background different from the location of the corporate headquarters.

Board Member Compensation – Total compensation of the board members in US dollars.

CEO Board Member – The CEO is a board member.

CEO-Chairman Separation – Does the CEO simultaneously chair the board or has the chairman of the board been the CEO of the company?

Independent Board Members – Percentage of independent board members as reported by the company.

Non-Executive Board Members – Percentage of non-executive board members.

Cross-Border – 1, if the nation of the target is different from the nation of the acquirer, 0 otherwise.

Diversification – 1, if the acquirer industry is different from the target industry, 0 otherwise.

Synergy – 1, if one of the objectives of the merger and acquisition was to create synergies, 0 otherwise.

Friendly/non-Friendly – 1, if the attitude towards the merger and acquisition was friendly, 0 otherwise.

Appendix 2. Descriptive Statistics – Y0

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
%ROA(Y0)	221	77,3%	65	22,7%	286	100,0%
%ROE(Y0)	221	77,3%	65	22,7%	286	100,0%
CGScore(Y0)%	221	77,3%	65	22,7%	286	100,0%

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
%ROA(Y0)	,150	221	<,001	,786	221	<,001
%ROE(Y0)	,331	221	<,001	,294	221	<,001
CGScore(Y0)%	,074	221	,005	,967	221	<,001

a. Lilliefors Significance Correction

BP_{Audit}(Y0)

	N	%
0	5	1,7%
1	218	73,2%
Missing System	75	25,2%

BP_{Size}(Y0)

	N	%
0	26	8,7%
1	197	66,1%
Missing System	75	25,2%

BP_{Independence}(Y0)

	N	%
0	31	10,4%
1	192	64,4%
Missing System	75	25,2%

<i>BPDiversity(Y0)</i>			
		N	%
0		116	38,9%
1		107	35,9%
Missing	System	75	25,2%

<i>CEOChairmanSep.(Y0)</i>			
		N	%
0		85	28,5%
1		138	46,3%
Missing	System	75	25,2%

<i>CEOBMember(Y0)</i>			
		N	%
0		18	6,0%
1		202	67,8%
Missing	System	78	26,2%

<i>DBStructureType(Y0)</i>			
		N	%
0		84	28,2%
1		202	67,8%
Missing	System	12	4,0%

<i>CrossBorder</i>			
		N	%
0		215	72,1%
1		71	23,8%
Missing	System	12	4,0%

<i>Diversification</i>			
		N	%
0		187	62,8%
1		99	33,2%
Missing	System	12	4,0%

<i>Synergy</i>			
		N	%
0		70	23,5%
1		216	72,5%
Missing	System	12	4,0%

<i>DealAttitude</i>			
		N	%
0		3	1,0%
1		283	95,0%
Missing	System	12	4,0%

Descriptive Statistics

	N	Minimum		Maximum		Mean		Std. Deviation		Variance		Skewness		Kurtosis	
		Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
AvbMeetingAttendance(Y0)	207		50.00000%	100.00000%	83.1234589%	0.73495275%		10.57412864%	111.812	.198	.169	-.828	.337		
BSize(Y0)	223	1		22	11.14	.211		3.158	9.970	.272	.163	1.986	.324		
BGenderDiversity(Y0)	201	5.00000%	50.00000%	50.00000%	18.2873891%	0.56498330%		8.01002073%	64.160	.956	.172	1.280	.341		
BSpe_Skills(Y0)	211	7.69231%	100.00000%	54.9367808%	1.47598670%	21.43994521%		459.671	.028	.167	-.577	.333			
AvbTenure(Y0)	217	.25000		17.53840	7.8004562	.19735441		2.90721199	8.452	.617	.165	.567	.329		
BMinorities%(Y0)	0														
BculturalDiversity%(Y0)	69	5.0000%	88.2400%	23.630000%	2.5058988%	20.8155592%		433.288	1.701	.289	2.263	.570			
IndependentBMembers%(Y0)	214	7.69231%	100.00000%	77.4826524%	1.23838659%	18.11603408%		328.191	-1.829	.166	3.345	.331			
NonExec.BMembers(Y0)	218	50.00000%	100.00000%	86.3968242%	0.58158044%	8.58693234%		73.735	-1.255	.165	2.241	.328			
BMemberCompensation(Y0)	216	25068.600	9303614.220	2572690.48306	104952.501124	1542480.449900		2379245938323	1.601	.166	4.244	.330			
LogBMemberCompensation(Y0)	216	10.12930	16.04590	14.5543116	.05075986	.74601455		.557	-1.768	.166	6.383	.330			
FirmSize(Y0)	278	.00	281816.00	33555.9922	2748.43888	45825.63390		2099988722.390	2.488	.146	7.472	.291			
LogFirmSize(Y0)	277	18.64601	26.36452	23.3201210	.09265195	1.54203583		2.378	-.424	.146	-.233	.292			
DebtEquity(Y0)	258	.21773	921.05220	101.5615347	8.23537020	132.27963250		17497.901	3.598	.152	15.392	.302			
LogDebtSize(Y0)	286	20.73154	25.42960	22.0782437	.06076263	1.02758939		1.056	.848	.144	.228	.287			
DealSize(All USD)	286	1008.31	110646.36	7504.6070	762.51942	12895.37348		166290657.178	4.277	.144	22.232	.287			
%Acquired	286	50%	100%	98.25%	0.488%	8.254%		68.134	-4.984	.144	24.040	.287			
DebtAssets(Y0)	267	.19832	92.75690	28.1242649	.89834032	14.67900177		215.473	.894	.149	1.471	.297			
Valid N (listwise)	0														

TargetNation

	N	%
Australia	2	0,7%
Belgium	2	0,7%
Canada	3	1,0%
Czech Republic	1	0,3%
Denmark	1	0,3%
France	4	1,4%
Germany	5	1,7%
Italy	3	1,0%
Netherlands	3	1,0%
Norway	4	1,4%
Poland	1	0,3%
Spain	3	1,0%
Sweden	2	0,7%
Switzerland	1	0,3%
Turkey	1	0,3%
United Kingdom	5	1,7%
United States	245	85,7%

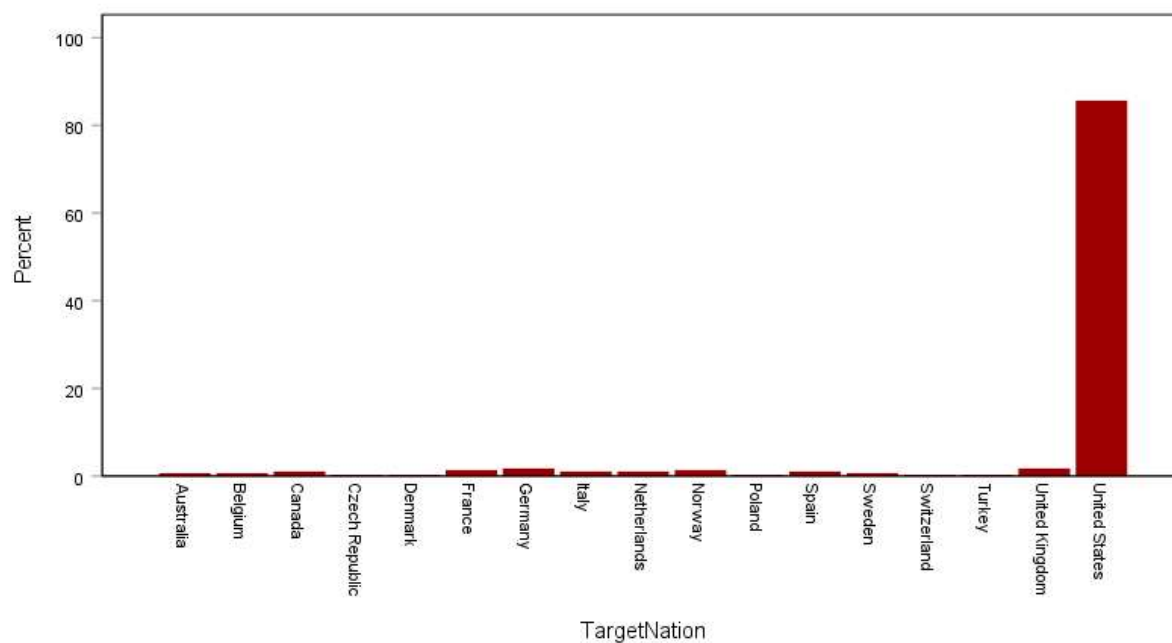
AcquirerNation

	N	%
Belgium	4	1,4%
France	11	3,8%
Germany	14	4,9%
Italy	2	0,7%
Netherlands	2	0,7%
Spain	4	1,4%
Sweden	2	0,7%
United Kingdom	23	8,0%
United States	224	78,3%

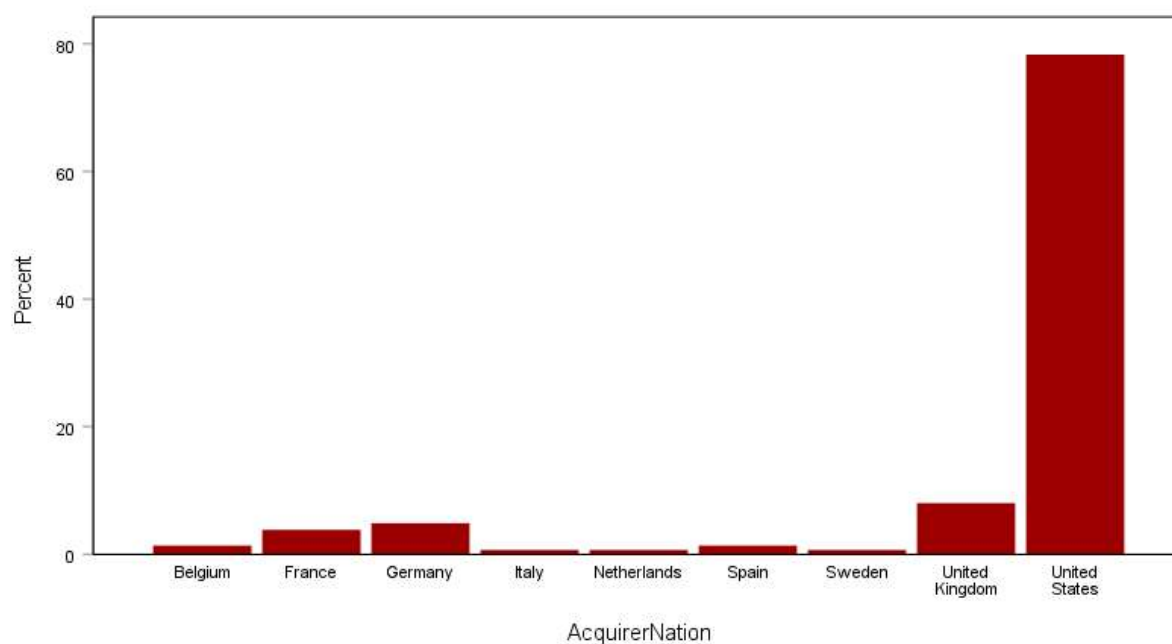
Target Industry

	N	%
Aerospace & Defense	6	2,1%
Agriculture & Livestock	2	0,7%
Alternative Energy Sources	1	0,3%
Automobiles & Auto Parts	3	1,0%
Automobiles & Components	1	0,3%
Biotechnology	18	6,3%
Building/Construction & Engineering	1	0,3%
Chemicals	16	5,6%
Computers & Peripherals	15	5,2%
Construction Materials	1	0,3%
E-commerce / B2B	3	1,0%
Electronics	1	0,3%
Food & Beverage Retailing	1	0,3%
Food and Beverage	20	7,0%
Healthcare Equipment & Supplies	28	9,8%
Healthcare Providers & Services (HMOs)	4	1,4%
Internet Software & Services	11	3,8%
IT Consulting & Services	11	3,8%
Machinery	1	0,3%
Metals & Mining	1	0,3%
Oil & Gas	57	19,9%
Other Consumer Products	1	0,3%
Other Energy & Power	1	0,3%
Other Financials	1	0,3%
Other Industrials	4	1,4%
Petrochemicals	1	0,3%
Pharmaceuticals	28	9,8%
Pipelines	2	0,7%
Power	14	4,9%
Professional Services	1	0,3%
Semiconductors	1	0,3%
Software	13	4,5%
Telecommunications Equipment	4	1,4%
Telecommunications Services	7	2,4%
Transportation & Infrastructure	1	0,3%
Wireless	5	1,7%

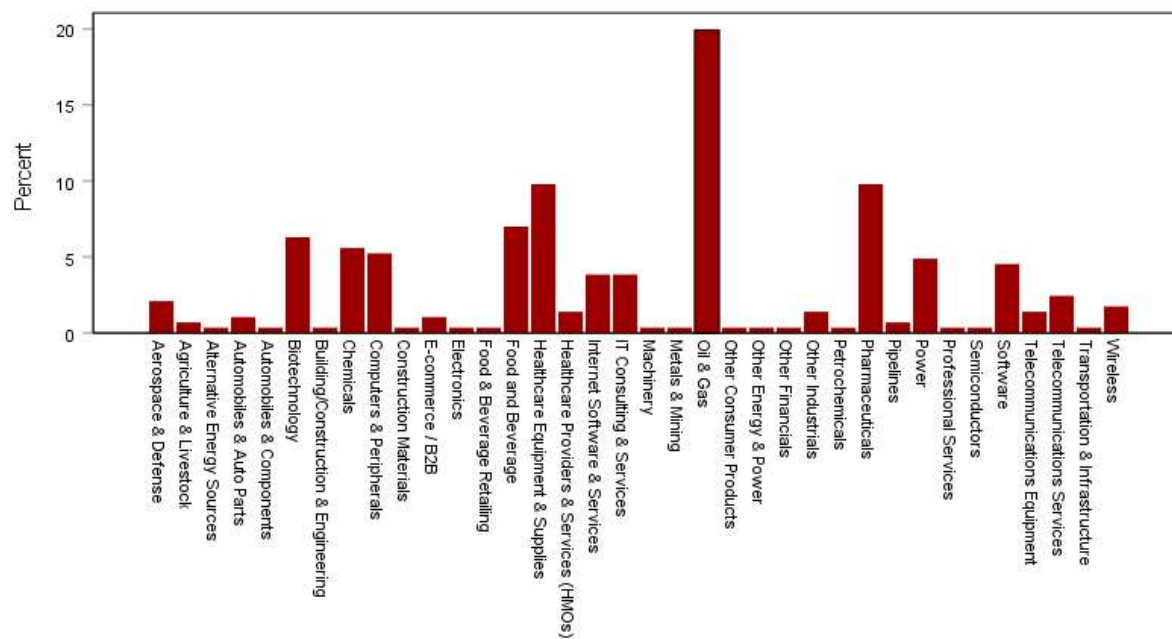
TargetNation



AcquirerNation



Target Industry



Appendix 3. Regression analysis Y0

Model [1]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y0)	6,2268099%	5,36880430%	214
CGScore(Y0)%	55,6874948	22,92262368	214
LogFirmSize(Y0)	23,7421412	1,28778691	214
Debt/Equity(Y0)	98,9158591	132,27658042	214
LogDealSize(Y0)	22,1765257	1,01963030	214
CrossBorder	,28	,450	214
Diversification	,37	,485	214
Synergy	,76	,427	214
DealAttitude	,99	,096	214
%Acquired	98,33%	8,049%	214
Assets/Equity	26,5488191	12,85543479	214

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	868,603	10	86,860	3,345	<,001 ^b
	Residual	5270,921	203	25,965		
	Total	6139,525	213			

^a. Dependent Variable: %ROA(Y0)

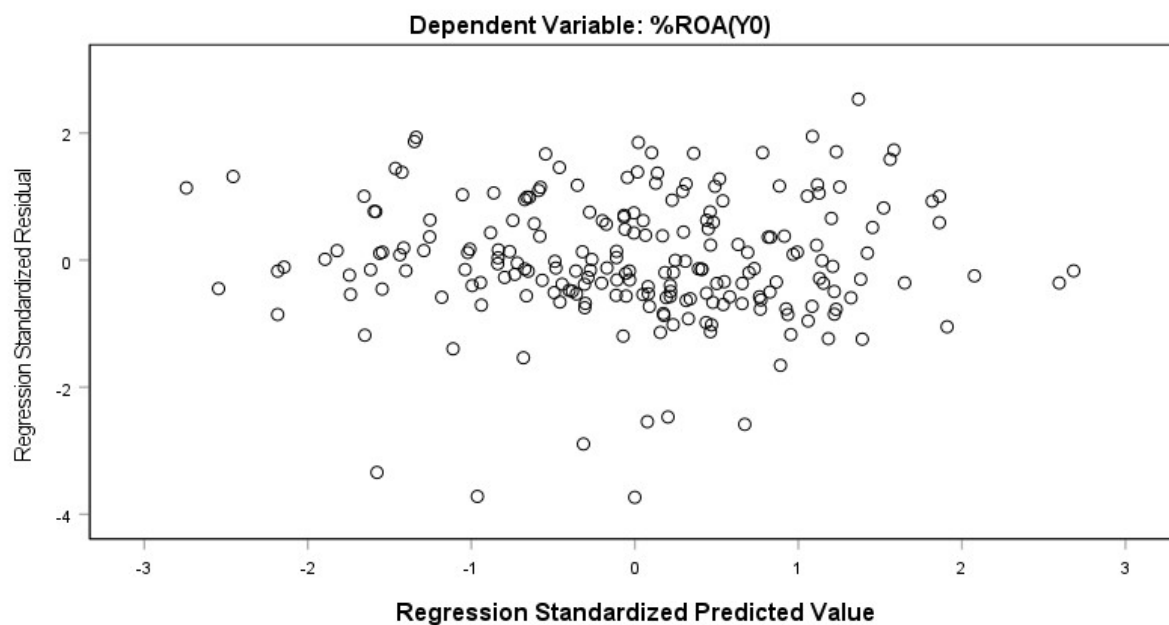
^b. Predictors: (Constant), Assets/Equity, CrossBorder, %Acquired, DealAttitude, LogDealSize (Y0), Diversification, CGScore(Y0)%, Synergy, LogFirmSize(Y0), Debt/Equity(Y0)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	0,6896021%	11,6469927%	6,2268099%	2,01939359%	214
Residual	-19,01517487%	12,91376495%	0,00000000%	4,97454612%	214
Std. Predicted Value	-2,742	2,684	,000	1,000	214
Std. Residual	-3,732	2,534	,000	,976	214

^a. Dependent Variable: %ROA(Y0)

Scatterplot



White Test for Heteroskedasticity^{a,b,c}

Chi-Square	df	Sig.
45,971	53	,742

a. Dependent variable: %ROA(Y0)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [2]*ANOVA^a*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18069,197	10	1806,920	4,694	<,001 ^b
	Residual	78140,863	203	384,930		
	Total	96210,060	213			

^a. Dependent Variable: %ROE(Y0)

^b. Predictors: (Constant), Assets/Equity, CrossBorder, %Acquired, DealAttitude, LogDealSize (Y0), Diversification, CGScore(Y0)%, Synergy, LogFirmSize(Y0), Debt/Equity(Y0)

Coefficients^a

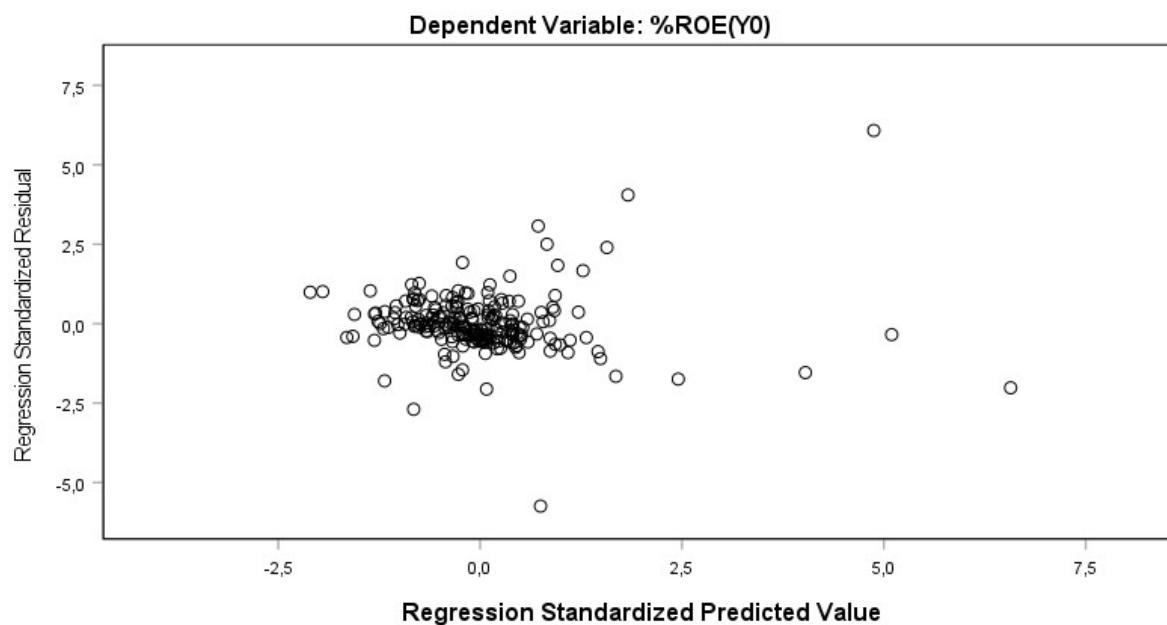
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	69,431	40,974		1,695	,092
	CGScore(Y0)%	,196	,064	,211	3,044	,003
	LogFirmSize(Y0)	-1,849	1,240	-,112	-1,491	,137
	Debt/Equity(Y0)	,079	,015	,492	5,365	<,001
	LogDealSize(Y0)	,446	1,475	,021	,302	,763
	CrossBorder	-,802	3,059	-,017	-,262	,793
	Diversification	5,530	2,876	,126	1,923	,056
	Synergy	-3,371	3,467	-,068	-,972	,332
	DealAttitude	-2,662	14,145	-,012	-,188	,851
	%Acquired	-,253	,169	-,096	-1,492	,137
	Assets/Equity	-,350	,157	-,212	-2,232	,027

^a. Dependent Variable: %ROE(Y0)*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-2,7143040%	77,1890030%	16,6644151%	9,21042392%	214
Residual	-112,6349258%	119,32429504%	0,00000000%	19,15355091%	214
Std. Predicted Value	-2,104	6,571	,000	1,000	214
Std. Residual	-5,741	6,082	,000	,976	214

^a. Dependent Variable: %ROE(Y0)

Scatterplot



White Test for Heteroskedasticity^{a,b,c}

Chi-Square	df	Sig.
172,813	53	<,001

a. Dependent variable: %ROE(Y0)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [3]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y0)	6,3042299%	5,66387092%	169
CGScore(Y0)%	59,7339981	20,49232959	169
LogFirmSize(Y0)	23,8607953	1,24798005	169
Debt/Equity(Y0)	97,9905915	139,11733249	169
LogDealSize(Y0)	22,1384983	1,01111814	169
CrossBorder	,22	,419	169
Diversification	,40	,491	169
Synergy	,77	,423	169
DealAttitude	,99	,077	169
%Acquired	98,67%	7,114%	169
Assets/Equity	25,7896116	12,86317942	169
BPAudit(Y0)	1,00	,000	169
BPSize(Y0)	,89	,317	169
BPIndependence(Y0)	,91	,285	169
BPDiversity(Y0)	,50	,501	169
AvBMeetingAttendance(Y0)	82,9996805%	9,87163128%	169
BSize(Y0)	11,37	2,523	169
BGenderDiversity(Y0)	18,4420862%	7,83396694%	169
BSpe. Skills(Y0)	52,7829657%	20,47952890%	169
AvBTenure(Y0)	7,7451510	2,76010695	169
DBStructureType(Y0)	,95	,213	169
CEOChairmanSep. (Y0)	,67	,470	169
CEOBMember(Y0)	,95	,225	169
IndependentBMembers(%) (Y0)	80,2270340%	15,62658673%	169
NonExec.BMembers(Y0)	87,0344108%	7,15142673%	169
LogBMemberCompensation (Y0)	14,6616408	,68668420	169

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1735,196	24	72,300	2,849	<,001 ^b
	Residual	3654,149	144	25,376		
	Total	5389,345	168			

^a. Dependent Variable: %ROA(Y0)

^b. Predictors: (Constant), LogBMemberCompensation(Y0), BSpe.Skills(Y0), Debt/Equity(Y0), Diversification, DealAttitude, Synergy, CGScore(Y0)%, %Acquired, BPDiversity(Y0), CrossBorder, LogDealSize(Y0), CEOChairmanSep.(Y0), NonExec.BMembers(Y0), BPSize(Y0), BGenderDiversity(Y0), AvBTenure(Y0), BPIndependence(Y0), CEOBMember(Y0), AvBMeetingAttendance(Y0), LogFirmSize(Y0), IndependentBMembers(%)(Y0), BSize(Y0), Assets/Equity, DBStructureType(Y0)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,567 ^a	,322	,209	5,03746326%

^a. Predictors: (Constant), LogBMemberCompensation(Y0), BSpe.Skills(Y0), Debt/Equity(Y0), Diversification, DealAttitude, Synergy, CGScore(Y0)%, %Acquired, BPDiversity(Y0), CrossBorder, LogDealSize(Y0), CEOChairmanSep.(Y0), NonExec.BMembers(Y0), BPSize(Y0), BGenderDiversity(Y0), AvBTenure(Y0), BPIndependence(Y0), CEOBMember(Y0), AvBMeetingAttendance(Y0), LogFirmSize(Y0), IndependentBMembers(%)(Y0), BSize(Y0), Assets/Equity, DBStructureType(Y0)

^b. Dependent Variable: %ROA(Y0)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19,819	16,565		1,196	,234
	CGScore(Y0)%	,045	,024	,163	1,848	,067
	LogFirmSize(Y0)	-,901	,445	-,199	-2,025	,045
	Debt/Equity(Y0)	,009	,005	,229	2,053	,042
	LogDealSize(Y0)	,119	,444	,021	,267	,790
	CrossBorder	,273	1,295	,020	,211	,833
	Diversification	2,720	,833	,236	3,266	,001
	Synergy	-1,121	1,088	-,084	-1,030	,305
	DealAttitude	-1,297	5,545	-,018	-,234	,815
	%Acquired	-,075	,058	-,094	-1,275	,204
	Assets/Equity	-,157	,048	-,356	-3,259	,001
	BPSize(Y0)	2,837	1,415	,159	2,005	,047
	BPIndependence(Y0)	-1,559	1,691	-,079	-,922	,358
	BPDiversity(Y0)	-,220	,847	-,019	-,259	,796
	AvBMeetingAttendance(Y0)	,036	,050	,063	,722	,471
	BSize(Y0)	,313	,220	,139	1,421	,158
	BGenderDiversity(Y0)	,047	,061	,065	,767	,444
	BSpe. Skills(Y0)	,060	,023	,215	2,570	,011
	AvBTenure(Y0)	-,006	,166	-,003	-,036	,971
	DBStructureType(Y0)	-4,478	3,627	-,168	-1,234	,219
	CEOChairmanSep. (Y0)	-,160	,969	-,013	-,165	,869
	CEOBMember(Y0)	4,671	3,196	,186	1,461	,146
	IndependentBMembers(%) (Y0)	,105	,034	,290	3,097	,002
	NonExec.BMembers(Y0)	-,134	,069	-,170	-1,958	,052
	LogBMemberCompensation (Y0)	,402	,837	,049	,480	,632

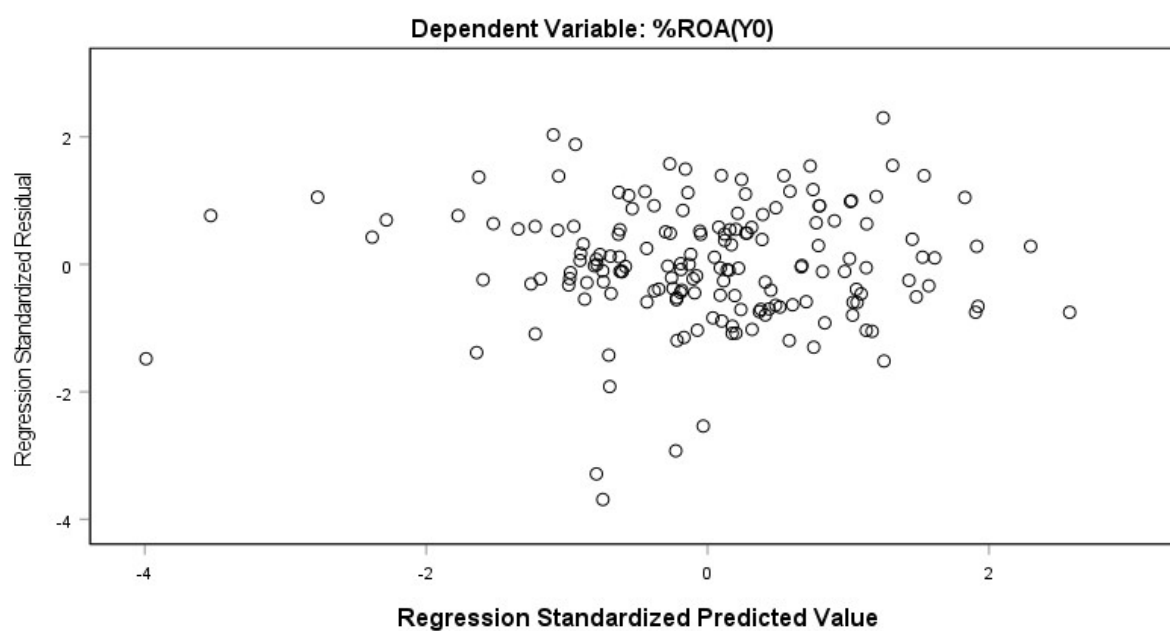
^a Dependent Variable: %ROA(Y0)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-6,5215697%	14,5760031%	6,3042299%	3,21380549%	169
Residual	-18,57255745%	11,58596420%	0,000000000%	4,66378474%	169
Std. Predicted Value	-3,991	2,574	,000	1,000	169
Std. Residual	-3,687	2,300	,000	,926	169

^a. Dependent Variable: %ROA(Y0)

Scatterplot



Model [4]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROE(Y0)	16,8592099%	22,77151247%	169
CGScore(Y0)%	59,7339981	20,49232959	169
LogFirmSize(Y0)	23,8607953	1,24798005	169
Debt/Equity(Y0)	97,9905915	139,11733249	169
LogDealSize(Y0)	22,1384983	1,01111814	169
CrossBorder	,22	,419	169
Diversification	,40	,491	169
Synergy	,77	,423	169
DealAttitude	,99	,077	169
%Acquired	98,67%	7,114%	169
Assets/Equity	25,7896116	12,86317942	169
BPAudit(Y0)	1,00	,000	169
BPSize(Y0)	,89	,317	169
BPIndependence(Y0)	,91	,285	169
BPDiversity(Y0)	,50	,501	169
AvBMeetingAttendance(Y0)	82,9996805%	9,87163128%	169
BSize(Y0)	11,37	2,523	169
BGenderDiversity(Y0)	18,4420862%	7,83396694%	169
BSpe. Skills(Y0)	52,7829657%	20,47952890%	169
AvBTenure(Y0)	7,7451510	2,76010695	169
DBStructureType(Y0)	,95	,213	169
CEOChairmanSep. (Y0)	,67	,470	169
CEOBMember(Y0)	,95	,225	169
IndependentBMembers(%) (Y0)	80,2270340%	15,62658673%	169
NonExec.BMembers(Y0)	87,0344108%	7,15142673%	169
LogBMemberCompensation (Y0)	14,6616408	,68668420	169

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,548 ^a	,301	,184	20,57051771%

^a. Predictors: (Constant), LogBMemberCompensation(Y0), BSpe.Skills

(Y0), Debt/Equity(Y0), Diversification, DealAttitude, Synergy, CGScore

(Y0)%, %Acquired, BPDiversity(Y0), CrossBorder, LogDealSize(Y0),

CEOChairmanSep.(Y0), NonExec.BMembers(Y0), BPSize(Y0),

BGenderDiversity(Y0), AvBTenure(Y0), BPIndependence(Y0),

CEOBMember(Y0), AvBMeetingAttendance(Y0), LogFirmSize(Y0),

IndependentBMembers(%) (Y0), BSize(Y0), Assets/Equity,

DBStructureType(Y0)

^b. Dependent Variable: %ROE(Y0)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26181,966	24	1090,915	2,578	<,001 ^b
	Residual	60933,053	144	423,146		
	Total	87115,019	168			

^a. Dependent Variable: %ROE(Y0)

^b. Predictors: (Constant), LogBMemberCompensation(Y0), BSpe.Skills(Y0), Debt/Equity(Y0),

Diversification, DealAttitude, Synergy, CGScore(Y0)%, %Acquired, BPDiversity(Y0),

CrossBorder, LogDealSize(Y0), CEOChairmanSep.(Y0), NonExec.BMembers(Y0), BPSize

(Y0), BGenderDiversity(Y0), AvBTenure(Y0), BPIndependence(Y0), CEOBMember(Y0),

AvBMeetingAttendance(Y0), LogFirmSize(Y0), IndependentBMembers(%) (Y0), BSize(Y0),

Assets/Equity, DBStructureType(Y0)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	43,798	67,645		,647	,518
	CGScore(Y0)%	,282	,100	,254	2,836	,005
	LogFirmSize(Y0)	-2,488	1,817	-,136	-1,369	,173
	Debt/Equity(Y0)	,096	,019	,587	5,181	<,001
	LogDealSize(Y0)	,432	1,814	,019	,238	,812
	CrossBorder	-1,504	5,289	-,028	-,284	,777
	Diversification	8,087	3,401	,174	2,378	,019
	Synergy	-2,224	4,445	-,041	-,500	,618
	DealAttitude	-3,487	22,644	-,012	-,154	,878
	%Acquired	-,097	,239	-,030	-,405	,686
	Assets/Equity	-,541	,196	-,306	-2,758	,007
	BPSize(Y0)	4,282	5,779	,060	,741	,460
	BPIndependence(Y0)	-6,169	6,905	-,077	-,893	,373
	BPDiversity(Y0)	2,288	3,461	,050	,661	,510
	AvBMeetingAttendance(Y0)	,006	,203	,003	,031	,975
	BSize(Y0)	1,387	,899	,154	1,543	,125
	BGenderDiversity(Y0)	-,017	,249	-,006	-,066	,947
	BSpe. Skills(Y0)	,085	,095	,076	,894	,373
	AvBTenure(Y0)	-,306	,676	-,037	-,453	,651
	DBStructureType(Y0)	-12,020	14,813	-,112	-,811	,418
	CEOChairmanSep. (Y0)	2,085	3,955	,043	,527	,599
	CEOBMember(Y0)	11,170	13,052	,110	,856	,394
	IndependentBMembers(%) (Y0)	,309	,139	,212	2,228	,027
	NonExec.BMembers(Y0)	-,415	,280	-,130	-1,479	,141
	LogBMemberCompensation (Y0)	1,077	3,418	,032	,315	,753

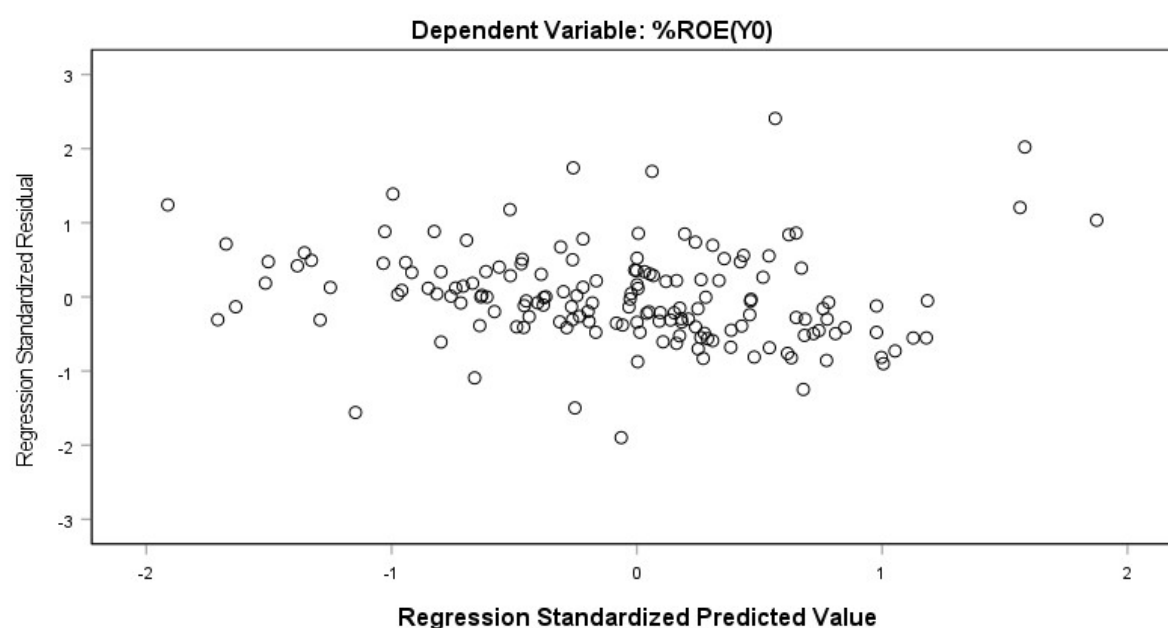
^a Dependent Variable: %ROE(Y0)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-14,9701090%	85,3757858%	16,8592099%	12,48379101%	169
Residual	-101,8380737%	117,26101685%	0,00000000%	19,04459876%	169
Std. Predicted Value	-2,550	5,488	,000	1,000	169
Std. Residual	-4,951	5,700	,000	,926	169

^a. Dependent Variable: %ROE(Y0)

Scatterplot



Model [5]

Descriptive Statistics

	Mean	Std. Deviation	N
CGScore(Y0)%	59,0205752	20,78044144	176
BPAudit(Y0)	1,00	,000	176
BPSize(Y0)	,89	,311	176
BPIndependence(Y0)	,90	,296	176
BPDiversity(Y0)	,50	,501	176
AvBMeetingAttendance(Y0)	82,9523636%	9,91254877%	176
BSize(Y0)	11,31	2,486	176
BGenderDiversity(Y0)	18,2767760%	7,78198701%	176
BSpe. Skills(Y0)	53,3064843%	20,43430281%	176
AvBTenure(Y0)	7,7866605	2,83693436	176
DBStructureType(Y0)	,95	,209	176
CEOChairmanSep. (Y0)	,67	,471	176
CEOBMember(Y0)	,95	,221	176
IndependentBMembers(%) (Y0)	80,0223193%	15,48707444%	176
NonExec.BMembers(Y0)	86,7599970%	7,40461025%	176
LogBMemberCompensation (Y0)	14,6515176	,69424828	176

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,557 ^a	,310	,250	17,99530641

^a. Predictors: (Constant), LogBMemberCompensation(Y0), BSpe.Skills

(Y0), BPDiversity(Y0), NonExec.BMembers(Y0), CEOChairmanSep.

(Y0), BPSize(Y0), BPIndependence(Y0), AvBTenure(Y0),

BGenderDiversity(Y0), AvBMeetingAttendance(Y0),

IndependentBMembers(%) (Y0), BSize(Y0), CEOBMember(Y0),

DBStructureType(Y0)

^b. Dependent Variable: CGScore(Y0)%

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23432,881	14	1673,777	5,169	<,001 ^b
	Residual	52136,800	161	323,831		
	Total	75569,681	175			

^a. Dependent Variable: CGScore(Y0)%

^b. Predictors: (Constant), LogBMemberCompensation(Y0), BSpe.Skills(Y0), BPDiversity(Y0),

NonExec.BMembers(Y0), CEOChairmanSep.(Y0), BPSize(Y0), BPIndependence(Y0),

AvBTenure(Y0), BGenderDiversity(Y0), AvBMeetingAttendance(Y0), IndependentBMembers

(%) (Y0), BSize(Y0), CEOBMember(Y0), DBStructureType(Y0)

Coefficients^a

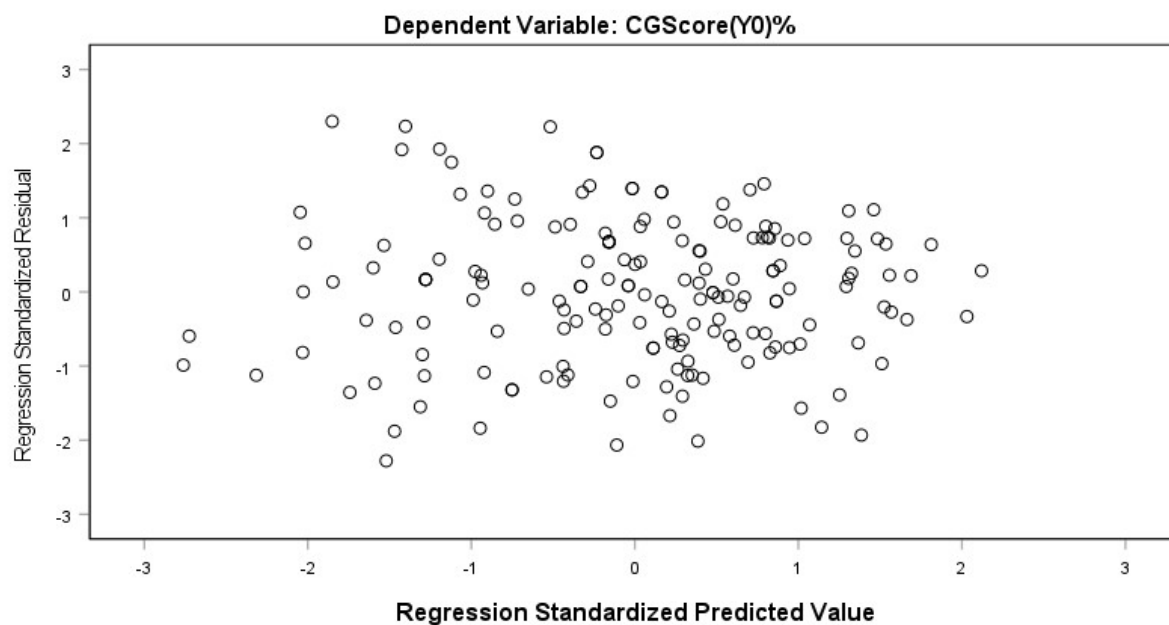
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-99,570	40,900		-2,434	,016
	BPSize(Y0)	7,968	4,571	,119	1,743	,083
	BPIndependence(Y0)	,749	5,377	,011	,139	,889
	BPDiversity(Y0)	-,495	2,869	-,012	-,173	,863
	AvBMeetingAttendance(Y0)	,528	,157	,252	3,374	<,001
	BSize(Y0)	1,528	,695	,183	2,199	,029
	BGenderDiversity(Y0)	,550	,195	,206	2,821	,005
	BSpe.Skills(Y0)	,105	,080	,103	1,318	,189
	AvBTenure(Y0)	,739	,528	,101	1,399	,164
	DBStructureType(Y0)	21,020	12,360	,211	1,701	,091
	CEOChairmanSep.(Y0)	-11,796	3,108	-,268	-3,795	<,001
	CEOBMember(Y0)	-8,336	11,078	-,089	-,752	,453
	IndependentBMembers(%) (Y0)	,287	,114	,214	2,511	,013
	NonExec.BMembers(Y0)	,837	,217	,298	3,862	<,001
	LogBMemberCompensation (Y0)	-2,132	2,602	-,071	-,819	,414

^a Dependent Variable: CGScore(Y0)%*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	27,0762348	83,5593719	59,0205752	11,57161086	176
Residual	-40,98458099	41,40721893	,00000000	17,26049155	176
Std. Predicted Value	-2,761	2,121	,000	1,000	176
Std. Residual	-2,278	2,301	,000	,959	176

^a Dependent Variable: CGScore(Y0)%

Scatterplot



Appendix 4. Regression analysis Y-1

Descriptives

		Statistic	Std. Error
%ROA(Y-1)	Mean	6,5294530	,51677761
	95% Confidence Interval for Mean	Lower Bound 5,5106882 Upper Bound 7,5482177	
	5% Trimmed Mean	6,7835371	
	Median	6,3884800	
	Variance	56,082	
	Std. Deviation	7,48881909	
	Minimum	-39,54157	
	Maximum	46,70525	
	Range	86,24682	
	Interquartile Range	5,87074	
	Skewness	-1,381	,168
	Kurtosis	15,340	,334
%ROE(Y-1)	Mean	16,9415970	1,47507222
	95% Confidence Interval for Mean	Lower Bound 14,0336699 Upper Bound 19,8495241	
	5% Trimmed Mean	16,1413297	
	Median	15,7529200	
	Variance	456,926	
	Std. Deviation	21,37582729	
	Minimum	-95,73027	
	Maximum	138,88642	
	Range	234,61669	
	Interquartile Range	15,18922	
	Skewness	,969	,168
	Kurtosis	12,000	,334
CGScore(Y-1)%	Mean	56,1743681	1,58122875
	95% Confidence Interval for Mean	Lower Bound 53,0571662 Upper Bound 59,2915700	
	5% Trimmed Mean	56,6812110	
	Median	59,7286715	
	Variance	525,060	
	Std. Deviation	22,91418160	
	Minimum	,90878	
	Maximum	97,81122	
	Range	96,90244	
	Interquartile Range	37,40578	
	Skewness	-,370	,168
	Kurtosis	-,826	,334
FirmSize(Y-1)	Mean	2,54913726054E+009	8,174668008267E+008
	95% Confidence Interval for Mean	Lower Bound 9,3759998891E+008 Upper Bound 4,16067452218E+009	
	5% Trimmed Mean	2,45307605661E+008	
	Median	2,34622875000E+004	

	Variance		1403329137953186800 00,000	
	Std. Deviation		1,184621938828E+010	
	Minimum		5,681790000E+002	
	Maximum		9,345500000E+010	
	Range		9,345499943E+010	
	Interquartile Range		6,005643575E+004	
	Skewness		5,749	,168
	Kurtosis		35,183	,334
LogFirmSize(Y-1)	Mean		25,6627696370	,85580475948
	95% Confidence Interval for Mean	Lower Bound	23,9756537111	
		Upper Bound	27,3498855630	
	5% Trimmed Mean		23,7984873489	
	Median		23,8314835050	
	Variance		153,804	
	Std. Deviation		12,40178919078	
	Minimum		,00000000	
	Maximum		137,35384000	
	Range		137,35384000	
	Interquartile Range		2,14900662	
	Skewness		6,500	,168
	Kurtosis		48,165	,334
Debt/Equity(Y-1)	Mean		101,7718297	18,99638389
	95% Confidence Interval for Mean	Lower Bound	64,3227487	
		Upper Bound	139,2209108	
	5% Trimmed Mean		73,1181542	
	Median		55,0349700	
	Variance		75781,146	
	Std. Deviation		275,28375577	
	Minimum		,00000	
	Maximum		3845,64057	
	Range		3845,64057	
	Interquartile Range		66,56860	
	Skewness		12,274	,168
	Kurtosis		165,724	,334

Model [1]*Descriptive Statistics*

	Mean	Std. Deviation	N
%ROA(Y-1)	6,7125833	6,72441469	207
CGScore(Y-1)%	56,4229229	22,98476281	207
LogFirmSize(Y0)	21,4918765003	1,24249944634	207
Debt/Equity(Y0)	109,1188189	259,66224011	207
LogDealSize	22,1539739	1,00718668	207
CrossBorder	,29	,453	207
Diversification	,40	,490	207
Synergy	,76	,429	207
DealAttitude	1,00	,070	207
%Acquired	98,48%	7,669%	207

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,321 ^a	,103	,062	6,51332938

^a. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude, LogDealSize, CGScore(Y-1)%, CrossBorder, Diversification, Synergy, LogFirmSize(Y0)

^b. Dependent Variable: %ROA(Y-1)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	957,436	9	106,382	2,508	,010 ^b
	Residual	8357,422	197	42,423		
	Total	9314,857	206			

^a. Dependent Variable: %ROA(Y-1)^b. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude, LogDealSize, CGScore(Y-1)%, CrossBorder, Diversification, Synergy, LogFirmSize(Y0)*Coefficients^a*

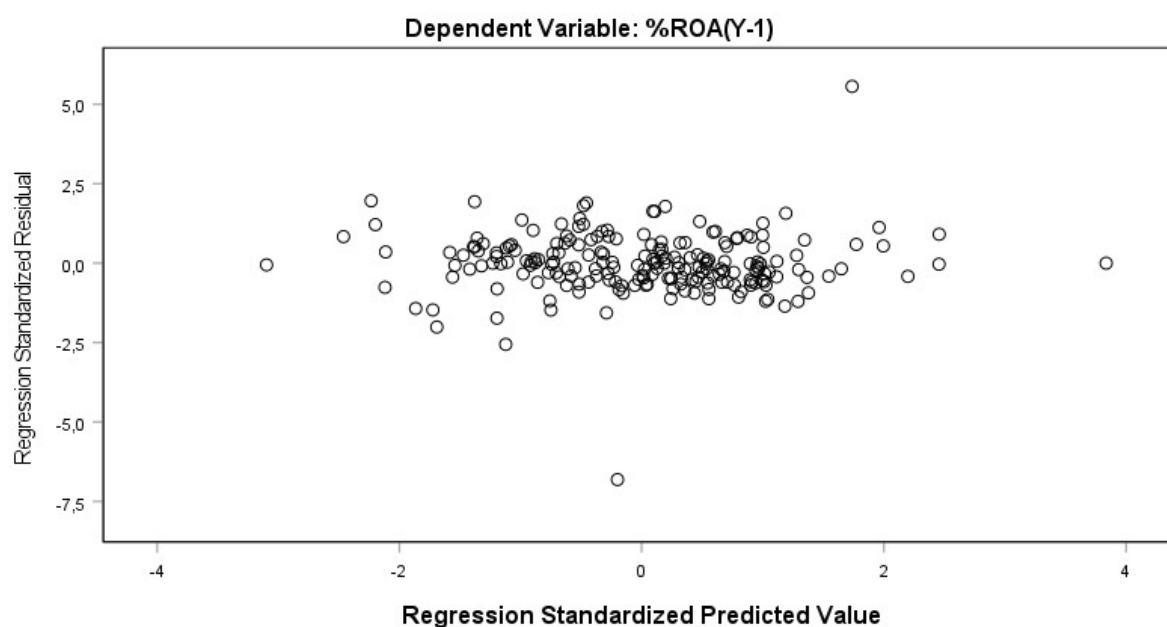
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	30,197	14,748		2,047	,042
	CGScore(Y-1)%	,075	,021	,257	3,573	<,001
	LogFirmSize(Y0)	-,575	,419	-,106	-1,371	,172
	Debt/Equity(Y0)	-,003	,002	-,104	-1,529	,128
	LogDealSize	-,034	,496	-,005	-,068	,946
	CrossBorder	,867	1,026	,058	,845	,399
	Diversification	1,101	,953	,080	1,155	,250
	Synergy	-,772	1,151	-,049	-,671	,503
	DealAttitude	-6,471	6,620	-,067	-,978	,329
	%Acquired	-,081	,060	-,093	-1,353	,178

^a. Dependent Variable: %ROA(Y-1)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	,0376824	14,9832497	6,7125833	2,15586304	207
Residual	-44,35637283	36,24443436	,00000000	6,36945897	207
Std. Predicted Value	-3,096	3,836	,000	1,000	207
Std. Residual	-6,810	5,565	,000	,978	207

^a. Dependent Variable: %ROA(Y-1)

Scatterplot*White Test for Heteroskedasticity^{a,b,c}*

Chi-Square	df	Sig.
34,847	33	,380

a. Dependent variable: %ROA(Y-1)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [2]*Descriptive Statistics*

	Mean	Std. Deviation	N
%ROE(Y-1)	16,9576283	18,07787537	208
CGScore(Y-1)%	56,4418565	22,93080275	208
LogFirmSize(Y0)	21,4997595142	1,24469771289	208
Debt/Equity(Y0)	108,7385753	259,09232050	208
LogDealSize	22,1671261	1,02249891	208
CrossBorder	,28	,452	208
Diversification	,39	,490	208
Synergy	,76	,428	208
DealAttitude	1,00	,069	208
%Acquired	98,49%	7,651%	208

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,213 ^a	,045	,002	18,05890493

^a. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude, LogDealSize, CGScore(Y-1)%, CrossBorder, Diversification, Synergy, LogFirmSize(Y0)

^b. Dependent Variable: %ROE(Y-1)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3077,021	9	341,891	1,048	,403 ^b
	Residual	64572,561	198	326,124		
	Total	67649,583	207			

^a. Dependent Variable: %ROE(Y-1)

^b. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude, LogDealSize, CGScore(Y-1)%, CrossBorder, Diversification, Synergy, LogFirmSize(Y0)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25,885	40,459		,640	,523
	CGScore(Y-1)%	,124	,058	,157	2,120	,035
	LogFirmSize(Y0)	-1,104	1,161	-,076	-,951	,343
	Debt/Equity(Y0)	,002	,005	,027	,389	,698
	LogDealSize	1,934	1,361	,109	1,422	,157
	CrossBorder	,549	2,840	,014	,193	,847
	Diversification	1,077	2,641	,029	,408	,684
	Synergy	-4,985	3,190	-,118	-1,563	,120
	DealAttitude	-11,188	18,353	-,043	-,610	,543
	%Acquired	-,212	,166	-,090	-1,277	,203

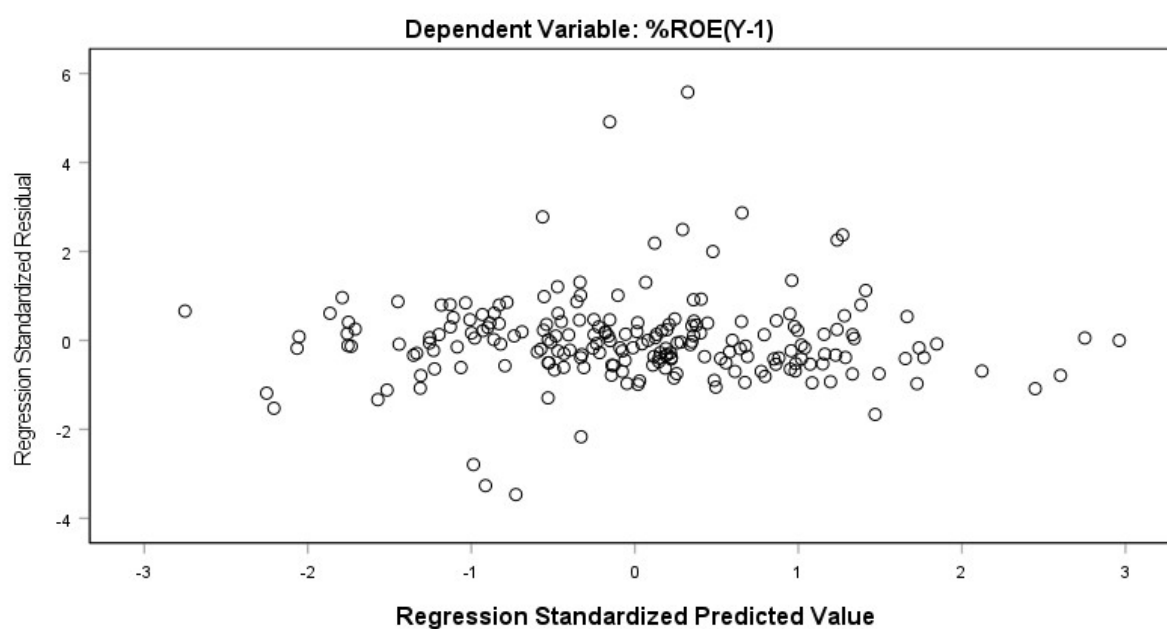
^a. Dependent Variable: %ROE(Y-1)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	6,3530278	28,3813210	16,9576283	3,85549437	208
Residual	-62,57108307	100,81626129	,00000000	17,66195745	208
Std. Predicted Value	-2,751	2,963	,000	1,000	208
Std. Residual	-3,465	5,583	,000	,978	208

^a. Dependent Variable: %ROE(Y-1)

Scatterplot



White Test for Heteroskedasticity^{a,b,c}

Chi-Square	df	Sig.
81,485	33	<,001

a. Dependent variable: %ROE(Y-1)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [3]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y-1)	6,7329174	6,93281925	176
BPAudit(Y-1)	1,00	,000	176
BPSize(Y-1)	,93	,253	176
BPIndependence(Y-1)	,88	,325	176
BPDiversity(Y-1)	,44	,498	176
AvBMeetingAttendance(Y-1)	82,53	10,203	176
BSize(Y-1)	11,09	2,384	176
BGenderDiversity(Y-1)	15,8527218	9,05310820	176
BSpe. Skills(Y-1)	58,3771887	21,35662724	176
AvBTenure(Y-1)	7,7444762	2,84080695	176
DBStructureType(Y-1)	,96	,196	176
CEOChairmanSep. (Y-1)	,64	,481	176
CEOBMember(Y-1)	,95	,221	176
IndependentBMembers(%)(Y-1)	78,3065639	15,50918576	176
NonExec.BMembers(Y-1)	86,30	8,003	176
LogBMemberCompensation (Y-1)	14,5634719	,68922604	176
CGScore(Y-1)%	58,4932779	21,68824458	176
LogFirmSize(Y0)	21,5025588395	1,24166980787	176
Debt/Equity(Y0)	108,6003661	276,36661885	176
LogDealSize	22,1360644	1,01157179	176
CrossBorder	,24	,427	176
Diversification	,41	,494	176
Synergy	,78	,413	176
DealAttitude	1,00	,000	176
%Acquired	98,92%	6,264%	176

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,446 ^a	,199	,084	6,63503268

^a. Predictors: (Constant), %Acquired, CEOBMember(Y-1), Debt/Equity (Y0), LogFirmSize(Y0), BPDiversity(Y-1), AvBMeetingAttendance(Y-1), Diversification, AvBTenure(Y-1), NonExec.BMembers(Y-1), Synergy, BPSize(Y-1), BGenderDiversity(Y-1), CEOChairmanSep.(Y-1), BSpe. Skills(Y-1), BPIndependence(Y-1), LogDealSize, LogBMemberCompensation(Y-1), CGScore(Y-1)%, IndependentBMembers(%) (Y-1), CrossBorder, BSize(Y-1), DBStructureType(Y-1)

^b. Dependent Variable: %ROA(Y-1)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1675,577	22	76,163	1,730	,029 ^b
	Residual	6735,620	153	44,024		
	Total	8411,197	175			

^a. Dependent Variable: %ROA(Y-1)

^b. Predictors: (Constant), %Acquired, CEOBMember(Y-1), Debt/Equity(Y0), LogFirmSize(Y0), BPDiversity(Y-1), AvBMeetingAttendance(Y-1), Diversification, AvBTenure(Y-1), NonExec.BMembers(Y-1), Synergy, BPSize(Y-1), BGenderDiversity(Y-1), CEOChairmanSep.(Y-1), BSpe. Skills(Y-1), BPIndependence(Y-1), LogDealSize, LogBMemberCompensation(Y-1), CGScore(Y-1)%, IndependentBMembers(%) (Y-1), CrossBorder, BSize(Y-1), DBStructureType(Y-1)

Coefficients^a

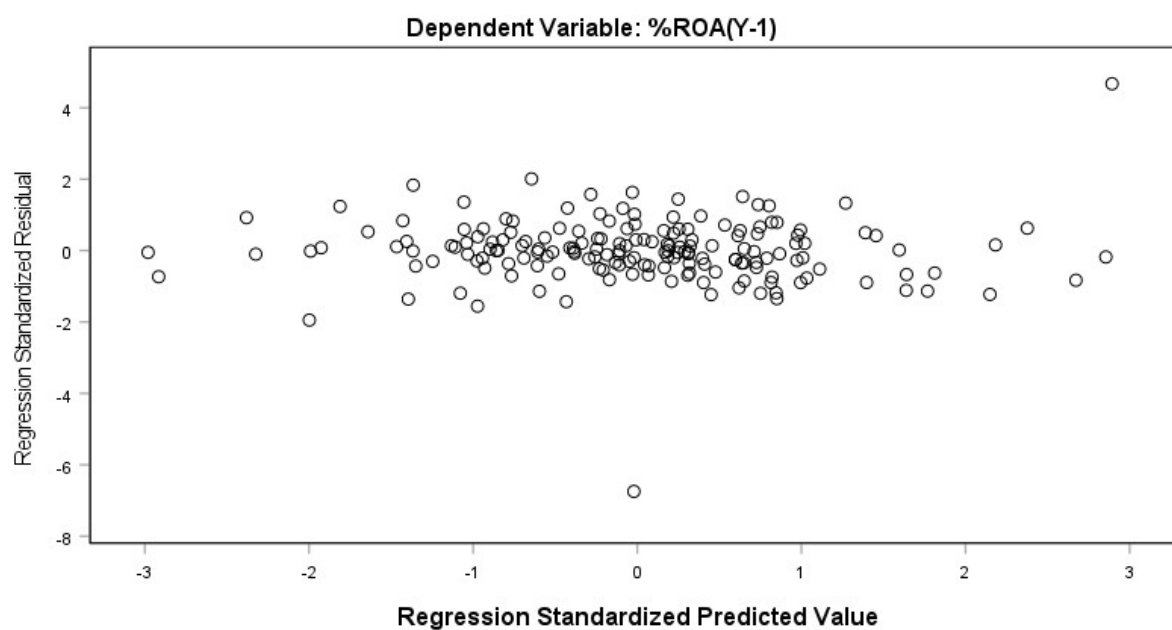
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-8,310	24,194		-,343	,732
	BPSize(Y-1)	-,498	2,143	-,018	-,232	,817
	BPIndependence(Y-1)	2,787	1,907	,131	1,461	,146
	BPDiversity(Y-1)	,621	1,105	,045	,562	,575
	AvBMeetingAttendance(Y-1)	,109	,059	,161	1,860	,065
	BSize(Y-1)	-,188	,318	-,065	-,590	,556
	BGenderDiversity(Y-1)	-,037	,065	-,048	-,565	,573
	BSpe.Skills(Y-1)	,032	,027	,099	1,177	,241
	AvBTenure(Y-1)	,226	,197	,093	1,148	,253
	DBStructureType(Y-1)	1,104	4,252	,031	,260	,795
	CEOChairmanSep.(Y-1)	-1,074	1,209	-,075	-,888	,376
	CEOBMember(Y-1)	3,095	3,629	,099	,853	,395
	IndependentBMembers(%) (Y-1)	,044	,045	,097	,973	,332
	NonExec.BMembers(Y-1)	-,074	,079	-,086	-,933	,352
	LogBMemberCompensation (Y-1)	,704	,954	,070	,737	,462
	CGScore(Y-1)%	,065	,029	,204	2,217	,028
	LogFirmSize(Y0)	,147	,587	,026	,250	,803
	Debt/Equity(Y0)	-,002	,002	-,079	-1,039	,300
	LogDealSize	-,222	,601	-,032	-,370	,712
	CrossBorder	3,285	1,729	,203	1,900	,059
	Diversification	1,336	1,073	,095	1,245	,215
	Synergy	,117	1,376	,007	,085	,932
	%Acquired	-,112	,090	-,101	-1,242	,216

^a Dependent Variable: %ROA(Y-1)*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-2,4882579	15,6853075	6,7329174	3,09430557	176
Residual	-44,74338150	31,01994324	,00000000	6,20397097	176
Std. Predicted Value	-2,980	2,893	,000	1,000	176
Std. Residual	-6,744	4,675	,000	,935	176

^a Dependent Variable: %ROA(Y-1)

Scatterplot



Model [4]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROE(Y-1)	16,9129148	18,24431546	177
BPAudit(Y-1)	1,00	,000	177
BPSize(Y-1)	,93	,252	177
BPIndependence(Y-1)	,88	,324	177
BPDiversity(Y-1)	,45	,499	177
AvBMeetingAttendance(Y-1)	82,56	10,182	177
BSize(Y-1)	11,11	2,387	177
BGenderDiversity(Y-1)	15,8438686	9,02812086	177
BSpe. Skills(Y-1)	58,2592385	21,35360595	177
AvBTenure(Y-1)	7,7562482	2,83705121	177
DBStructureType(Y-1)	,96	,195	177
CEOChairmanSep. (Y-1)	,64	,480	177
CEOBMember(Y-1)	,95	,220	177
IndependentBMembers(%)(Y-1)	78,3585042	15,48049346	177
NonExec.BMembers(Y-1)	86,35	7,999	177
LogBMemberCompensation (Y-1)	14,5650255	,68757594	177
CGScore(Y-1)%	58,5038306	21,62699818	177
LogFirmSize(Y0)	21,5117621420	1,24417685272	177
Debt/Equity(Y0)	108,1564553	275,64364364	177
LogDealSize	22,1516212	1,02970867	177
CrossBorder	,24	,427	177
Diversification	,41	,494	177
Synergy	,79	,412	177
DealAttitude	1,00	,000	177
%Acquired	98,92%	6,247%	177

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,396 ^a	,156	,036	17,91375450

^a. Predictors: (Constant), %Acquired, CEOBMember(Y-1), Debt/Equity

(Y0), LogFirmSize(Y0), BPDiversity(Y-1), AvBMeetingAttendance(Y-1),

Diversification, AvBTenure(Y-1), Synergy, NonExec.BMembers(Y-1),

BPSize(Y-1), BGenderDiversity(Y-1), CEOChairmanSep.(Y-1), BSpe.

Skills(Y-1), BPIndependence(Y-1), LogBMemberCompensation(Y-1),

LogDealSize, CGScore(Y-1)%, IndependentBMembers(%) (Y-1),

CrossBorder, BSize(Y-1), DBStructureType(Y-1)

^b. Dependent Variable: %ROE(Y-1)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9163,488	22	416,522	1,298	,181 ^b
	Residual	49419,000	154	320,903		
	Total	58582,488	176			

^a. Dependent Variable: %ROE(Y-1)

^b. Predictors: (Constant), %Acquired, CEOBMember(Y-1), Debt/Equity(Y0), LogFirmSize(Y0),

BPDiversity(Y-1), AvBMeetingAttendance(Y-1), Diversification, AvBTenure(Y-1), Synergy,

NonExec.BMembers(Y-1), BPSize(Y-1), BGenderDiversity(Y-1), CEOChairmanSep.(Y-1),

BSpe.Skills(Y-1), BPIndependence(Y-1), LogBMemberCompensation(Y-1), LogDealSize,

CGScore(Y-1)%, IndependentBMembers(%) (Y-1), CrossBorder, BSize(Y-1),

DBStructureType(Y-1)

Coefficients^a

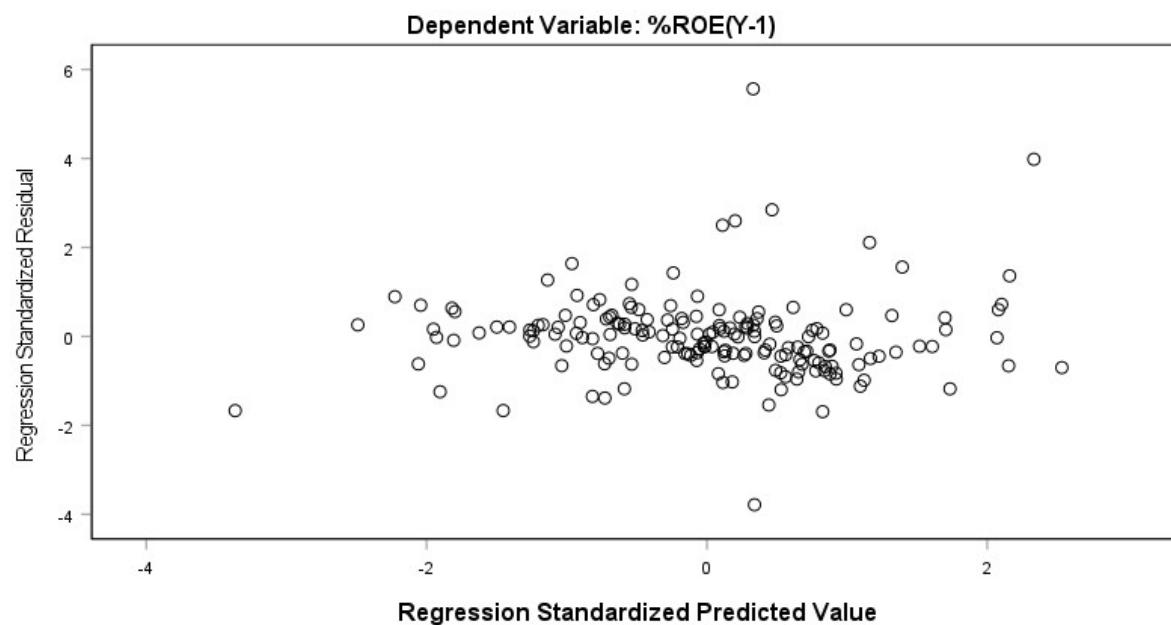
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-82,158	64,568		-1,272	,205
	BPSize(Y-1)	-6,921	5,785	-,096	-1,196	,233
	BPIndependence(Y-1)	6,870	5,148	,122	1,335	,184
	BPDiversity(Y-1)	-1,597	2,982	-,044	-,536	,593
	AvBMeetingAttendance(Y-1)	,341	,158	,190	2,154	,033
	BSize(Y-1)	-,890	,859	-,116	-1,036	,302
	BGenderDiversity(Y-1)	,045	,175	,022	,255	,799
	BSpe.Skills(Y-1)	,026	,074	,031	,353	,724
	AvBTenure(Y-1)	-,077	,531	-,012	-,145	,885
	DBStructureType(Y-1)	-,292	11,475	-,003	-,025	,980
	CEOChairmanSep.(Y-1)	1,103	3,265	,029	,338	,736
	CEOBMember(Y-1)	2,567	9,796	,031	,262	,794
	IndependentBMembers(%) (Y-1)	,201	,121	,170	1,661	,099
	NonExec.BMembers(Y-1)	-,368	,214	-,161	-1,718	,088
	LogBMemberCompensation (Y-1)	4,586	2,576	,173	1,780	,077
	CGScore(Y-1)%	,085	,079	,101	1,067	,287
	LogFirmSize(Y0)	-,127	1,583	-,009	-,080	,936
	Debt/Equity(Y0)	,003	,005	,040	,509	,612
	LogDealSize	2,553	1,609	,144	1,587	,115
	CrossBorder	7,587	4,667	,177	1,626	,106
	Diversification	1,477	2,894	,040	,510	,611
	Synergy	-3,816	3,715	-,086	-1,027	,306
	%Acquired	-,322	,243	-,110	-1,327	,187

^a. Dependent Variable: %ROE(Y-1)*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-7,3687201	35,1923103	16,9129148	7,21562688	177
Residual	-67,78414917	99,72409821	,00000000	16,75678297	177
Std. Predicted Value	-3,365	2,533	,000	1,000	177
Std. Residual	-3,784	5,567	,000	,935	177

^a. Dependent Variable: %ROE(Y-1)

Scatterplot



Model [5]

Descriptive Statistics

	Mean	Std. Deviation	N
CGScore(Y-1)%	58,2010971	21,52087975	182
BPAudit(Y-1)	1,00	,000	182
BPSize(Y-1)	,93	,249	182
BPIndependence(Y-1)	,87	,333	182
BPDiversity(Y-1)	,45	,498	182
AvBMeetingAttendance(Y-1)	82,72	10,265	182
BSize(Y-1)	11,04	2,400	182
BGenderDiversity(Y-1)	15,7068706	9,12795514	182
BSpe.Skills(Y-1)	58,6321944	21,18085196	182
AvBTenure(Y-1)	7,7905136	2,99364257	182
DBStructureType(Y-1)	,96	,193	182
CEOChairmanSep.(Y-1)	,64	,480	182
CEOBMember(Y-1)	,95	,217	182
IndependentBMembers(%) (Y-1)	78,0397395	15,45104891	182
NonExec.BMembers(Y-1)	86,23	8,044	182
LogBMemberCompensation (Y-1)	14,5420653	,70963268	182

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,530 ^a	,281	,221	18,99492342

^a Predictors: (Constant), LogBMemberCompensation(Y-1), BPSize(Y-1),

CEOBMember(Y-1), BGenderDiversity(Y-1), AvBMeetingAttendance

(Y-1), BPDiversity(Y-1), AvBTenure(Y-1), CEOChairmanSep.(Y-1),

NonExec.BMembers(Y-1), BSpe.Skills(Y-1), BPIndependence(Y-1),

BSize(Y-1), IndependentBMembers(%) (Y-1), DBStructureType(Y-1)

^b Dependent Variable: CGScore(Y-1)%

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23575,048	14	1683,932	4,667	<,001 ^b
	Residual	60254,788	167	360,807		
	Total	83829,836	181			

^a Dependent Variable: CGScore(Y-1)%

^b Predictors: (Constant), LogBMemberCompensation(Y-1), BPSize(Y-1), CEOBMember(Y-1),

BGenderDiversity(Y-1), AvBMeetingAttendance(Y-1), BPDiversity(Y-1), AvBTenure(Y-1),

CEOChairmanSep.(Y-1), NonExec.BMembers(Y-1), BSpe.Skills(Y-1), BPIndependence(Y-

1), BSize(Y-1), IndependentBMembers(%) (Y-1), DBStructureType(Y-1)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-153,392	39,944		-3,840	<,001
	BPSize(Y-1)	7,516	5,884	,087	1,277	,203
	BPIndependence(Y-1)	,079	4,955	,001	,016	,987
	BPDiversity(Y-1)	-2,507	3,007	-,058	-,834	,406
	AvBMeetingAttendance(Y-1)	,611	,152	,291	4,029	<,001
	BSize(Y-1)	,317	,711	,035	,446	,656
	BGenderDiversity(Y-1)	,523	,167	,222	3,137	,002
	BSpe.Skills(Y-1)	,130	,076	,128	1,704	,090
	AvBTenure(Y-1)	,778	,501	,108	1,552	,123
	DBStructureType(Y-1)	-2,182	11,390	-,020	-,192	,848
	CEOChairmanSep.(Y-1)	-9,675	3,198	-,216	-3,025	,003
	CEOBMember(Y-1)	-,579	10,154	-,006	-,057	,955
	IndependentBMembers(%) (Y-1)	,282	,118	,203	2,389	,018
	NonExec.BMembers(Y-1)	,527	,208	,197	2,532	,012
	LogBMemberCompensation (Y-1)	4,889	2,355	,161	2,076	,039

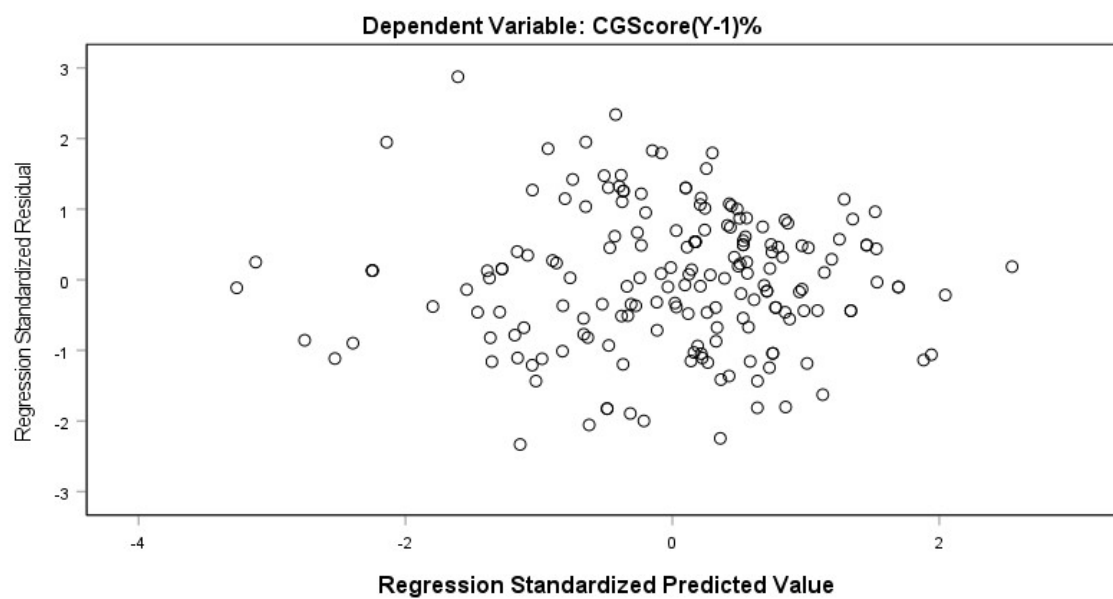
^a Dependent Variable: CGScore(Y-1)%

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	20,9485474	87,2594223	58,2010971	11,41266324	182
Residual	-44,27923584	54,62252426	,00000000	18,24553050	182
Std. Predicted Value	-3,264	2,546	,000	1,000	182
Std. Residual	-2,331	2,876	,000	,961	182

^a Dependent Variable: CGScore(Y-1)%

Scatterplot



Appendix 5. Regression analysis Y+3

Descriptives

			Statistic	Std. Error
%ROA(Y+3)	Mean		3,4192508	,38386583
	95% Confidence Interval for Mean	Lower Bound	2,6630744	
		Upper Bound	4,1754272	
	5% Trimmed Mean		3,7676356	
	Median		3,7997400	
	Variance		35,512	
	Std. Deviation		5,95920016	
	Minimum		-26,01682	
	Maximum		22,87791	
	Range		48,89473	
	Interquartile Range		5,52938	
	Skewness		-1,294	,157
	Kurtosis		5,125	,312
%ROE(Y+3)	Mean		9,3187979	1,25916595
	95% Confidence Interval for Mean	Lower Bound	6,8383699	
		Upper Bound	11,7992259	
	5% Trimmed Mean		9,5293778	
	Median		9,2492100	
	Variance		382,105	
	Std. Deviation		19,54751217	
	Minimum		-113,79508	
	Maximum		117,31224	
	Range		231,10732	
	Interquartile Range		13,56413	
	Skewness		-,457	,157
	Kurtosis		12,556	,312
CGScore(Y+3)%	Mean		56,2826140	1,42570527
	95% Confidence Interval for Mean	Lower Bound	53,4741206	
		Upper Bound	59,0911075	
	5% Trimmed Mean		56,7391427	
	Median		57,3603200	
	Variance		489,865	
	Std. Deviation		22,13289772	
	Minimum		2,79293	
	Maximum		97,12275	
	Range		94,32982	

	Interquartile Range		34,90688	
	Skewness		-,321	,157
	Kurtosis		-,656	,312
LogFirmSize(Y+3)	Mean		25,1189849471	,26000001975
	95% Confidence Interval	Lower Bound	24,6068115231	
	for Mean	Upper Bound	25,6311583712	
	5% Trimmed Mean		24,5598351637	
	Median		24,2174373400	
	Variance		16,292	
	Std. Deviation		4,03628572763	
	Minimum		20,89504283	
	Maximum		39,40258854	
	Range		18,50754571	
	Interquartile Range		2,11932969	
	Skewness		2,623	,157
	Kurtosis		5,994	,312
Debt/Equity(Y+3)	Mean		109,01724484229	7,833760888608
	95% Confidence Interval	Lower Bound	93,58553779407	
	for Mean	Upper Bound	124,44895189051	
	5% Trimmed Mean		91,60964353924	
	Median		81,41157382000	
	Variance		14789,642	
	Std. Deviation		121,612672563484	
	Minimum		,000000000	
	Maximum		1016,707022000	
	Range		1016,707022000	
	Interquartile Range		75,780636680	
	Skewness		4,297	,157
	Kurtosis		24,594	,312
Debt/Assets(Y+3)	Mean		31,19418159983	,851588483717
	95% Confidence Interval	Lower Bound	29,51663945969	
	for Mean	Upper Bound	32,87172373996	
	5% Trimmed Mean		30,89401247833	
	Median		30,00330000000	
	Variance		174,774	
	Std. Deviation		13,220208390539	
	Minimum		,000000000	
	Maximum		76,441540000	
	Range		76,441540000	
	Interquartile Range		17,064390315	
	Skewness		,419	,157

Kurtosis

,168

,312

Model [1]*Descriptive Statistics*

	Mean	Std. Deviation	N
%ROA(Y+3)	3,5052699	5,98439526	242
CGScore(Y+3)%	56,6172177	22,02615150	242
LogFirmSize(Y0)	21,2019297555	1,44949111300	242
Debt/Equity(Y0)	124,0717594444	296,8699979106	242
LogDealSize	22,0975966183	1,01367374313	242
Debt/Assets(Y0)	25,99112871463	14,20273221136	242
CrossBorder	,26	,437	242
Diversification	,38	,485	242
Synergy	,77	,420	242
DealAttitude	,99	,091	242
%Acquired	,9848764	,07600243	242

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,331 ^a	,110	,071	5,76784925

^a. Predictors: (Constant), %Acquired, CrossBorder, DealAttitude,

LogDealSize, Debt/Equity(Y0), Diversification, Synergy, CGScore

(Y+3)%, LogFirmSize(Y0), Debt/Assets(Y0)

^b. Dependent Variable: %ROA(Y+3)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	946,002	10	94,600	2,844	,002 ^b
	Residual	7684,928	231	33,268		
	Total	8630,930	241			

^a. Dependent Variable: %ROA(Y+3)

^b. Predictors: (Constant), %Acquired, CrossBorder, DealAttitude, LogDealSize, Debt/Equity(Y0), Diversification, Synergy, CGScore(Y+3)%, LogFirmSize(Y0), Debt/Assets(Y0)

Coefficients^a

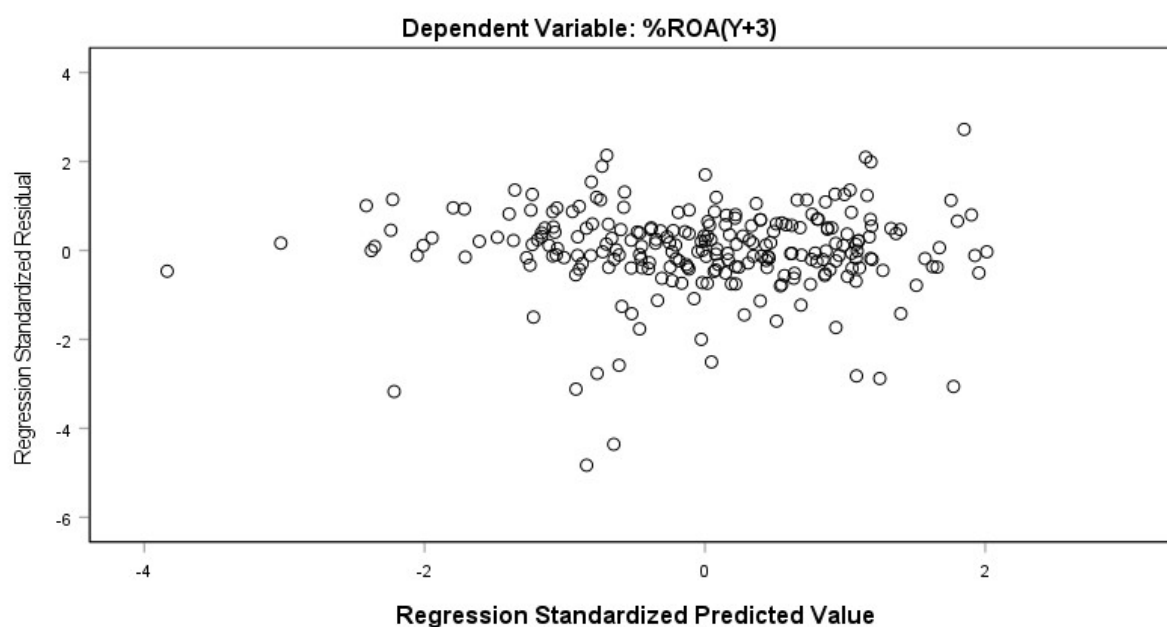
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11,926	10,895		-1,095	,275
	CGScore(Y+3)%	,006	,019	,022	,327	,744
	LogFirmSize(Y0)	,784	,308	,190	2,543	,012
	Debt/Equity(Y0)	-,001	,002	-,045	-,593	,554
	LogDealSize	,250	,417	,042	,599	,550
	Debt/Assets(Y0)	-,081	,034	-,193	-2,417	,016
	CrossBorder	-,595	,877	-,044	-,678	,498
	Diversification	1,063	,798	,086	1,332	,184
	Synergy	-,389	,967	-,027	-,403	,688
	DealAttitude	-2,978	4,142	-,045	-,719	,473
	%Acquired	-1,862	4,970	-,024	-,375	,708

^a. Dependent Variable: %ROA(Y+3)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-4,0951624	7,4914579	3,5052699	1,98124209	242
Residual	-27,85092163	15,70719624	,00000000	5,64691654	242
Std. Predicted Value	-3,836	2,012	,000	1,000	242
Std. Residual	-4,829	2,723	,000	,979	242

^a. Dependent Variable: %ROA(Y+3)

Scatterplot*White Test for Heteroskedasticity^{a,b,c}*

Chi-Square	df	Sig.
59,309	53	,256

a. Dependent variable: %ROA(Y+3)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [2]*Descriptive Statistics*

	Mean	Std. Deviation	N
%ROE(Y+3)	14,2088755	75,71111715	240
CGScore(Y+3)%	56,7038708	21,98878500	240
LogFirmSize(Y0)	21,1983390189	1,45381304661	240
Debt/Equity(Y0)	107,5425690085	206,4655478454	240
LogDealSize	22,1127568665	1,02792825408	240
Debt/Assets(Y0)	25,60131065204	13,61613256388	240
CrossBorder	,26	,439	240
Diversification	,37	,484	240
Synergy	,77	,421	240
DealAttitude	,99	,091	240
%Acquired	,9847503	,07630712	240

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,211 ^a	,045	,003	75,60243604

^a. Predictors: (Constant), %Acquired, CrossBorder, LogDealSize,

DealAttitude, Debt/Equity(Y0), Diversification, Synergy, CGScore

(Y+3)%, LogFirmSize(Y0), Debt/Assets(Y0)

^b. Dependent Variable: %ROE(Y+3)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61087,621	10	6108,762	1,069	,387 ^b
	Residual	1308901,789	229	5715,728		
	Total	1369989,409	239			

^a. Dependent Variable: %ROE(Y+3)

^b. Predictors: (Constant), %Acquired, CrossBorder, LogDealSize, DealAttitude, Debt/Equity(Y0), Diversification, Synergy, CGScore(Y+3)%, LogFirmSize(Y0), Debt/Assets(Y0)

Coefficients^a

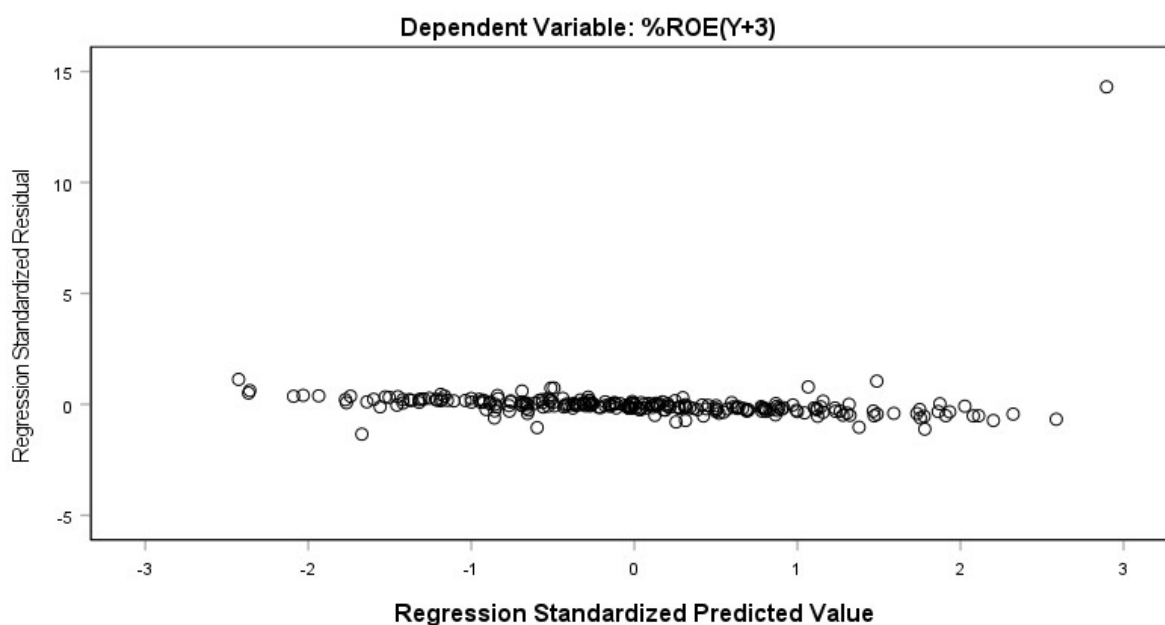
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-148,179	141,542		-1,047	,296
	CGScore(Y+3)%	,369	,245	,107	1,509	,133
	LogFirmSize(Y0)	,090	4,079	,002	,022	,982
	Debt/Equity(Y0)	,022	,029	,061	,779	,437
	LogDealSize	6,796	5,472	,092	1,242	,216
	Debt/Assets(Y0)	-,366	,452	-,066	-,810	,419
	CrossBorder	-13,471	11,515	-,078	-1,170	,243
	Diversification	-5,870	10,578	-,038	-,555	,580
	Synergy	-26,012	12,733	-,145	-2,043	,042
	DealAttitude	-5,126	54,306	-,006	-,094	,925
	%Acquired	27,436	65,170	,028	,421	,674

^a. Dependent Variable: %ROE(Y+3)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-24,5933933	60,5128975	14,2088755	15,98739312	240
Residual	-101,28858185	1081,99841309	,00000000	74,00389531	240
Std. Predicted Value	-2,427	2,896	,000	1,000	240
Std. Residual	-1,340	14,312	,000	,979	240

^a. Dependent Variable: %ROE(Y+3)

Scatterplot*White Test for Heteroskedasticity^{a,b,c}*

Chi-Square	df	Sig.
109,451	53	<,001

a. Dependent variable: %ROE(Y+3)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [3]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y+3)	3,6663440	5,88296799	220
CGScore(Y+3)%	58,7029796	20,43603306	220
LogFirmSize(Y0)	21,2265522020	1,43372667465	220
Debt/Equity(Y0)	121,8594697401	305,9585134066	220
LogDealSize	22,1062507294	1,02978138036	220
Debt/Assets(Y0)	25,63541620518	14,15058691295	220
CrossBorder	,26	,442	220
Diversification	,37	,483	220
Synergy	,79	,408	220
DealAttitude	,99	,095	220
%Acquired	,9890004	,06298278	220
BPAudit(Y+3)	1,00	,000	220
BPSize(Y+3)	,00	,000	220
BPIndependence(Y+3)	,91	,288	220
BPDiversity(Y+3)	,70	,459	220
AvBMeetingAttendance(Y+3)	82,5374545	10,31196777	220
BSize(Y+3)	11,67	2,547	220
BGenderDiversity(Y+3)	19,2908025	9,82018694	220
BSpe. Skills(Y+3)	55,5944574	20,91971470	220
AvBTenure(Y+3)	7,7073142	2,74770868	220
DBStructureType(Y+3)	,94	,236	220
LogBMemberCompensation (Y+3)	14,6805291	,80429743	220
CEOBMember(Y+3)	,61	,489	220
CEOChairmanSep. (Y+3)	,95	,228	220
IndependentBMembers(%) (Y+3)	78,7141234	16,52947872	220
NonExec.BMembers(Y+3)	86,0267936	7,91623379	220

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,442 ^a	,195	,101	5,57780282

^a. Predictors: (Constant), NonExec.BMembers(Y+3), Debt/Assets(Y0), %

Acquired, BPIndependence(Y+3), CEOBMember(Y+3), Synergy, Diversification, BGenderDiversity(Y+3), DealAttitude, LogDealSize, AvBTenure(Y+3), DBStructureType(Y+3), BPDiversity(Y+3), AvBMeetingAttendance(Y+3), BSpe.Skills(Y+3), LogBMemberCompensation(Y+3), Debt/Equity(Y0), BSize(Y+3), CGScore(Y+3)%, LogFirmSize(Y0), CrossBorder, IndependentBMembers(%) (Y+3), CEOChairmanSep.(Y+3)

^b. Dependent Variable: %ROA(Y+3)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1481,510	23	64,413	2,070	,004 ^b
	Residual	6097,929	196	31,112		
	Total	7579,439	219			

^a. Dependent Variable: %ROA(Y+3)

^b. Predictors: (Constant), NonExec.BMembers(Y+3), Debt/Assets(Y0), %Acquired, BPIndependence(Y+3), CEOBMember(Y+3), Synergy, Diversification, BGenderDiversity (Y+3), DealAttitude, LogDealSize, AvBTenure(Y+3), DBStructureType(Y+3), BPDiversity (Y+3), AvBMeetingAttendance(Y+3), BSpe.Skills(Y+3), LogBMemberCompensation(Y+3), Debt/Equity(Y0), BSize(Y+3), CGScore(Y+3)%, LogFirmSize(Y0), CrossBorder, IndependentBMembers(%) (Y+3), CEOChairmanSep.(Y+3)

Coefficients^a

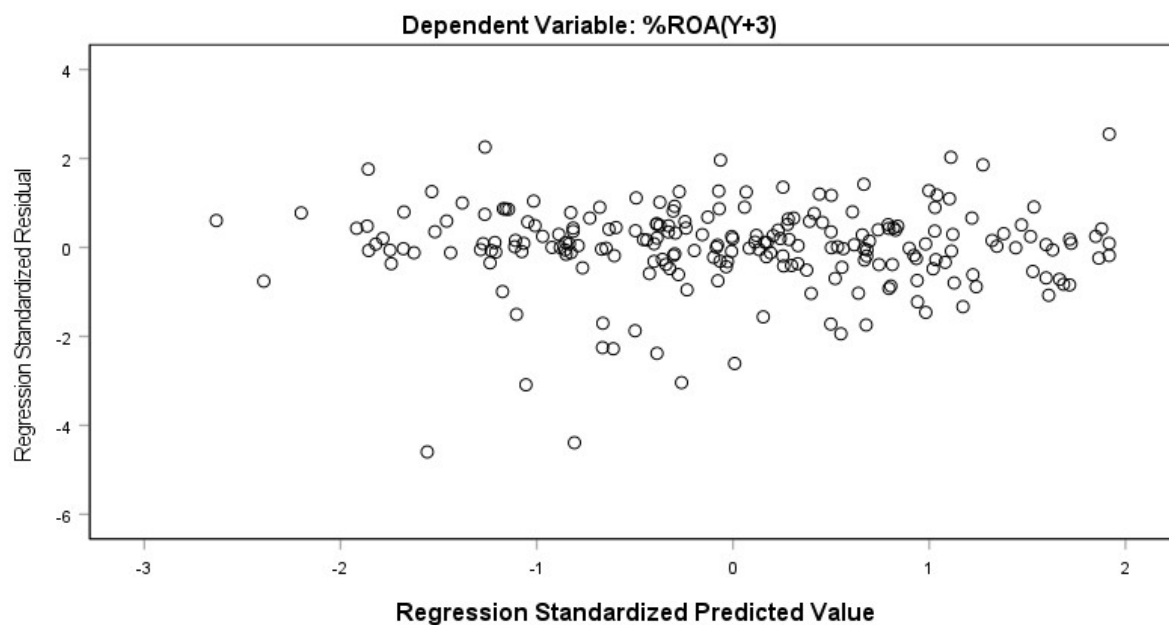
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-7,748	14,908		-,520	,604
	CGScore(Y+3)%	,010	,026	,036	,399	,691
	LogFirmSize(Y0)	,772	,361	,188	2,139	,034
	Debt/Equity(Y0)	-7,709E-5	,002	-,004	-,049	,961
	LogDealSize	,061	,482	,011	,126	,900
	Debt/Assets(Y0)	-,082	,035	-,197	-2,368	,019
	CrossBorder	,467	1,229	,035	,380	,704
	Diversification	,727	,853	,060	,851	,396
	Synergy	,128	1,076	,009	,119	,905
	DealAttitude	-,574	4,197	-,009	-,137	,891
	%Acquired	-4,378	6,822	-,047	-,642	,522
	BPIdependence(Y+3)	3,402	1,591	,167	2,139	,034
	BPDiversity(Y+3)	,901	,933	,070	,965	,336
	AvBMeetingAttendance(Y+3)	,013	,048	,023	,270	,787
	BSize(Y+3)	-,259	,218	-,112	-1,190	,235
	BGenderDiversity(Y+3)	-,043	,048	-,071	-,893	,373
	BSpe. Skills(Y+3)	-,068	,024	-,241	-2,869	,005
	AvBTenure(Y+3)	,290	,160	,136	1,818	,071
	DBStructureType(Y+3)	2,784	2,591	,112	1,075	,284
	LogBMemberCompensation (Y+3)	,339	,610	,046	,556	,579
	CEOBMember(Y+3)	,901	,972	,075	,927	,355
	CEOChairmanSep. (Y+3)	-1,458	2,592	-,056	-,563	,574
	IndependentBMembers(%) (Y+3)	-,021	,035	-,058	-,593	,554
	NonExec.BMembers(Y+3)	-,058	,067	-,077	-,857	,393

^a Dependent Variable: %ROA(Y+3)*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-3,1804695	8,6555243	3,6663440	2,60093949	220
Residual	-25,63230133	14,22238636	,00000000	5,27678180	220
Std. Predicted Value	-2,632	1,918	,000	1,000	220
Std. Residual	-4,595	2,550	,000	,946	220

^a Dependent Variable: %ROA(Y+3)

Scatterplot



Model [4]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROE(Y+3)	15,1328934	79,03095729	218
CGScore(Y+3)%	58,8175129	20,36548452	218
LogFirmSize(Y0)	21,2228249915	1,43845874800	218
Debt/Equity(Y0)	103,6418996299	208,4031683515	218
LogDealSize	22,1230203064	1,04522070033	218
Debt/Assets(Y0)	25,20299528757	13,48795245509	218
CrossBorder	,27	,443	218
Diversification	,36	,482	218
Synergy	,79	,409	218
DealAttitude	,99	,096	218
%Acquired	,9888994	,06326347	218
BPAudit(Y+3)	1,00	,000	218
BPSize(Y+3)	,00	,000	218
BPIndependence(Y+3)	,91	,289	218
BPDiversity(Y+3)	,70	,461	218
AvBMeetingAttendance(Y+3)	82,5790826	10,29522238	218
BSize(Y+3)	11,70	2,565	218
BGenderDiversity(Y+3)	19,1668371	9,75397261	218
BSpe. Skills(Y+3)	55,6600920	20,93403534	218
AvBTenure(Y+3)	7,7623911	2,72836115	218
DBStructureType(Y+3)	,94	,237	218
LogBMemberCompensation (Y+3)	14,6799011	,80827742	218
CEOBMember(Y+3)	,61	,489	218
CEOChairmanSep. (Y+3)	,94	,229	218
IndependentBMembers(%) (Y+3)	78,6212539	16,57088290	218
NonExec.BMembers(Y+3)	86,1044487	7,92693753	218

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,268 ^a	,072	-,038	80,51618472

^a Predictors: (Constant), NonExec.BMembers(Y+3), Debt/Assets(Y0), %

Acquired, BPIndependence(Y+3), CEOBMember(Y+3), Synergy,

BGenderDiversity(Y+3), DealAttitude, Diversification,

AvBMeetingAttendance(Y+3), LogDealSize, AvBTenure(Y+3),

DBStructureType(Y+3), BPDiversity(Y+3), BSpe.Skills(Y+3),

Debt/Equity(Y0), LogBMemberCompensation(Y+3), CGScore(Y+3)%,

LogFirmSize(Y0), BSize(Y+3), CrossBorder, IndependentBMembers(%)

(Y+3), CEOChairmanSep.(Y+3)

^b Dependent Variable: %ROE(Y+3)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	97684,545	23	4247,154	,655	,884 ^b
	Residual	1257674,064	194	6482,856		
	Total	1355358,610	217			

^a Dependent Variable: %ROE(Y+3)

^b Predictors: (Constant), NonExec.BMembers(Y+3), Debt/Assets(Y0), %Acquired,

BPIndependence(Y+3), CEOBMember(Y+3), Synergy, BGenderDiversity(Y+3), DealAttitude,

Diversification, AvBMeetingAttendance(Y+3), LogDealSize, AvBTenure(Y+3),

DBStructureType(Y+3), BPDiversity(Y+3), BSpe.Skills(Y+3), Debt/Equity(Y0),

LogBMemberCompensation(Y+3), CGScore(Y+3)%, LogFirmSize(Y0), BSize(Y+3),

CrossBorder, IndependentBMembers(%) (Y+3), CEOChairmanSep.(Y+3)

Coefficients^a

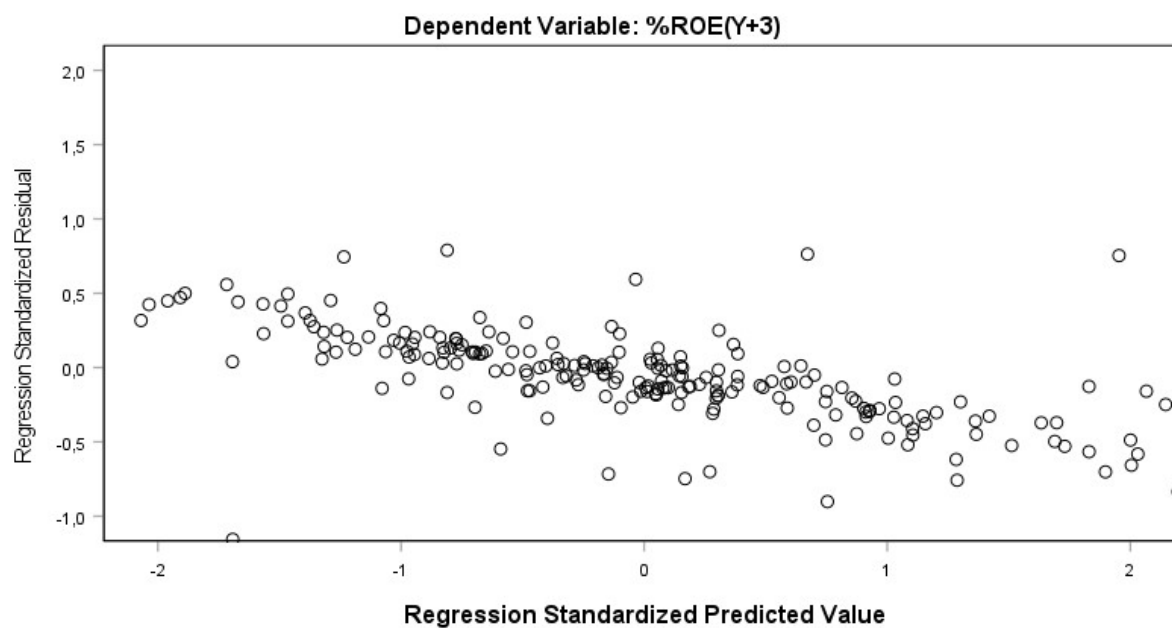
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-130,353	213,270		-,611	,542
	CGScore(Y+3)%	,482	,375	,124	1,284	,201
	LogFirmSize(Y0)	1,311	5,243	,024	,250	,803
	Debt/Equity(Y0)	,031	,033	,082	,948	,345
	LogDealSize	7,278	6,998	,096	1,040	,300
	Debt/Assets(Y0)	-,492	,511	-,084	-,962	,337
	CrossBorder	-9,334	17,744	-,052	-,526	,599
	Diversification	-11,808	12,463	-,072	-,947	,345
	Synergy	-30,255	15,617	-,157	-1,937	,054
	DealAttitude	-7,497	60,637	-,009	-,124	,902
	%Acquired	52,832	98,494	,042	,536	,592
	BPIIndependence(Y+3)	-1,951	23,033	-,007	-,085	,933
	BPDiversity(Y+3)	9,972	13,494	,058	,739	,461
	AvBMeetingAttendance(Y+3)	-,403	,700	-,052	-,575	,566
	BSize(Y+3)	-3,501	3,195	-,114	-1,096	,275
	BGenderDiversity(Y+3)	-,141	,691	-,017	-,204	,838
	BSpe. Skills(Y+3)	-,401	,343	-,106	-1,167	,245
	AvBTenure(Y+3)	,825	2,352	,028	,351	,726
	DBStructureType(Y+3)	9,617	37,409	,029	,257	,797
	LogBMemberCompensation (Y+3)	-,172	8,842	-,002	-,019	,984
	CEOBMember(Y+3)	10,220	14,158	,063	,722	,471
	CEOChairmanSep. (Y+3)	2,710	37,560	,008	,072	,943
	IndependentBMembers(%) (Y+3)	-,238	,506	-,050	-,471	,638
	NonExec. BMembers(Y+3)	,166	,973	,017	,171	,864

^a Dependent Variable: %ROE(Y+3)*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-28,7652302	85,6007843	15,1328934	21,21695537	218
Residual	-93,03003693	1056,91052246	,00000000	76,12971178	218
Std. Predicted Value	-2,069	3,321	,000	1,000	218
Std. Residual	-1,155	13,127	,000	,946	218

^a Dependent Variable: %ROE(Y+3)

Scatterplot



Model [5]*Descriptive Statistics*

	Mean	Std. Deviation	N
CGScore(Y+3)%	58,1902119	20,55106008	228
BPAudit(Y+3)	1,00	,000	228
BPSize(Y+3)	,00	,000	228
BPIndependence(Y+3)	,90	,296	228
BPDiversity(Y+3)	,69	,462	228
AvBMeetingAttendance(Y+3)	82,5363158	10,29309214	228
BSize(Y+3)	11,64	2,549	228
BGenderDiversity(Y+3)	19,3587235	9,91889976	228
BSpe. Skills(Y+3)	55,8420408	20,75952515	228
AvBTenure(Y+3)	7,6550509	2,85407328	228
DBStructureType(Y+3)	,94	,232	228
LogBMemberCompensation (Y+3)	14,6857799	,79560001	228
CEOBMember(Y+3)	,60	,491	228
CEOChairmanSep. (Y+3)	,95	,224	228
IndependentBMembers(%) (Y+3)	78,6842082	16,49998354	228
NonExec.BMembers(Y+3)	85,8606624	8,13310063	228

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,644 ^a	,415	,380	16,18535550

^a. Predictors: (Constant), NonExec.BMembers(Y+3), AvBTenure(Y+3),

BPDiversity(Y+3), LogBMemberCompensation(Y+3),

CEOChairmanSep. (Y+3), BSize(Y+3), BGenderDiversity(Y+3),

CEOBMember(Y+3), BPIndependence(Y+3), AvBMeetingAttendance

(Y+3), BSpe. Skills(Y+3), IndependentBMembers(%) (Y+3),

DBStructureType(Y+3)

^b. Dependent Variable: CGScore(Y+3)%

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39811,891	13	3062,453	11,690	<,001 ^b
	Residual	56060,667	214	261,966		
	Total	95872,558	227			

^a. Dependent Variable: CGScore(Y+3)%

^b. Predictors: (Constant), NonExec.BMembers(Y+3), AvBTenure(Y+3), BPDiversity(Y+3), LogBMemberCompensation(Y+3), CEOChairmanSep.(Y+3), BSize(Y+3), BGenderDiversity(Y+3), CEOBMember(Y+3), BPIndependence(Y+3), AvBMeetingAttendance(Y+3), BSpe.Skills(Y+3), IndependentBMembers(%) (Y+3), DBStructureType(Y+3)

Coefficients^a

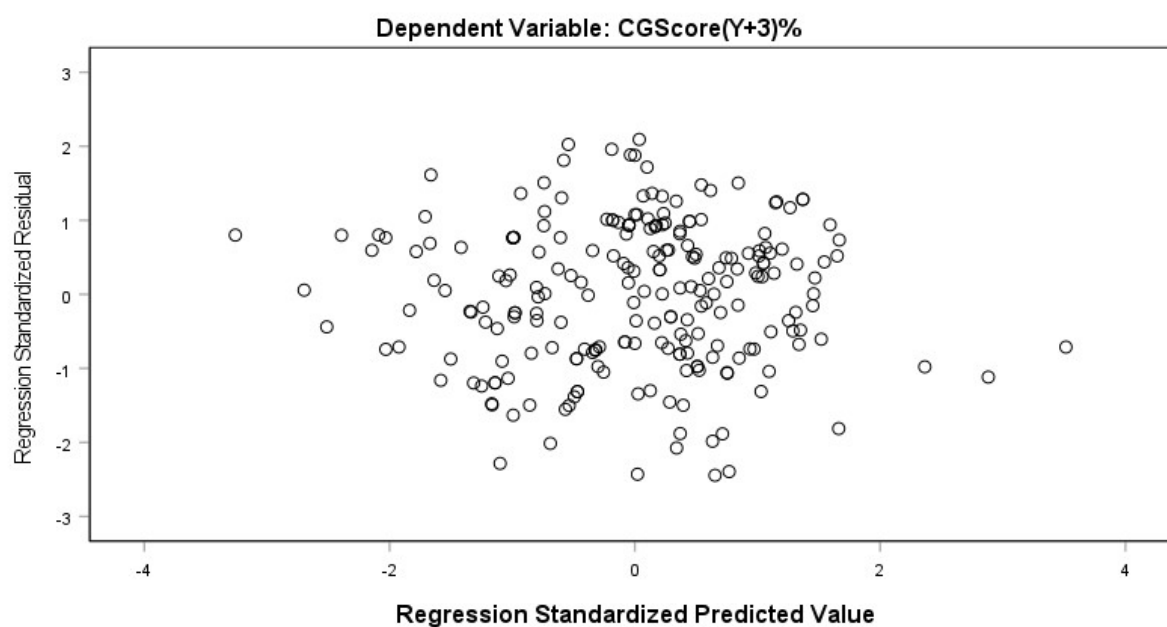
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-139,188	28,019		-4,968	<,001
	BPIndependence(Y+3)	-6,391	4,337	-,092	-1,473	,142
	BPDiversity(Y+3)	,965	2,543	,022	,379	,705
	AvBMeetingAttendance(Y+3)	,568	,126	,284	4,522	<,001
	BSize(Y+3)	,284	,539	,035	,527	,598
	BGenderDiversity(Y+3)	,439	,125	,212	3,515	<,001
	BSpe.Skills(Y+3)	,114	,066	,115	1,729	,085
	AvBTenure(Y+3)	1,524	,420	,212	3,629	<,001
	DBStructureType(Y+3)	-4,975	7,231	-,056	-,688	,492
	LogBMemberCompensation (Y+3)	1,545	1,551	,060	,996	,320
	CEOBMember(Y+3)	-9,539	2,485	-,228	-3,839	<,001
	CEOChairmanSep.(Y+3)	-3,631	6,985	-,040	-,520	,604
	IndependentBMembers(%) (Y+3)	,359	,092	,288	3,894	<,001
	NonExec.BMembers(Y+3)	1,034	,165	,409	6,276	<,001

^a. Dependent Variable: CGScore(Y+3)%

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	15,0613289	104,7475815	58,1902119	13,24321640	228
Residual	-39,54106522	33,88249207	,00000000	15,71506569	228
Std. Predicted Value	-3,257	3,516	,000	1,000	228
Std. Residual	-2,443	2,093	,000	,971	228

^a. Dependent Variable: CGScore(Y+3)%

Scatterplot

Appendix 6. Regression analysis Y+4

Descriptives

			Statistic	Std. Error
%ROA(Y+4)	Mean		3,5388029	,39634417
	95% Confidence	Lower Bound	2,7581420	
	Interval for Mean	Upper Bound	4,3194639	
	5% Trimmed Mean		3,7894719	
	Median		4,0838400	
	Variance		38,801	
	Std. Deviation		6,22903754	
	Minimum		-21,03233	
	Maximum		24,35963	
	Range		45,39196	
	Interquartile Range		5,34553	
	Skewness		-,749	,155
	Kurtosis		2,932	,309
%ROE(Y+4)	Mean		16,8076230	7,54242520
	95% Confidence	Lower Bound	1,9516537	
	Interval for Mean	Upper Bound	31,6635923	
	5% Trimmed Mean		9,6505416	
	Median		10,1136000	
	Variance		14051,380	
	Std. Deviation		118,53851670	
	Minimum		-96,11086	
	Maximum		1839,33824	
	Range		1935,44910	
	Interquartile Range		14,32358	
	Skewness		14,896	,155
	Kurtosis		229,753	,309
CGScore(Y+4)%	Mean		57,0749956	1,43429442
	95% Confidence	Lower Bound	54,2499316	
	Interval for Mean	Upper Bound	59,9000596	
	5% Trimmed Mean		57,6961411	
	Median		59,8628400	
	Variance		508,129	
	Std. Deviation		22,54170621	
	Minimum		3,37375	
	Maximum		94,90114	
	Range		91,52739	
	Interquartile Range		37,20255	
	Skewness		-,397	,155
	Kurtosis		-,777	,309
FirmSize(Y+4)	Mean		4647303661,898867	1342601902,7552 99600000
	95% Confidence	Lower Bound	2002842217,1918168	
	Interval for Mean	Upper Bound	7291765106,605917	
	5% Trimmed Mean		493440084,2060071	
	Median		32537,000	

LogFirmSize(Y+4)	Variance		445237227712691400000	
	Std. Deviation		21100645196,597458	
	Minimum		1187,413000000	
	Maximum		1,880020000E+11	
	Range		188001998812,587000000	
	Interquartile Range		77555,700000000	
	Skewness		5,695	,155
	Kurtosis		35,985	,309
	Mean		25,1214663710	,26178760579
	95% Confidence	Lower Bound	24,6058353200	
	Interval for Mean	Upper Bound	25,6370974220	
	5% Trimmed Mean		24,5556167009	
	Median		24,2056437400	
	Variance		16,928	
	Std. Deviation		4,11431517807	
	Minimum		20,89504283	
	Maximum		39,77522900	
	Range		18,88018617	
	Interquartile Range		2,14215604	
	Skewness		2,592	,155
	Kurtosis		5,790	,309
Debt/Equity(Y+4)	Mean		288,5286805889	170,75500901252
	95% Confidence	Lower Bound	-47,7996360160	
	Interval for Mean	Upper Bound	624,8569971938	
	5% Trimmed Mean		91,8684080515	
	Median		81,4115700000	
	Variance		7201846,456	
	Std. Deviation		2683,62561778057	
	Minimum		,00000000	
	Maximum		42210,00000000	
	Range		42210,00000000	
	Interquartile Range		74,72261000	
	Skewness		15,622	,155
	Kurtosis		245,000	,309

Model [1]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y+4)	3,6102184	6,55150363	245
CGScore(Y+4)%	57,4333466	22,51318846	245
LogFirmSize(Y0)	21,1901989430	1,45323465550	245
Debt/Equity(Y0)	123,8052143	295,03063274	245
Debt/Assets(Y0)	26,1936127	14,01611933	245
LogDealSize	22,11087669	1,024535880	245
CrossBorder	,26	,440	245
Diversification	,37	,484	245
Synergy	,78	,418	245
DealAttitude	,99	,090	245
%Acquired	98,48%	7,686%	245

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,439 ^a	,192	,158	6,01224820

^a. Predictors: (Constant), %Acquired, DealAttitude, Debt/Equity(Y0),

LogDealSize, CrossBorder, Diversification, Synergy, CGScore(Y+4)%,

LogFirmSize(Y0), Debt/Assets(Y0)

^b. Dependent Variable: %ROA(Y+4)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2014,589	10	201,459	5,573	<,001 ^b
	Residual	8458,428	234	36,147		
	Total	10473,017	244			

^a. Dependent Variable: %ROA(Y+4)

^b. Predictors: (Constant), %Acquired, DealAttitude, Debt/Equity(Y0), LogDealSize, CrossBorder, Diversification, Synergy, CGScore(Y+4)%, LogFirmSize(Y0), Debt/Assets(Y0)

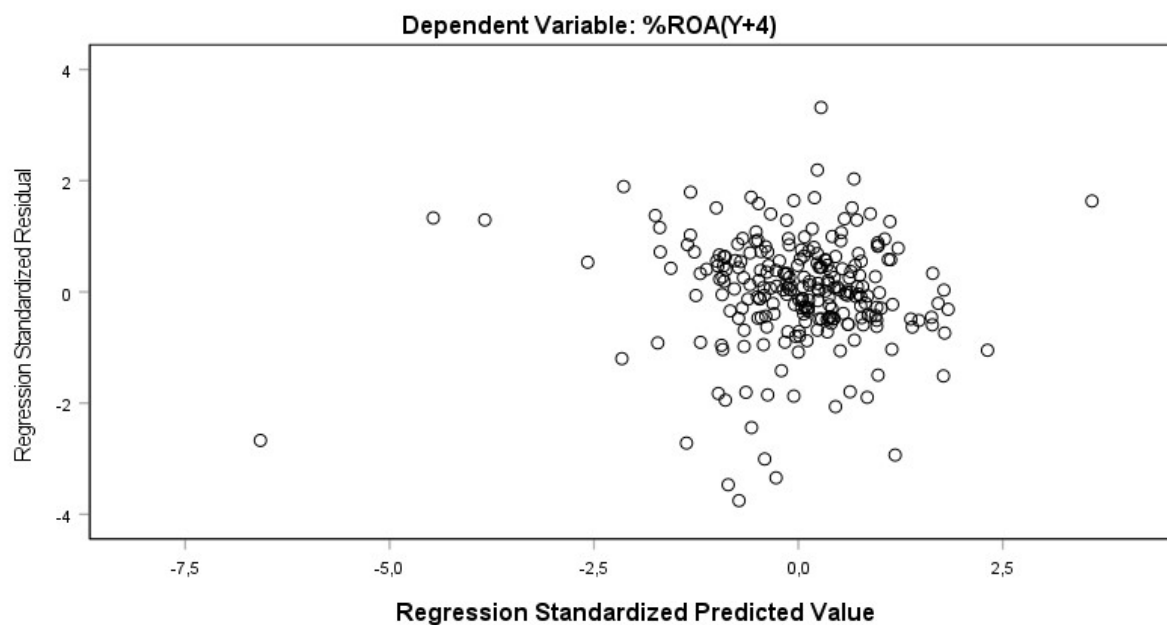
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,268	11,246		,202	,840
	CGScore(Y+4)%	,014	,019	,050	,774	,440
	LogFirmSize(Y0)	,975	,317	,216	3,074	,002
	Debt/Equity(Y0)	-,005	,002	-,223	-3,095	,002
	Debt/Assets(Y0)	-,051	,035	-,110	-1,467	,144
	LogDealSize	-,326	,429	-,051	-,761	,448
	CrossBorder	1,095	,899	,074	1,218	,224
	Diversification	1,297	,828	,096	1,566	,119
	Synergy	-,477	1,000	-,030	-,477	,634
	DealAttitude	-2,950	4,319	-,041	-,683	,495
	%Acquired	-,086	,051	-,101	-1,699	,091

^a. Dependent Variable: %ROA(Y+4)*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-15,2937927	13,9327793	3,6102184	2,87341452	245
Residual	-22,56009102	19,94743347	,00000000	5,88775753	245
Std. Predicted Value	-6,579	3,592	,000	1,000	245
Std. Residual	-3,752	3,318	,000	,979	245

^a. Dependent Variable: %ROA(Y+4)

Scatterplot*White Test for Heteroskedasticity^{a,b,c}*

Chi-Square	df	Sig.
52,163	53	,507

a. Dependent variable: %ROA(Y+4)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [2]*Descriptive Statistics*

	Mean	Std. Deviation	N
%ROE(Y+4)	17,3441515	119,92834360	241
CGScore(Y+4)%	57,3971078	22,51546412	241
LogFirmSize(Y0)	21,1762083900	1,45769184460	241
Debt/Equity(Y0)	104,6777644	200,12191223	241
Debt/Assets(Y0)	25,7340701	13,34526649	241
LogDealSize	22,10789876	1,022013245	241
CrossBorder	,27	,443	241
Diversification	,37	,484	241
Synergy	,77	,421	241
DealAttitude	,99	,091	241
%Acquired	98,46%	7,747%	241

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,179 ^a	,032	-,010	120,52968607

^a. Predictors: (Constant), %Acquired, DealAttitude, LogDealSize,

CrossBorder, Debt/Equity(Y0), Diversification, Synergy, CGScore

(Y+4)%, LogFirmSize(Y0), Debt/Assets(Y0)

^b. Dependent Variable: %ROE(Y+4)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	110570,622	10	11057,062	,761	,666 ^b
	Residual	3341303,202	230	14527,405		
	Total	3451873,824	240			

^a. Dependent Variable: %ROE(Y+4)

^b. Predictors: (Constant), %Acquired, DealAttitude, LogDealSize, CrossBorder, Debt/Equity(Y0), Diversification, Synergy, CGScore(Y+4)%, LogFirmSize(Y0), Debt/Assets(Y0)

Coefficients^a

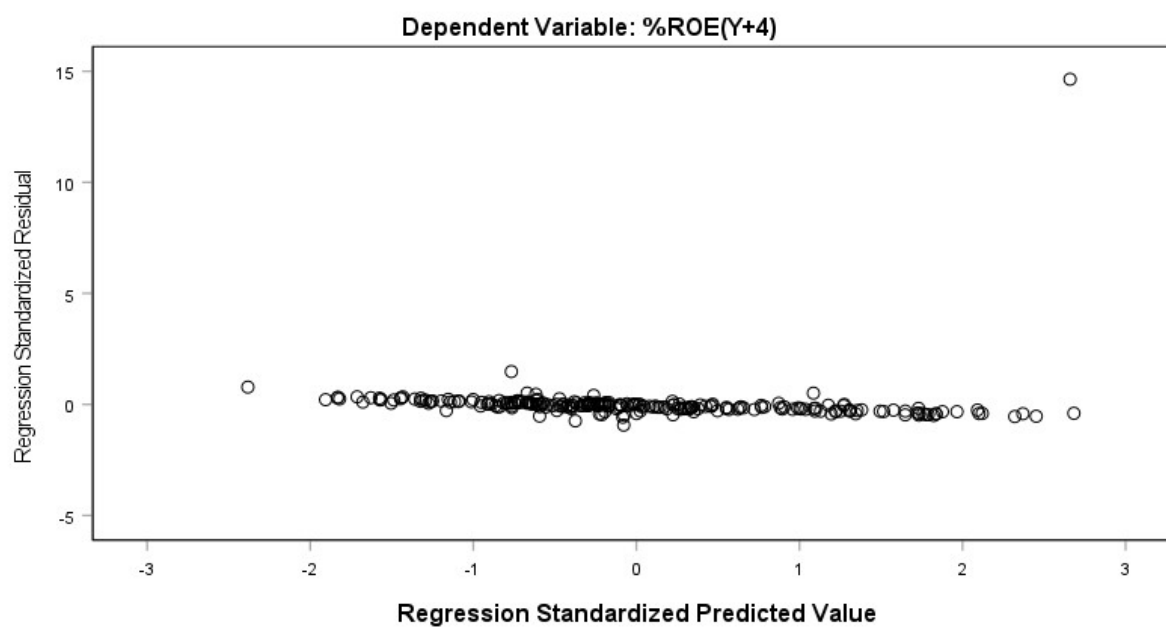
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-152,622	226,545		-,674	,501
	CGScore(Y+4)%	,311	,376	,058	,828	,409
	LogFirmSize(Y0)	1,724	6,410	,021	,269	,788
	Debt/Equity(Y0)	,031	,046	,051	,666	,506
	Debt/Assets(Y0)	-,627	,719	-,070	-,872	,384
	LogDealSize	6,913	8,713	,059	,793	,428
	CrossBorder	-11,251	18,062	-,042	-,623	,534
	Diversification	-7,774	16,806	-,031	-,463	,644
	Synergy	-38,895	20,126	-,136	-1,933	,055
	DealAttitude	-3,579	86,615	-,003	-,041	,967
	%Acquired	,153	1,015	,010	,151	,880

^a. Dependent Variable: %ROE(Y+4)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-33,7774162	74,9501648	17,3441515	21,46417770	241
Residual	-111,80227661	1764,89941406	,000000000	117,99193478	241
Std. Predicted Value	-2,382	2,684	,000	1,000	241
Std. Residual	-,928	14,643	,000	,979	241

^a. Dependent Variable: %ROE(Y+4)

Scatterplot*White Test for Heteroskedasticity^{a,b,c}*

Chi-Square	df	Sig.
101,798	53	<,001

a. Dependent variable: %ROE(Y+4)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [3]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y+4)	3,7024654	6,20815623	224
CGScore(Y+4)%	60,1518669	20,68213469	224
LogFirmSize(Y0)	21,2343820608	1,43975347899	224
Debt/Equity(Y0)	109,9178514	214,90331009	224
Debt/Assets(Y0)	25,5637851	13,57456489	224
LogDealSize	22,12751165	1,040160310	224
CrossBorder	,25	,437	224
Diversification	,36	,482	224
Synergy	,79	,408	224
DealAttitude	,99	,094	224
%Acquired	98,67%	7,226%	224
BPAudit(Y+4)	1,00	,000	224
BPSize(Y+4)	,87	,341	224
BPIndependence(Y+4)	,91	,286	224
BPDiversity(Y+4)	,73	,444	224
AvBMeetingAttendance(Y+4)	82,4736161	10,31989366	224
BSize(Y+4)	11,73	2,611	224
BGenderDiversity(Y+4)	21,0773350	10,28170442	224
BSpe. Skills(Y+4)	56,8755568	20,85332080	224
AvBTenure(Y+4)	7,7434352	2,63567175	224
DBStructureType(Y+4)	,94	,243	224
CEOChairmanSep. (Y+4)	,59	,492	224
CEOBMember(Y+4)	,94	,234	224
IndependentBMembers(%) (Y+4)	79,7912949	15,94439076	224
NonExec.BMembers(Y+4)	86,3460500	8,23623295	224
LogBMemberCompensation (Y+4)	14,7687921	,67095972	224

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,507 ^a	,257	,168	5,66434914

^a. Predictors: (Constant), LogBMemberCompensation(Y+4), BPSize(Y+4), BGenderDiversity(Y+4), %Acquired, Debt/Equity(Y0), DealAttitude, Synergy, Diversification, CEOChairmanSep. (Y+4), NonExec.BMembers (Y+4), LogDealSize, AvBTenure(Y+4), AvBMeetingAttendance(Y+4), CEOBMember(Y+4), BPDiversity(Y+4), BPIndependence(Y+4), BSpe. Skills(Y+4), IndependentBMembers(%) (Y+4), LogFirmSize(Y0), Debt/Assets(Y0), CGScore(Y+4)%, CrossBorder, BSize(Y+4), DBStructureType(Y+4)

^b. Dependent Variable: %ROA(Y+4)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2209,803	24	92,075	2,870	<,001 ^b
	Residual	6384,885	199	32,085		
	Total	8594,688	223			

^a. Dependent Variable: %ROA(Y+4)

^b. Predictors: (Constant), LogBMemberCompensation(Y+4), BPSize(Y+4), BGenderDiversity (Y+4), %Acquired, Debt/Equity(Y0), DealAttitude, Synergy, Diversification, CEOChairmanSep. (Y+4), NonExec.BMembers(Y+4), LogDealSize, AvBTenure(Y+4), AvBMeetingAttendance (Y+4), CEOBMember(Y+4), BPDiversity(Y+4), BPIndependence(Y+4), BSpe. Skills(Y+4), IndependentBMembers(%) (Y+4), LogFirmSize(Y0), Debt/Assets(Y0), CGScore(Y+4)%, CrossBorder, BSize(Y+4), DBStructureType(Y+4)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-6,364	14,988		-,425	,672
	CGScore(Y+4)%	-,005	,026	-,015	-,179	,858
	LogFirmSize(Y0)	,753	,365	,175	2,062	,041
	Debt/Equity(Y0)	,002	,002	,079	1,018	,310
	Debt/Assets(Y0)	-,100	,037	-,218	-2,701	,008
	LogDealSize	-,402	,471	-,067	-,853	,395
	CrossBorder	2,220	1,214	,156	1,828	,069
	Diversification	1,940	,855	,150	2,270	,024
	Synergy	-1,182	1,094	-,078	-1,080	,282
	DealAttitude	-4,401	4,349	-,067	-1,012	,313
	%Acquired	-,052	,058	-,060	-,896	,371
	BPSIZE(Y+4)	1,717	1,229	,094	1,396	,164
	BPIIndependence(Y+4)	-1,982	1,718	-,091	-1,154	,250
	BPDiversity(Y+4)	1,187	1,014	,085	1,170	,243
	AvBMeetingAttendance(Y+4)	-,021	,049	-,035	-,428	,669
	BSize(Y+4)	,194	,231	,081	,839	,402
	BGenderDiversity(Y+4)	,064	,048	,106	1,321	,188
	BSpe. Skills(Y+4)	,028	,024	,093	1,168	,244
	AvBTenure(Y+4)	,372	,163	,158	2,286	,023
	DBStructureType(Y+4)	2,609	2,716	,102	,960	,338
	CEOChairmanSep.(Y+4)	,139	,970	,011	,143	,886
	CEOBMember(Y+4)	,602	2,619	,023	,230	,819
	IndependentBMembers(%) (Y+4)	,008	,036	,020	,212	,832
	NonExec.BMembers(Y+4)	,070	,064	,093	1,092	,276
	LogBMemberCompensation (Y+4)	-,134	,739	-,014	-,181	,857

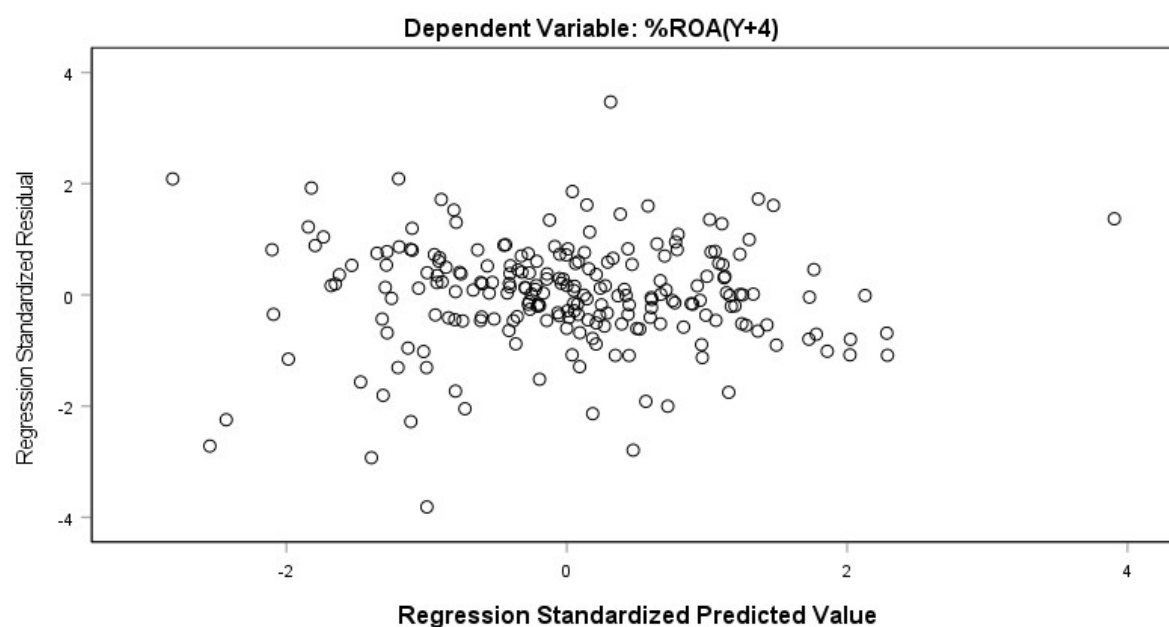
^a. Dependent Variable: %ROA(Y+4)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-5,1460261	16,0022259	3,7024654	3,14792484	224
Residual	-21,59547806	19,67035294	,00000000	5,35086656	224
Std. Predicted Value	-2,811	3,907	,000	1,000	224
Std. Residual	-3,813	3,473	,000	,945	224

^a. Dependent Variable: %ROA(Y+4)

Scatterplot



Model [4]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROE(Y+4)	17,3862175	125,08354534	221
CGScore(Y+4)%	60,0114252	20,72551070	221
LogFirmSize(Y0)	21,2186285924	1,44172462572	221
Debt/Equity(Y0)	103,5564868	205,00816237	221
Debt/Assets(Y0)	25,3087468	13,32026827	221
LogDealSize	22,11824869	1,039641774	221
CrossBorder	,26	,438	221
Diversification	,36	,482	221
Synergy	,79	,410	221
DealAttitude	,99	,095	221
%Acquired	98,65%	7,274%	221
BPAudit(Y+4)	1,00	,000	221
BPSize(Y+4)	,87	,333	221
BPIndependence(Y+4)	,91	,288	221
BPDiversity(Y+4)	,73	,446	221
AvBMeetingAttendance(Y+4)	82,4619457	10,29797678	221
BSize(Y+4)	11,75	2,625	221
BGenderDiversity(Y+4)	20,9356451	10,25467266	221
BSpe. Skills(Y+4)	57,0840691	20,78455350	221
AvBTenure(Y+4)	7,7829697	2,62923495	221
DBStructureType(Y+4)	,94	,244	221
CEOChairmanSep. (Y+4)	,59	,492	221
CEOBMember(Y+4)	,94	,236	221
IndependentBMembers(%) (Y+4)	79,6444881	16,00222578	221
NonExec.BMembers(Y+4)	86,2882218	8,27690951	221
LogBMemberCompensation (Y+4)	14,7660833	,67510247	221

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,242 ^a	,058	-,057	128,59596906

^a. Predictors: (Constant), LogBMemberCompensation(Y+4), BPSize(Y+4),

Debt/Equity(Y0), BGenderDiversity(Y+4), %Acquired, Synergy,

DealAttitude, Diversification, CEOChairmanSep. (Y+4), NonExec.

BMembers(Y+4), LogDealSize, AvBTenure(Y+4),

IndependentBMembers(%) (Y+4), BPDiversity(Y+4), BSpe. Skills(Y+4),

BPIndependence(Y+4), AvBMeetingAttendance(Y+4), CEOBMember

(Y+4), Debt/Assets(Y0), LogFirmSize(Y0), CGScore(Y+4)%,

CrossBorder, BSize(Y+4), DBStructureType(Y+4)

^b. Dependent Variable: %ROE(Y+4)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	200859,571	24	8369,149	,506	,975 ^b
	Residual	3241236,959	196	16536,923		
	Total	3442096,529	220			

^a. Dependent Variable: %ROE(Y+4)

^b. Predictors: (Constant), LogBMemberCompensation(Y+4), BPSize(Y+4), Debt/Equity(Y0),

BGenderDiversity(Y+4), %Acquired, Synergy, DealAttitude, Diversification, CEOChairmanSep.

(Y+4), NonExec.BMembers(Y+4), LogDealSize, AvBTenure(Y+4), IndependentBMembers

(%) (Y+4), BPDiversity(Y+4), BSpe. Skills(Y+4), BPIndependence(Y+4),

AvBMeetingAttendance(Y+4), CEOBMember(Y+4), Debt/Assets(Y0), LogFirmSize(Y0),

CGScore(Y+4)%, CrossBorder, BSize(Y+4), DBStructureType(Y+4)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-52,365	342,908		-,153	,879
	CGScore(Y+4)%	,283	,585	,047	,484	,629
	LogFirmSize(Y0)	-1,664	8,378	-,019	-,199	,843
	Debt/Equity(Y0)	,045	,053	,073	,836	,404
	Debt/Assets(Y0)	-,892	,841	-,095	-1,062	,290
	LogDealSize	8,484	10,708	,071	,792	,429
	CrossBorder	-10,718	27,616	-,038	-,388	,698
	Diversification	-11,146	19,545	-,043	-,570	,569
	Synergy	-53,811	24,982	-,176	-2,154	,032
	DealAttitude	-28,923	98,769	-,022	-,293	,770
	%Acquired	,461	1,308	,027	,352	,725
	BPSIZE(Y+4)	17,104	28,918	,046	,591	,555
	BPIndependence(Y+4)	-34,648	39,196	-,080	-,884	,378
	BPDiversity(Y+4)	11,020	23,077	,039	,478	,634
	AvBMeetingAttendance(Y+4)	-1,114	1,133	-,092	-,983	,327
	BSize(Y+4)	1,146	5,316	,024	,216	,830
	BGenderDiversity(Y+4)	,554	1,105	,045	,502	,616
	BSpe. Skills(Y+4)	-,186	,552	-,031	-,338	,736
	AvBTenure(Y+4)	-,070	3,730	-,001	-,019	,985
	DBStructureType(Y+4)	24,342	61,711	,048	,394	,694
	CEOChairmanSep. (Y+4)	8,464	22,170	,033	,382	,703
	CEOBMember(Y+4)	-17,161	59,524	-,032	-,288	,773
	IndependentBMembers(%) (Y+4)	,103	,816	,013	,126	,900
	NonExec.BMembers(Y+4)	,798	1,456	,053	,548	,584
	LogBMemberCompensation (Y+4)	-3,485	16,785	-,019	-,208	,836

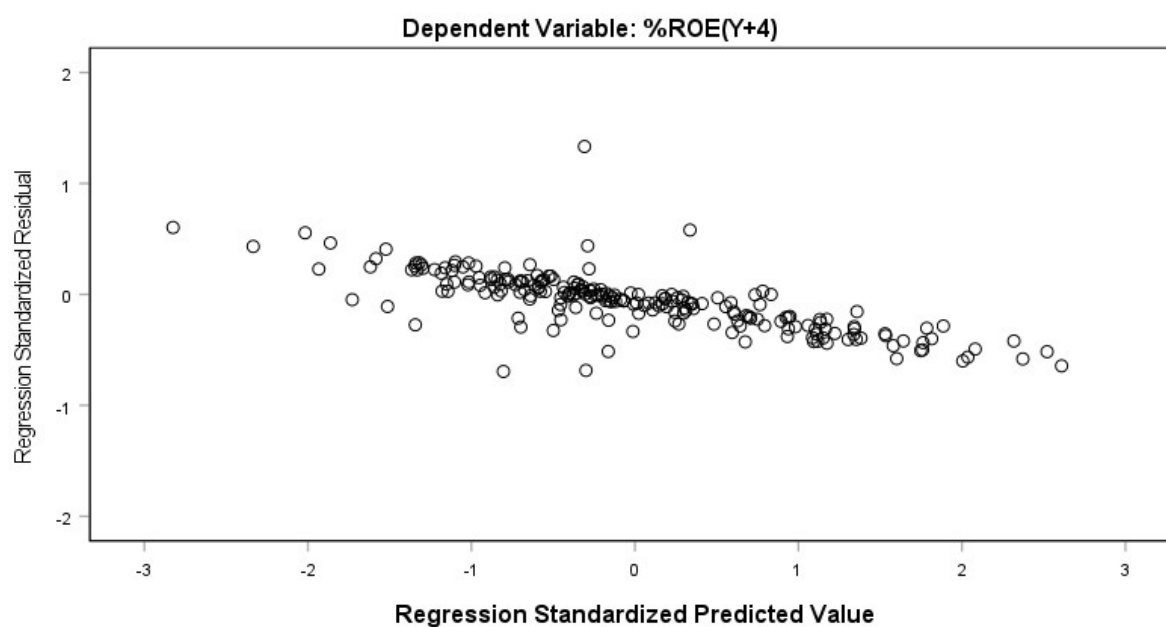
^a Dependent Variable: %ROE(Y+4)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-67,9478989	112,0533066	17,3862175	30,21585756	221
Residual	-89,21588898	1727,28491211	,00000000	121,37913852	221
Std. Predicted Value	-2,824	3,133	,000	1,000	221
Std. Residual	-,694	13,432	,000	,944	221

^a. Dependent Variable: %ROE(Y+4)

Scatterplot



Model [5]

Descriptive Statistics

	Mean	Std. Deviation	N
CGScore(Y+4)%	59,9077002	20,65696695	232
BPAudit(Y+4)	1,00	,000	232
BPSize(Y+4)	,87	,336	232
BPIndependence(Y+4)	,91	,294	232
BPDiversity(Y+4)	,73	,443	232
AvBMeetingAttendance(Y+4)	82,4679741	10,30432472	232
BSize(Y+4)	11,70	2,584	232
BGenderDiversity(Y+4)	20,8998349	10,26605421	232
BSpe. Skills(Y+4)	57,1061386	20,64936297	232
AvBTenure(Y+4)	7,6765735	2,75920082	232
DBStructureType(Y+4)	,94	,239	232
CEOChairmanSep. (Y+4)	,59	,493	232
CEOBMember(Y+4)	,94	,230	232
IndependentBMembers(%) (Y+4)	79,7551620	15,83788806	232
NonExec.BMembers(Y+4)	86,2834329	8,12624566	232
LogBMemberCompensation (Y+4)	14,7700428	,66093679	232

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,652 ^a	,425	,388	16,16396640

^a. Predictors: (Constant), LogBMemberCompensation(Y+4), BPSize(Y+4), BGenderDiversity(Y+4), CEOChairmanSep.(Y+4), NonExec.BMembers(Y+4), AvBTenure(Y+4), IndependentBMembers(%)(Y+4), BPDiversity(Y+4), BSpe.Skills(Y+4), BPIndependence(Y+4), AvBMeetingAttendance(Y+4), CEOBMember(Y+4), BSize(Y+4), DBStructureType(Y+4)

^b. Dependent Variable: CGScore(Y+4)%

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41873,659	14	2990,976	11,448	<,001 ^b
	Residual	56696,417	217	261,274		
	Total	98570,076	231			

^a. Dependent Variable: CGScore(Y+4)%

^b. Predictors: (Constant), LogBMemberCompensation(Y+4), BPSize(Y+4), BGenderDiversity(Y+4), CEOChairmanSep.(Y+4), NonExec.BMembers(Y+4), AvBTenure(Y+4), IndependentBMembers(%)(Y+4), BPDiversity(Y+4), BSpe.Skills(Y+4), BPIndependence(Y+4), AvBMeetingAttendance(Y+4), CEOBMember(Y+4), BSize(Y+4), DBStructureType(Y+4)

Coefficients^a

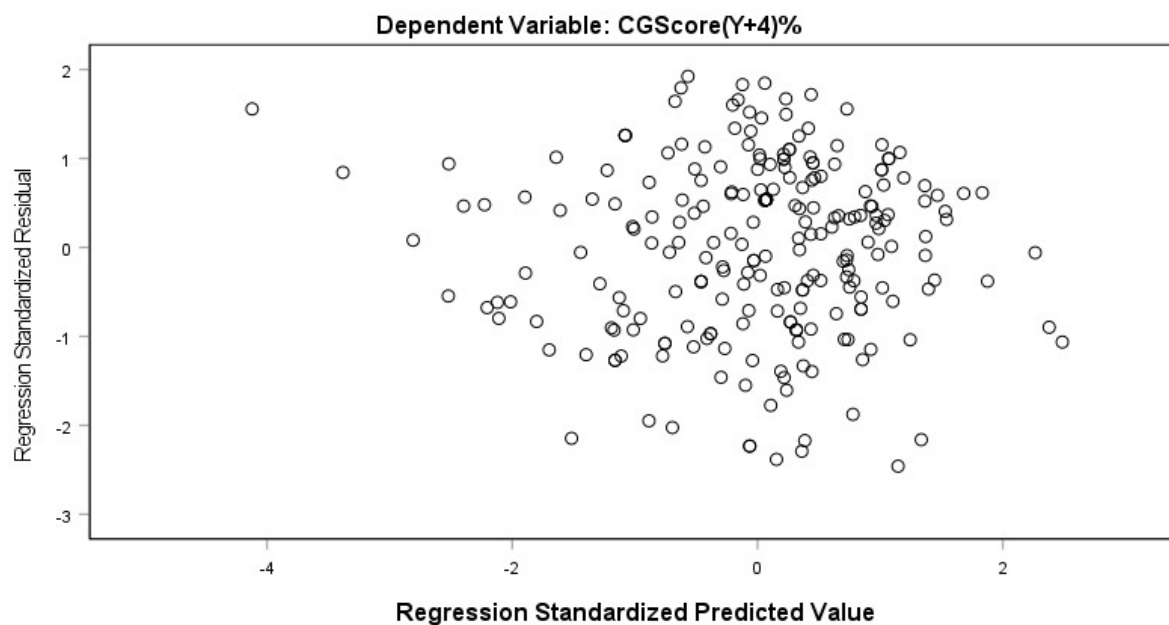
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-111,618	30,216		-3,694	<,001
	BPSize(Y+4)	4,593	3,240	,075	1,418	,158
	BPIndependence(Y+4)	-8,136	4,429	-,116	-1,837	,068
	BPDiversity(Y+4)	1,249	2,721	,027	,459	,647
	AvBMeetingAttendance(Y+4)	,439	,125	,219	3,508	<,001
	BSize(Y+4)	,573	,563	,072	1,019	,309
	BGenderDiversity(Y+4)	,539	,124	,268	4,344	<,001
	BSpe. Skills(Y+4)	,140	,065	,140	2,157	,032
	AvBTenure(Y+4)	1,172	,425	,157	2,762	,006
	DBStructureType(Y+4)	-11,687	7,439	-,135	-1,571	,118
	CEOChairmanSep. (Y+4)	-9,920	2,470	-,237	-4,016	<,001
	CEOBMember(Y+4)	4,527	7,046	,051	,643	,521
	IndependentBMembers(%) (Y+4)	,375	,095	,288	3,943	<,001
	NonExec.BMembers(Y+4)	,934	,159	,367	5,855	<,001
	LogBMemberCompensation (Y+4)	,331	1,993	,011	,166	,868

^a Dependent Variable: CGScore(Y+4)%*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	4,4398928	93,3856430	59,9077002	13,46370121	232
Residual	-39,73526764	31,09546471	,00000000	15,66649397	232
Std. Predicted Value	-4,120	2,487	,000	1,000	232
Std. Residual	-2,458	1,924	,000	,969	232

^a Dependent Variable: CGScore(Y+4)%

Scatterplot



Appendix 7. Regression analysis Y+5

Descriptives

		Statistic	Std. Error
%ROA(Y+5)	Mean	2,8767310	,46295275
	95% Confidence Interval for Mean	Lower Bound Upper Bound	1,9649105 3,7885515
	5% Trimmed Mean	3,4047432	
	Median	3,8983900	
	Variance	53,367	
	Std. Deviation	7,30527116	
	Minimum	-29,55787	
	Maximum	27,20500	
	Range	56,76287	
	Interquartile Range	5,10689	
	Skewness	-1,481	,154
	Kurtosis	5,233	,307
%ROE(Y+5)	Mean	7,9595214	3,00850721
	95% Confidence Interval for Mean	Lower Bound Upper Bound	2,0340388 13,8850040
	5% Trimmed Mean	8,9779860	
	Median	10,1352300	
	Variance	2253,728	
	Std. Deviation	47,47344306	
	Minimum	-565,99557	
	Maximum	275,60274	
	Range	841,59831	
	Interquartile Range	14,99839	
	Skewness	-6,187	,154
	Kurtosis	90,972	,307
CGScore(Y+5)%	Mean	58,5539561	1,39012069
	95% Confidence Interval for Mean	Lower Bound Upper Bound	55,8160083 61,2919040
	5% Trimmed Mean	59,2323557	
	Median	62,8592000	
	Variance	481,176	
	Std. Deviation	21,93573447	
	Minimum	3,42977	
	Maximum	95,33230	
	Range	91,90253	
	Interquartile Range	31,84717	

	Skewness		-,430	,154
	Kurtosis		-,539	,307
LogFirmSize(Y+5)	Mean		25,1391084579	,26067745453
	95% Confidence Interval	Lower Bound	24,6256844900	
	for Mean	Upper Bound	25,6525324258	
	5% Trimmed Mean		24,5839176552	
	Median		24,2592854400	
	Variance		16,920	
	Std. Deviation		4,11342085005	
	Minimum		20,85126759	
	Maximum		39,76343646	
	Range		18,91216887	
	Interquartile Range		2,20576155	
	Skewness		2,576	,154
	Kurtosis		5,774	,307
Debt/Equity(Y+5)	Mean		129,1336853605	12,66403616686
	95% Confidence Interval	Lower Bound	104,1909080496	
	for Mean	Upper Bound	154,0764626714	
	5% Trimmed Mean		94,2763693840	
	Median		82,5890000000	
	Variance		39934,075	
	Std. Deviation		199,83512002869	
	Minimum		,00000000	
	Maximum		1671,70819000	
	Range		1671,70819000	
	Interquartile Range		75,92785000	
	Skewness		4,895	,154
	Kurtosis		29,015	,307
Debt/Assets(Y+5)	Mean		31,55384792133	,856324754156
	95% Confidence Interval	Lower Bound	29,86725153395	
	for Mean	Upper Bound	33,24044430871	
	5% Trimmed Mean		31,00842618532	
	Median		30,53313000000	
	Variance		182,590	
	Std. Deviation		13,512576699527	
	Minimum		,00000000	
	Maximum		76,441540000	
	Range		76,441540000	
	Interquartile Range		16,927970000	
	Skewness		,610	,154
	Kurtosis		,551	,307

Model [1]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y+5)	2,9659624	7,33368354	249
CGScore(Y+5)%	58,4124263	22,03642298	249
LogFirmSize(Y0)	21,1509888587	1,48855757371	249
Debt/Equity(Y0)	170,4164639038	809,0696046653	249
Debt/Assets(Y0)	26,16857829916	14,41005245195	249
LogDealSize(Y0)	22,09313171871	1,025778476409	249
CrossBorder	,27	,442	249
Diversification	,37	,483	249
Synergy	,78	,418	249
DealAttitude	,99	,089	249
%Acquired	,9853015	,07496400	249

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,380 ^a	,144	,108	6,92485347

^a. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude,

CrossBorder, LogDealSize(Y0), Diversification, Synergy, CGScore

(Y+5)%, Debt/Assets(Y0), LogFirmSize(Y0)

^b. Dependent Variable: %ROA(Y+5)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1925,207	10	192,521	4,015	<,001 ^b
	Residual	11412,956	238	47,954		
	Total	13338,163	248			

^a. Dependent Variable: %ROA(Y+5)

^b. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude, CrossBorder, LogDealSize (Y0), Diversification, Synergy, CGScore(Y+5)%, Debt/Assets(Y0), LogFirmSize(Y0)

Coefficients^a

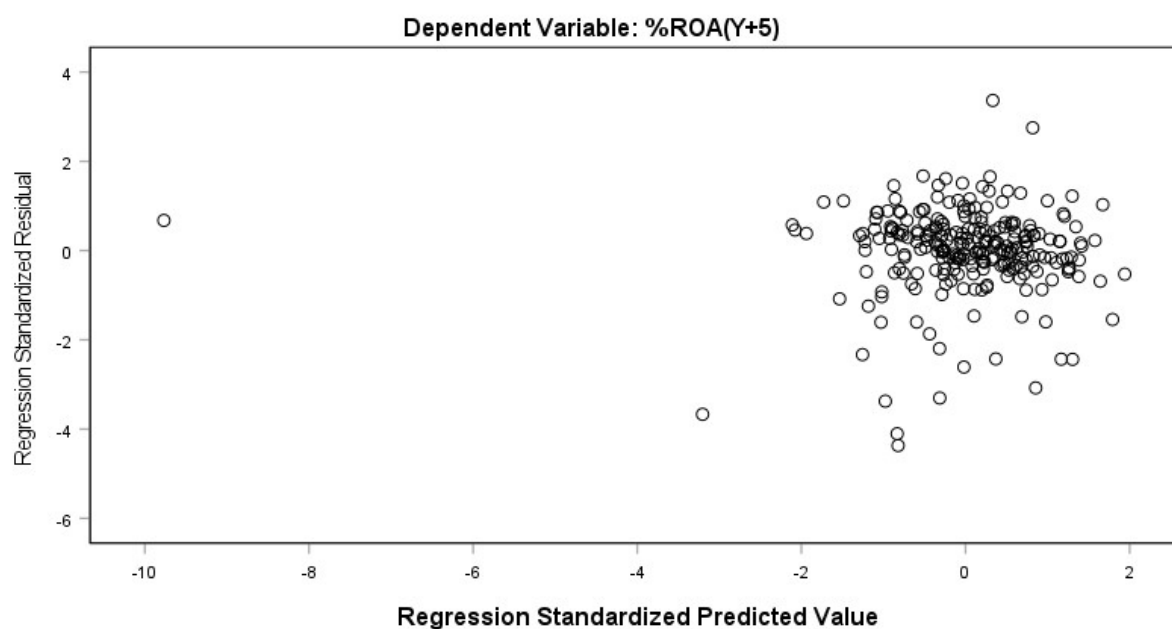
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11,637	12,865		-,905	,367
	CGScore(Y+5)%	,018	,022	,053	,804	,422
	LogFirmSize(Y0)	,898	,361	,182	2,490	,013
	Debt/Equity(Y0)	-,002	,001	-,183	-2,723	,007
	Debt/Assets(Y0)	-,054	,035	-,106	-1,531	,127
	LogDealSize(Y0)	,045	,493	,006	,092	,927
	CrossBorder	-,514	1,023	-,031	-,503	,616
	Diversification	,733	,953	,048	,769	,443
	Synergy	-1,574	1,146	-,090	-1,373	,171
	DealAttitude	-2,713	4,970	-,033	-,546	,586
	%Acquired	-,965	5,949	-,010	-,162	,871

^a. Dependent Variable: %ROA(Y+5)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-24,2460804	8,3746262	2,9659624	2,78620376	249
Residual	-30,23772812	23,30963326	,00000000	6,78380298	249
Std. Predicted Value	-9,767	1,941	,000	1,000	249
Std. Residual	-4,367	3,366	,000	,980	249

^a. Dependent Variable: %ROA(Y+5)

Scatterplot*White Test for Heteroskedasticity^{a,b,c}*

Chi-Square	df	Sig.
55,495	53	,381

a. Dependent variable: %ROA(Y+5)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [2]*Descriptive Statistics*

	Mean	Std. Deviation	N
%ROE(Y+5)	8,3471759	47,68682042	244
CGScore(Y+5)%	58,4619147	22,04163089	244
LogFirmSize(Y0)	21,1461728098	1,49719625275	244
Debt/Equity(Y0)	153,1179091477	788,9263797776	244
Debt/Assets(Y0)	25,75617031348	13,82361141146	244
LogDealSize(Y0)	22,09773937689	1,026019655393	244
CrossBorder	,27	,445	244
Diversification	,37	,483	244
Synergy	,77	,421	244
DealAttitude	,99	,090	244
%Acquired	,9850003	,07570135	244

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,762 ^a	,581	,563	31,52226720

^a. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude,

CrossBorder, LogDealSize(Y0), Diversification, Synergy, CGScore

(Y+5)%, Debt/Assets(Y0), LogFirmSize(Y0)

^b. Dependent Variable: %ROE(Y+5)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	321068,755	10	32106,875	32,312	<,001 ^b
	Residual	231521,226	233	993,653		
	Total	552589,981	243			

^a. Dependent Variable: %ROE(Y+5)

^b. Predictors: (Constant), %Acquired, Debt/Equity(Y0), DealAttitude, CrossBorder, LogDealSize (Y0), Diversification, Synergy, CGScore(Y+5)%, Debt/Assets(Y0), LogFirmSize(Y0)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-74,153	58,807		-1,261	,209
	CGScore(Y+5)%	,027	,100	,013	,269	,788
	LogFirmSize(Y0)	3,203	1,654	,101	1,937	,054
	Debt/Equity(Y0)	-,046	,003	-,762	-16,394	<,001
	Debt/Assets(Y0)	,491	,165	,142	2,970	,003
	LogDealSize(Y0)	,642	2,273	,014	,282	,778
	CrossBorder	-5,076	4,672	-,047	-1,086	,278
	Diversification	5,346	4,397	,054	1,216	,225
	Synergy	-7,451	5,240	-,066	-1,422	,156
	DealAttitude	-8,087	22,633	-,015	-,357	,721
	%Acquired	6,663	27,104	,011	,246	,806

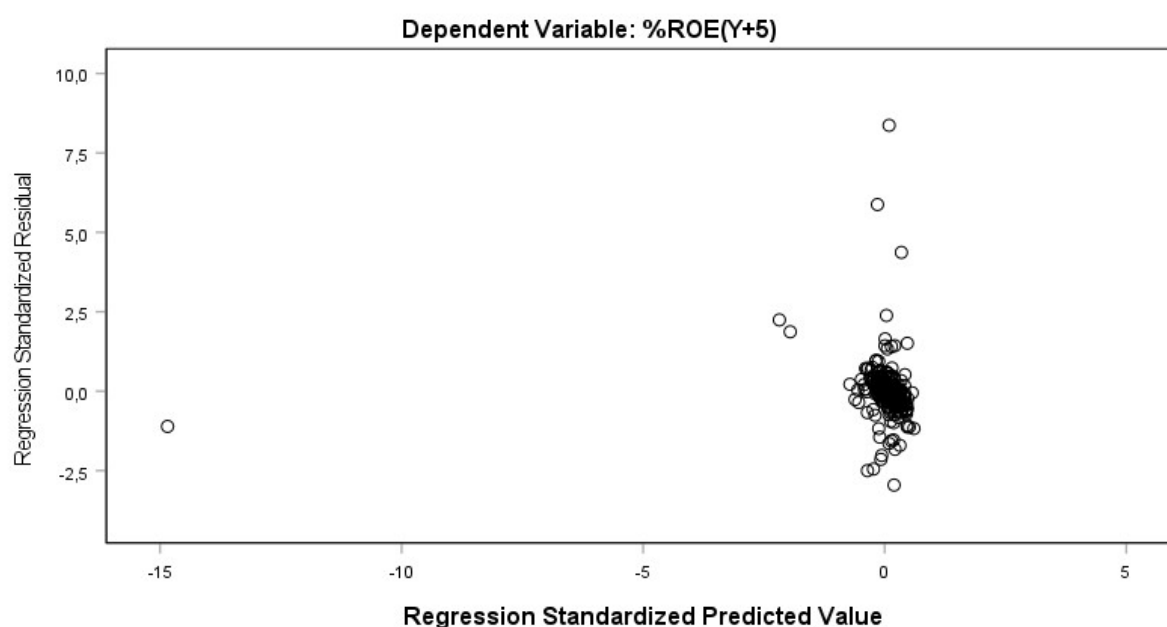
^a. Dependent Variable: %ROE(Y+5)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-531,1568604	30,3987160	8,3471759	36,34928605	244
Residual	-93,03733826	263,87109375	,00000000	30,86684703	244
Std. Predicted Value	-14,842	,607	,000	1,000	244
Std. Residual	-2,951	8,371	,000	,979	244

^a. Dependent Variable: %ROE(Y+5)

Scatterplot



White Test for Heteroskedasticity^{a,b,c}

Chi-Square	df	Sig.
69,647	53	,062

a. Dependent variable: %ROE(Y+5)

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

Model [3]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROA(Y+5)	2,9585120	7,23007787	227
CGScore(Y+5)%	60,4601220	20,68889358	227
LogFirmSize(Y0)	21,1449961048	1,49832563505	227
Debt/Equity(Y0)	161,4713458616	819,1992236179	227
Debt/Assets(Y0)	25,63499167595	14,13377932900	227
LogDealSize(Y0)	22,09146044154	1,040958622594	227
CrossBorder	,26	,442	227
Diversification	,37	,483	227
Synergy	,78	,415	227
DealAttitude	,99	,094	227
%Acquired	,9871413	,06998172	227
BPAudit(Y+5)	1,00	,000	227
BPSize(Y+5)	,85	,353	227
BPIndependence(Y+5)	,91	,284	227
BPDiversity(Y+5)	,76	,429	227
AvBMeetingAttendance(Y+5)	82,56	10,290	227
BSize(Y+5)	11,63	2,488	227
BGenderDiversity(Y+5)	22,4004791	9,82316376	227
BSpe. Skills(Y+5)	55,7429307	19,81282130	227
AvBTenure(Y+5)	7,7085718	2,67890826	227
DBStructureType(Y+5)	,94	,241	227
LogBMemberCompensation (Y+5)	14,7798659	,64046295	227
CEOBMember(Y+5)	,60	,491	227
CEOChairmanSep. (Y+5)	,95	,215	227
IndependentBMembers(%) (Y+5)	79,8629697	14,79835317	227
NonExec.BMembers(Y+5)	85,8904171	8,07265507	227

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,425 ^a	,181	,084	6,92151425

^a. Predictors: (Constant), NonExec.BMembers(Y+5), %Acquired, CrossBorder, Debt/Assets(Y0), BPDiversity(Y+5), Synergy, DealAttitude, AvBTenure(Y+5), BPSize(Y+5), Diversification, LogDealSize(Y0), CEOChairmanSep. (Y+5), BGenderDiversity(Y+5), Debt/Equity(Y0), CEOBMember(Y+5), BPIndependence(Y+5), LogBMemberCompensation(Y+5), AvBMeetingAttendance(Y+5), BSpe. Skills(Y+5), BSize(Y+5), CGScore(Y+5)%, LogFirmSize(Y0), IndependentBMembers(%) (Y+5), DBStructureType(Y+5)

^b. Dependent Variable: %ROA(Y+5)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2136,643	24	89,027	1,858	,012 ^b
	Residual	9677,287	202	47,907		
	Total	11813,930	226			

^a. Dependent Variable: %ROA(Y+5)

^b. Predictors: (Constant), NonExec.BMembers(Y+5), %Acquired, CrossBorder, Debt/Assets (Y0), BPDiversity(Y+5), Synergy, DealAttitude, AvBTenure(Y+5), BPSize(Y+5), Diversification, LogDealSize(Y0), CEOChairmanSep. (Y+5), BGenderDiversity(Y+5), Debt/Equity(Y0), CEOBMember(Y+5), BPIndependence(Y+5), LogBMemberCompensation (Y+5), AvBMeetingAttendance(Y+5), BSpe. Skills(Y+5), BSize(Y+5), CGScore(Y+5)%, LogFirmSize(Y0), IndependentBMembers(%) (Y+5), DBStructureType(Y+5)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-6,301	18,327		-,344	,731
	CGScore(Y+5)%	,030	,032	,085	,935	,351
	LogFirmSize(Y0)	,609	,432	,126	1,410	,160
	Debt/Equity(Y0)	-,001	,001	-,143	-1,959	,051
	Debt/Assets(Y0)	-,036	,039	-,071	-,926	,356
	LogDealSize(Y0)	-,259	,545	-,037	-,476	,635
	CrossBorder	-,757	1,398	-,046	-,541	,589
	Diversification	1,162	1,055	,078	1,102	,272
	Synergy	-1,516	1,295	-,087	-1,170	,243
	DealAttitude	-2,612	5,341	-,034	-,489	,625
	%Acquired	,088	7,285	,001	,012	,990
	BPSize(Y+5)	1,312	1,418	,064	,925	,356
	BPIndependence(Y+5)	,096	2,084	,004	,046	,963
	BPDiversity(Y+5)	,337	1,232	,020	,274	,785
	AvBMeetingAttendance(Y+5)	,003	,057	,004	,045	,964
	BSize(Y+5)	,140	,263	,048	,533	,594
	BGenderDiversity(Y+5)	-,036	,061	-,049	-,590	,556
	BSpe. Skills(Y+5)	-,062	,030	-,171	-2,058	,041
	AvBTenure(Y+5)	,276	,194	,102	1,421	,157
	DBStructureType(Y+5)	2,375	3,045	,079	,780	,436
	LogBMemberCompensation (Y+5)	,080	,919	,007	,087	,930
	CEOBMember(Y+5)	,501	1,090	,034	,460	,646
	CEOChairmanSep. (Y+5)	-,184	3,257	-,005	-,057	,955
	IndependentBMembers(%) (Y+5)	-,026	,047	-,054	-,557	,578
	NonExec.BMembers(Y+5)	,027	,079	,030	,341	,734

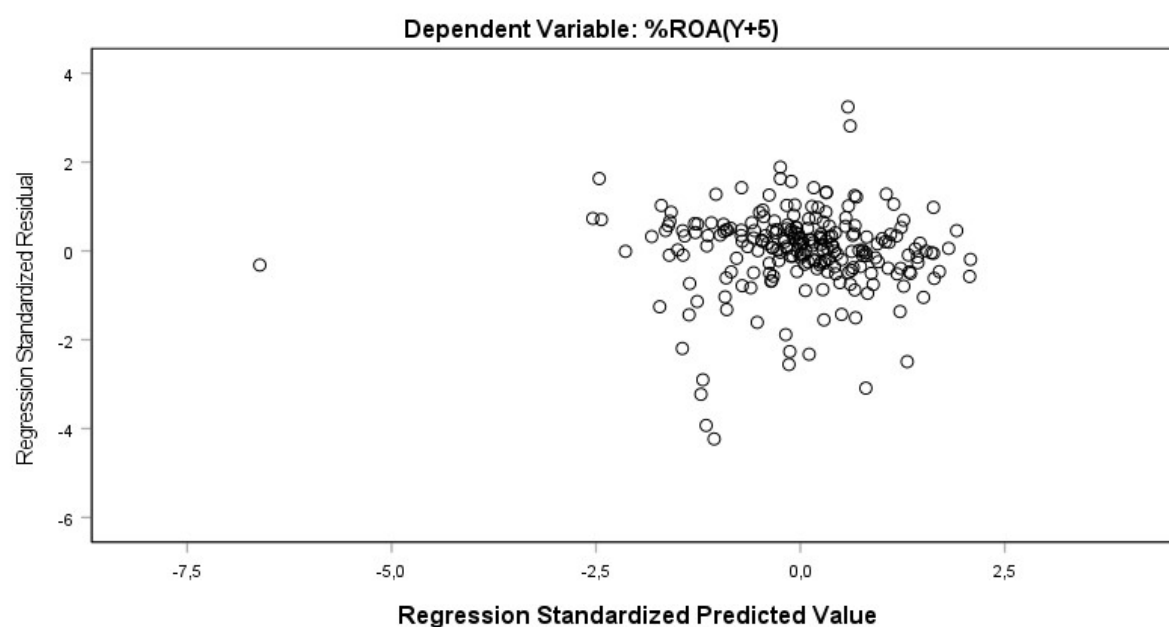
^a Dependent Variable: %ROA(Y+5)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-17,3665619	9,3597012	2,9585120	3,07476400	227
Residual	-29,27844620	22,45423889	,00000000	6,54368798	227
Std. Predicted Value	-6,610	2,082	,000	1,000	227
Std. Residual	-4,230	3,244	,000	,945	227

^a. Dependent Variable: %ROA(Y+5)

Scatterplot



Model [4]

Descriptive Statistics

	Mean	Std. Deviation	N
%ROE(Y+5)	7,2096921	48,44254221	224
CGScore(Y+5)%	60,5164357	20,74608909	224
LogFirmSize(Y0)	21,1472737484	1,50669731046	224
Debt/Equity(Y0)	156,3545960294	822,4982681276	224
Debt/Assets(Y0)	25,39759160911	13,93132307786	224
LogDealSize(Y0)	22,08866727781	1,041200159497	224
CrossBorder	,27	,444	224
Diversification	,37	,484	224
Synergy	,78	,417	224
DealAttitude	,99	,094	224
%Acquired	,9869691	,07043488	224
BPAudit(Y+5)	1,00	,000	224
BPSize(Y+5)	,86	,351	224
BPIndependence(Y+5)	,91	,286	224
BPDiversity(Y+5)	,75	,431	224
AvBMeetingAttendance(Y+5)	82,67	10,321	224
BSize(Y+5)	11,64	2,487	224
BGenderDiversity(Y+5)	22,3953776	9,85270959	224
BSpe. Skills(Y+5)	56,0577147	19,73027661	224
AvBTenure(Y+5)	7,7259700	2,69143368	224
DBStructureType(Y+5)	,94	,243	224
LogBMemberCompensation (Y+5)	14,7779288	,64390523	224
CEOBMember(Y+5)	,60	,490	224
CEOChairmanSep. (Y+5)	,95	,217	224
IndependentBMembers(%) (Y+5)	79,7113667	14,83701318	224
NonExec.BMembers(Y+5)	85,8970438	8,10090821	224

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,786 ^a	,618	,571	31,71411163

^a. Predictors: (Constant), NonExec.BMembers(Y+5), %Acquired, CrossBorder, Debt/Equity(Y0), Synergy, BPDiversity(Y+5), BPSize(Y+5), Diversification, DealAttitude, LogDealSize(Y0), AvBTenure(Y+5), CEOChairmanSep.(Y+5), BGenderDiversity(Y+5), CEOBMember(Y+5), BPIndependence(Y+5), Debt/Assets(Y0), LogBMemberCompensation(Y+5), AvBMeetingAttendance(Y+5), BSpe.Skills(Y+5), BSize(Y+5), CGScore(Y+5)%, LogFirmSize(Y0), IndependentBMembers(%) (Y+5), DBStructureType(Y+5)

^b. Dependent Variable: %ROE(Y+5)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	323158,426	24	13464,934	13,387	<,001 ^b
	Residual	200151,190	199	1005,785		
	Total	523309,617	223			

^a. Dependent Variable: %ROE(Y+5)

^b. Predictors: (Constant), NonExec.BMembers(Y+5), %Acquired, CrossBorder, Debt/Equity(Y0), Synergy, BPDiversity(Y+5), BPSize(Y+5), Diversification, DealAttitude, LogDealSize(Y0), AvBTenure(Y+5), CEOChairmanSep.(Y+5), BGenderDiversity(Y+5), CEOBMember(Y+5), BPIndependence(Y+5), Debt/Assets(Y0), LogBMemberCompensation(Y+5), AvBMeetingAttendance(Y+5), BSpe.Skills(Y+5), BSize(Y+5), CGScore(Y+5)%, LogFirmSize(Y0), IndependentBMembers(%) (Y+5), DBStructureType(Y+5)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-20,005	84,166		-,238	,812
	CGScore(Y+5)%	,154	,146	,066	1,057	,292
	LogFirmSize(Y0)	2,210	1,982	,069	1,115	,266
	Debt/Equity(Y0)	-,046	,003	-,777	-15,444	<,001
	Debt/Assets(Y0)	,425	,182	,122	2,331	,021
	LogDealSize(Y0)	1,305	2,511	,028	,520	,604
	CrossBorder	-4,798	6,421	-,044	-,747	,456
	Diversification	4,828	4,859	,048	,994	,322
	Synergy	-10,204	5,938	-,088	-1,718	,087
	DealAttitude	-11,063	24,483	-,022	-,452	,652
	%Acquired	-1,417	33,458	-,002	-,042	,966
	BPSize(Y+5)	2,970	6,595	,021	,450	,653
	BPIndependence(Y+5)	-,916	9,564	-,005	-,096	,924
	BPDiversity(Y+5)	,353	5,658	,003	,062	,950
	AvBMeetingAttendance(Y+5)	-,286	,263	-,061	-1,089	,278
	BSize(Y+5)	-,292	1,224	-,015	-,238	,812
	BGenderDiversity(Y+5)	,120	,282	,024	,425	,671
	BSpe. Skills(Y+5)	-,164	,142	-,067	-1,151	,251
	AvBTenure(Y+5)	-,184	,892	-,010	-,206	,837
	DBStructureType(Y+5)	5,394	13,962	,027	,386	,700
	LogBMemberCompensation (Y+5)	-,983	4,211	-,013	-,233	,816
	CEOBMember(Y+5)	1,480	5,036	,015	,294	,769
	CEOChairmanSep. (Y+5)	7,866	14,957	,035	,526	,600
	IndependentBMembers(%) (Y+5)	-,118	,217	-,036	-,543	,588
	NonExec.BMembers(Y+5)	,023	,364	,004	,062	,951

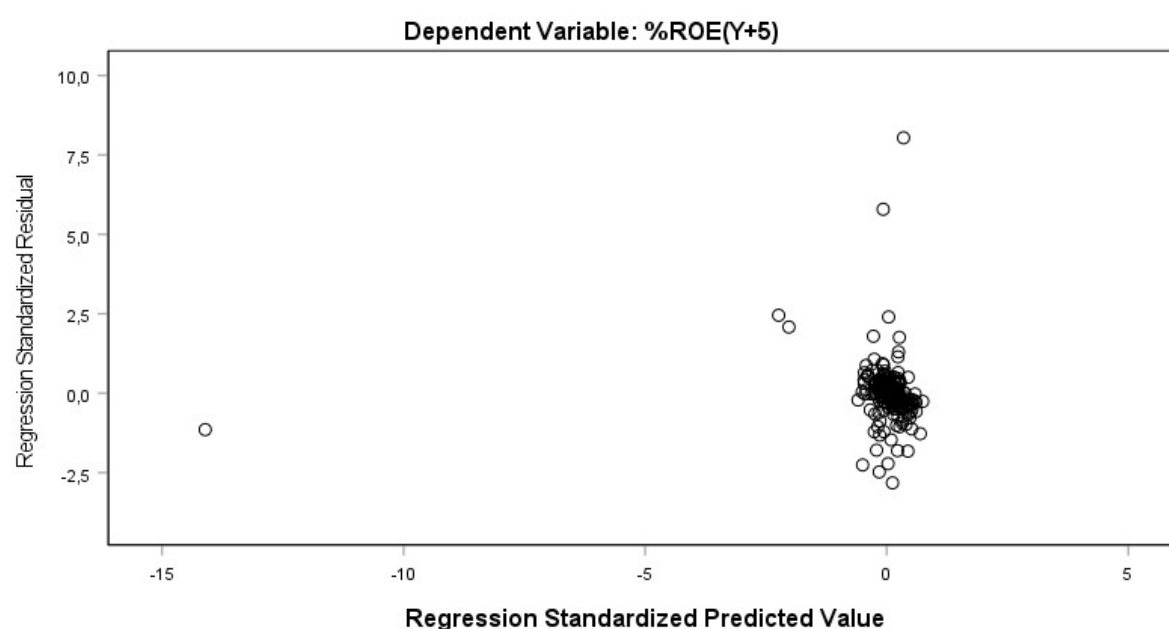
^a Dependent Variable: %ROE(Y+5)

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-529,7199707	35,6480408	7,2096921	38,06758365	224
Residual	-89,40697479	255,04074097	,00000000	29,95895477	224
Std. Predicted Value	-14,105	,747	,000	1,000	224
Std. Residual	-2,819	8,042	,000	,945	224

^a. Dependent Variable: %ROE(Y+5)

Scatterplot



Model [5]

Descriptive Statistics

	Mean	Std. Deviation	N
CGScore(Y+5)%	60,3135859	20,62671234	234
BPAudit(Y+5)	1,00	,000	234
BPSize(Y+5)	,86	,349	234
BPIndependence(Y+5)	,90	,298	234
BPDiversity(Y+5)	,76	,430	234
AvBMeetingAttendance(Y+5)	82,80	10,364	234
BSize(Y+5)	11,62	2,475	234
BGenderDiversity(Y+5)	22,3003957	9,98273478	234
BSpe. Skills(Y+5)	55,5684356	19,88804281	234
AvBTenure(Y+5)	7,6667796	2,77311127	234
DBStructureType(Y+5)	,94	,238	234
LogBMemberCompensation (Y+5)	14,7765882	,63773053	234
CEOBMember(Y+5)	,59	,492	234
CEOChairmanSep. (Y+5)	,95	,212	234
IndependentBMembers(%) (Y+5)	79,6844389	14,89447798	234
NonExec.BMembers(Y+5)	85,7980851	8,26903464	234

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,662 ^a	,439	,403	15,93927744

^a. Predictors: (Constant), NonExec.BMembers(Y+5),

AvBMeetingAttendance(Y+5), BPDiversity(Y+5), CEOChairmanSep.

(Y+5), BPSize(Y+5), AvBTenure(Y+5), CEOBMember(Y+5),

LogBMemberCompensation(Y+5), BGenderDiversity(Y+5),

BPIndependence(Y+5), BSize(Y+5), BSpe.Skills(Y+5),

IndependentBMembers(%) (Y+5), DBStructureType(Y+5)

^b. Dependent Variable: CGScore(Y+5)%

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43493,210	14	3106,658	12,228	<,001 ^b
	Residual	55639,264	219	254,061		
	Total	99132,474	233			

^a. Dependent Variable: CGScore(Y+5)%

^b. Predictors: (Constant), NonExec.BMembers(Y+5), AvBMeetingAttendance(Y+5), BPDiversity

(Y+5), CEOChairmanSep.(Y+5), BPSize(Y+5), AvBTenure(Y+5), CEOBMember(Y+5),

LogBMemberCompensation(Y+5), BGenderDiversity(Y+5), BPIndependence(Y+5), BSize

(Y+5), BSpe.Skills(Y+5), IndependentBMembers(%) (Y+5), DBStructureType(Y+5)

Coefficients^a

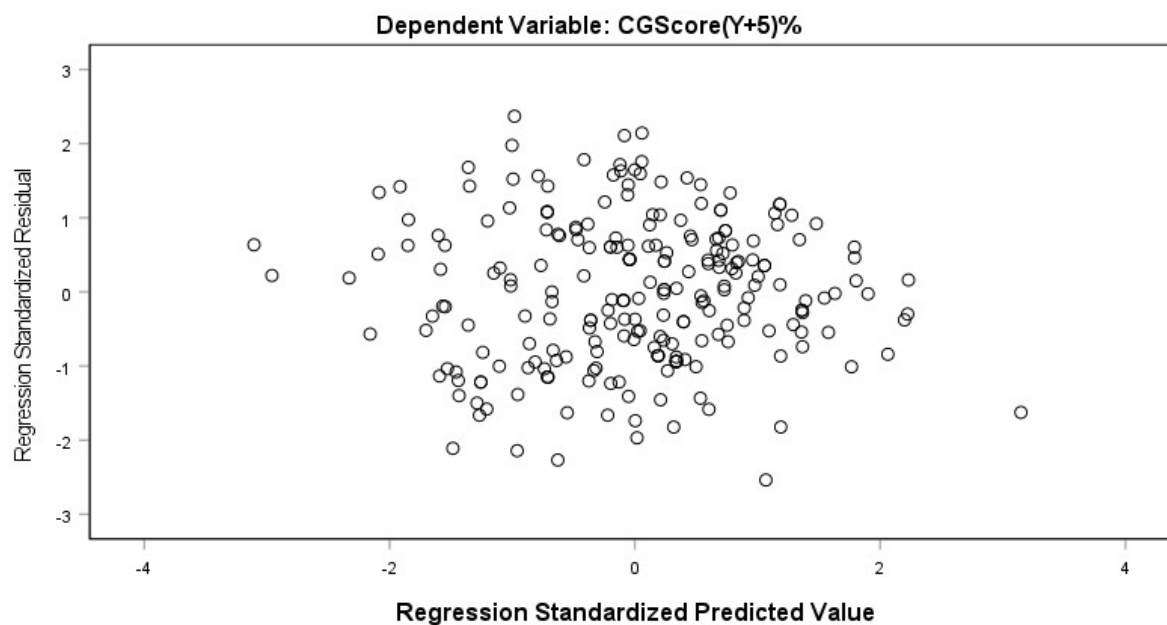
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-138,456	30,088		-4,602	<,001
	BPSize(Y+5)	-,642	3,094	-,011	-,207	,836
	BPIndependence(Y+5)	-9,270	4,428	-,134	-2,094	,037
	BPDiversity(Y+5)	-1,300	2,691	-,027	-,483	,629
	AvBMeetingAttendance(Y+5)	,497	,123	,250	4,050	<,001
	BSize(Y+5)	1,034	,532	,124	1,943	,053
	BGenderDiversity(Y+5)	,676	,120	,327	5,629	<,001
	BSpe.Skills(Y+5)	,186	,063	,179	2,927	,004
	AvBTenure(Y+5)	,846	,415	,114	2,039	,043
	DBStructureType(Y+5)	-8,781	6,872	-,101	-1,278	,203
	LogBMemberCompensation(Y+5)	2,627	1,996	,081	1,316	,189
	CEOBMember(Y+5)	-6,651	2,365	-,159	-2,812	,005
	CEOChairmanSep.(Y+5)	-4,626	7,200	-,048	-,643	,521
	IndependentBMembers(%) (Y+5)	,434	,098	,314	4,426	<,001
	NonExec.BMembers(Y+5)	,779	,162	,312	4,807	<,001

^a Dependent Variable: CGScore(Y+5)%*Residuals Statistics^a*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	17,8967190	103,3388748	60,3135859	13,66258168	234
Residual	-40,42555618	37,78335571	,00000000	15,45299724	234
Std. Predicted Value	-3,105	3,149	,000	1,000	234
Std. Residual	-2,536	2,370	,000	,969	234

^a Dependent Variable: CGScore(Y+5)%

Scatterplot



White Test for Heteroskedasticity^{a,b,c}

Chi-Square	df	Sig.
115,257	102	,174

a. Dependent variable: CGScore(Y+5)%

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.