Chapter 3
The employment effects of takeovers

Andrew Pendleton

1. Introduction

Corporate takeovers involve the reallocation of assets between owners and the restructuring of resources within and across firms. A fundamental assumption behind the EU Takeover Bids Directive is that these adjustments are potentially beneficial to the economic health of nations because they facilitate the more efficient and effective utilisation of resources. However, there are potential costs to takeovers: benefits for some stakeholders may be counter-balanced by losses for others. In particular, employees may suffer from employment or wage reductions, as well as changes to pension provisions or work patterns and intensity. They may endure successive changes to their employer as takeovers may subsequently lead to divestments of parts of the enlarged company. More generally, they may suffer insecurity in so far as takeovers disrupt established norms and patterns of work relationships.

An influential perspective, arising in response to the takeover boom in the United States in the 1980s, has argued that takeovers can involve a 'breach of trust' by companies in relation to their employees (Shleifer and Summers 1988). Takeovers disrupt the implicit contracts (the mutual expectations of how employment is managed) between companies and their employees, with acquiring owners reneging on the deals, norms and expectations established under the previous regime. This may facilitate a wealth transfer from employees to shareholders. In other words, employees pay for the takeover and for the gains secured by shareholders with employment reductions and wage and benefit cuts. In this perspective, takeovers do not create economic wealth, but reallocate it between stakeholders.

There is an extensive literature on takeovers in the academic finance and economics literature in the United States and to a lesser extent in the United Kingdom, reflecting the relative prevalence of takeovers in these countries. More recently, a European literature has begun to emerge in response to the growth in takeover activity in mainland Europe. The primary concerns of this literature have been the wealth and performance effects of mergers: what are the effects of takeovers on the share prices of targets and acquirers? What are the longer-term effects of takeovers on the accounting performance of the combined company? Although there is a wide range of findings, the evidence suggests that the shareholders of target firms secure a takeover premium but there tend to be insignificant or even negative effects on the long-term share returns of the acquirer. Similarly, studies of profitability tend not to find positive effects of takeovers on profitability (see Martynova and Renneboog 2008; Cosh and Hughes 2008).

The literature on the effects of takeovers on workers is much smaller, although clearly the impact of takeovers on corporate performance will have implications for employees. The primary focus of this literature has been on employment changes and demand for labour. Although there is considerable diversity between academic studies, the balance of the literature suggests that the overall net effect of takeovers on employment is negative. Within this, though, the picture is more complex, with some studies finding that some takeovers are followed by employment growth. The literature suggests that the nature of takeovers, the characteristics of the target and acquiring companies and the motives for takeovers are related to the variance in employment effects.

2. The theory of takeovers

The dominant view in finance and economics (shared by many policymakers in liberal market economies) perceives takeovers as reallocations of resources aimed at enhancing efficiency. The classic statement of this can be found in Manne (1965). He perceives the market for corporate control as a means of reallocating assets and resources to their most efficient users. The agency perspective on takeovers, derived from Manne's views and developed by Jensen (1986), sees takeovers as a form of discipline on corporate managers, forcing them to use resources efficiently or face takeover and possible job-loss.

The disciplinary role is seen most clearly in the case of hostile takeovers, where a rival management mounts a bid in opposition to the wishes of the incumbent management. Implicit in the notion of disciplining inefficient managers is that incumbent managers have incentives of various sorts to look after workers in terms of higher wages or inefficient levels of employment. On this basis a takeover is likely to lead to reductions in wages or employment or both. This view of takeovers is most clearly identified with Shleifer and Summers (1988), who viewed hostile takeovers in particular as facilitating breaches of implicit contracts between firms and workers by new management teams, leading to employment and wage loss. For this reason, much of the literature tests whether hostile takeovers are more likely to lead to employment reductions.

A variant of the efficiency view of takeovers highlights their potential to lead to scale-economies through the removal of duplicated activities, such as production facilities and head office administration (Lehto and Bockerman 2008). Takeovers might also be aimed at reducing over-capacity in a sector. The logic of these motives for takeovers is that employment reductions are highly likely in the immediate aftermath of the transaction. Employment reductions will likely be concentrated among those activities where duplication or over-capacity is most extensive. Against this, it might be argued that the more efficient use of resources will lead to competitive success and employment growth in the longer run.

Other motives for takeover include the generation of synergistic gains from adding complementary resources that allows the combined firm to produce more effectively, as well as more efficiently, and possibly to widen the scope of its activities. This might include vertical acquisitions of supply chain activities, as well as horizontal acquisitions of similar producers. Takeovers may also be aimed at 'buying' entry to a new market. The effects on employment are likely to be complex and highly dependent on the nature of the synergies aimed for and achieved. Vertical acquisitions typically add to the range of the combined firm's activities. There may well therefore be a positive effect on employment. In the case of horizontal acquisitions, synergies may include some rationalisation of duplicated activities, thereby leading to employment reductions. Some of the literature tests the employment effects of related acquisitions, predicting that employment falls are more likely after related acquisitions because of the rationalisation effect. If the synergies turn out to be substantial, however, longer term employment growth might be anticipated.

When very large firms are involved, related acquisitions can lead to increased market power. Indeed, this may be an important motive for the takeover. In this case the combined firm may be able to benefit from price increases, the results of which may be partially shared with employees in terms of higher wages or employment. A neoliberal critique of this view, however, would claim that market power leads to inefficiencies, which in time may be corrected by the disciplining effects of the market for corporate control.

A different – and long-standing – strand of literature suggests that takeovers can result from empire-building by managers (Marris 1964). This literature notes the greater discretion acquired by managers with the separation of ownership and control as industrial capitalism has developed and suggests that managers may exploit this to pursue their own interests. Given that high salaries, perks and status are strongly associated with organisational size, there is an incentive for managers to achieve one-off substantial growth in firm size through mergers and acquisitions. Although there is no clear prediction on employment growth – over and above the employment growth achieved by combining firms – this perspective would suggest at least that employment reductions are unlikely after acquisitions.

However, one variant of this argument suggests that managers often ‘bite off more than they can chew’ in mounting takeovers (Roll 1986). Because of an over-estimation of their own capabilities – ‘hubris’ – they mount ill-judged or over-priced takeovers. This kind of takeover seems to be found especially at the tail-end of takeover booms (Martynova and Renneboog 2008) and tends to reflect a ‘herding’ instinct as managers mimic – and attempt to ‘out-do’ – the takeover activity of others. Workers pay for this mistake subsequently with job cuts when the combined firm is forced to adjust. The takeover of ABN-AMRO by the Royal Bank of Scotland (RBS) in 2007 is a prime example of this kind of takeover. RBS, along with two other banks, is believed to have over-paid for part of ABN-AMRO by a very considerable margin and this deal led directly to the collapse of RBS.

3. Methodologies

The primary approach to the analysis of employment changes arising from takeovers is the ‘event study’, whereby changes in employment or in demand for labour – controlling for the level of output – are recorded after the merger or acquisition takes place. Typically, data on employment – typically drawn from company accounts – are used from up to five years before and up to five years after the transaction.

This provides a conceptually straightforward approach but it is not without its limitations. First, these data rarely contain information on the composition of employment or the quality and character of employees, so the picture of employment change is arguably a somewhat crude one. Second, such data rarely contain clear-cut information on the motivations for the takeover, so explanations of variations in employment change can be difficult to generate. Studies circumvent this by using various proxies for takeover objectives, but divergent results often arise. Third, the appropriate time frame for recording employment change is not theoretically clear and it might be that the full effects of takeovers on employment need to be recorded in the longer term. Against this, it becomes progressively more difficult to attribute employment changes to takeovers and to fully control for other influences on employment, the more distant observations become from the data of the transaction. Having said this, the evidence suggests that a significant element of employment changes that appear likely to be associated with the takeover take place within a year of the event.

Some other studies use lay-off announcements surrounding the data of the transaction as an indicator of employment effects. However, it is a somewhat imprecise indicator as the scale of lay-offs may not be as great as is announced and they may be counter-balanced by unobserved employment growth.

A general issue facing event studies is that of the counter-factual: what would have happened to employment if the transaction had not occurred? To deal with this, several studies provide a control group of similar firms not undergoing a merger or acquisition. Matching procedures for the control group have become more sophisticated over time with recent studies using propensity score matching to select control group firms and difference-in-difference methods to isolate the impact of a merger or acquisition.

Finally, several studies use panel data – repeated observations over a period of years – derived from plant rather than company level. These studies record what happens to employment in plants that change ownership during the period relative to those that do not and thereby provide a richer picture of the effects of ownership change. They can identify what happens to plants that are divested after takeovers take place (and whose employment effects tend to be unobserved in company-level studies because they drop out of the picture). A corollary of this approach, however, is that a wider definition of ownership change is used than in those studies that draw on takeover data from listed companies.

4. Employment effects

Two issues have predominated in the literature: one, what is the effect overall on employment of mergers and acquisitions; two, what factors are associated with employment reductions (or growth)?

Inevitably, there is some diversity in the literature in terms of employment effects, although most studies find that employment reductions are widespread after takeovers. Lehto and Bockerman, using matched establishment-level data from Finland, found that 'almost all changes in ownership lead to employment losses' (2008: 113). Domestic takeovers have negative employment effects in all sectors. The overall finding mirrors those of one of the first US studies of takeovers, also using establishment-level data, that those establishments changing owners between 1977 and 1982 experienced negative effects on employment especially in auxiliary rather than production plants (Lichtenberg and Siegel 1992). More recently, Maksimovic *et al.* (2011) report that, within the United States, acquirers sell 27 per cent and close 19 per cent of the plants of target firms within three years of the takeover.

Against this, McGuckin and Nguyen (2001), using plant-level data for the entire US manufacturing sector from 1977 to 1982, found that ownership change is followed by employment increases, except in the largest plants. Meanwhile, a study of 117 tender offers in the United States in 1975–1984 found no significant change in combined employment over a three-year period (Denis 1994). A more recent study of 235 mergers and acquisitions in the UK listed sector in 1990–2000 found that around 55 per cent of cases experienced employment reductions whilst 45 per cent experienced employment growth in the three years after the transaction (Kuvandikov *et al.* 2014a). A feature of this study is that it restricted observations to companies undertaking one-off transactions during the three-year period to ensure that any employment growth was due to organic growth rather than further acquisitions.

5. Features of the transaction

Given the diversity of the evidence, it is fruitful to examine the influences on employment change. There is a wealth of evidence related to the features of the transaction and, to a lesser extent, the characteristics of the companies involved.

5.1 Hostile takeovers

Hostile takeovers are those that are initially opposed by incumbent management in the target firm. These takeovers have been widely predicted to have more adverse effects on employment than agreed takeovers because they are often explicitly aimed at restructuring the target firm and hence are likely to breach implicit contracts with the workforce. They are often viewed to be aimed at exerting discipline on an under-performing target firm, though this motive may be less important or widespread than is often thought (Franks and Mayer 1996). A further reason for anticipating negative effects on employment is that the takeover premium is typically larger in contested takeovers, and cost reductions and efficiency improvements may be necessary post-takeover to recoup this cost.

The evidence mainly supports these suppositions. Denis (1994) found that hostile takeovers were followed by a 17 per cent decrease in employment, partly achieved by divestitures, even though overall takeovers displayed no significant change in employment. In a UK study of 442 mergers, Conyon *et al.* (2002) found that hostile takeovers have larger falls in employment – though output increases – leading to a reduction in labour demand twice as large as that seen in friendly takeovers. They found that the impact of hostile takeovers was concentrated in larger firms. A counter-example is that of Beckmann and Forbes' study of 62 UK takeovers, which found that job loss is greater in friendly than in hostile takeovers. They attribute this to the differential timing of takeovers: hostile takeovers are more likely to occur when the economy is doing well. Kuvandikov *et al.* (2014a) found no relationship between hostile takeovers and employment change.

Hostile takeovers seem to have become less common in the United States and the United Kingdom since the takeover boom of the 1980s, possibly as a result of corporate governance reforms in these countries (Holmstrom and Kaplan 2001). However, hostile takeovers have become more prevalent in mainland Europe due to a combination of factors, including greater dispersion of ownership, the growth of listed sectors, liberalisation of capital markets and some limited adoption of 'shareholder value' ideology (Martynova and Renneboog 2008). More generally, the barriers to takeovers in mainland European countries have declined in recent years due to institutional changes, as exemplified by Vodafone's takeover of Mannesmann in Germany (Höpner and Jackson 2001).

5.2 Bid premia

Research on takeovers has established that target firms' share price rises when a takeover bid is announced and that target firm shareholders secure a rise in value of around 20–30 per cent (see Schenk in this volume). By contrast, the impact of takeovers on the share price of the acquirer is much smaller. Because the acquirer and its shareholders pay a premium for the transaction, there is a cost to them. The breach-of-trust hypothesis predicts that this cost will be recouped from other stakeholders, such as employees. It has therefore been predicted that employment reductions are more likely when the bid premium – the increase in target share price attributable to the takeover – is larger. There is limited evidence on this issue but Krishnan *et al.*'s findings are consistent with this (2007). However, in a direct test of the breach of trust hypothesis, Beckmann and Forbes (2004) found that only a very small element of the bid premium can be related to subsequent employment reductions.

5.3 Related transactions

Employment reductions and reductions in labour demand appear to be more likely in related takeovers because the latter are often motivated by a concern to achieve benefits from elimination of duplicated activities. In a study of 136 mergers and acquisitions in the United States in 1989–1993, including some of the largest at the time, O'Shaughnessy and Flanagan (1998) found that related acquisitions are more likely to lead to lay-offs because of economies of scale, synergy and elimination of inefficient management practices. Similarly, Krishnan *et al.* (2007), in their study of 353 M&A transactions involving larger firms in 1992–1998, found that relatedness affects the probability of workforce reductions after the transaction. Conyon *et al.* (2002) found that the reduction in labour demand in related takeovers is more than twice that of unrelated takeovers (19 per cent vs 8 per cent). Kubo and Saito (2012) in a study of 111 listed firm mergers in Japan in 1990–2003 found that related mergers are more likely to reduce employment. Kuvandikov *et al.* (2014a), however, found that related transactions are not more likely to reduce employment.

5.4 Cross-border transactions

There have been several recent European studies of the employment effects of cross-border mergers and their size relative to domestic transactions. Two opposing predictions can be made about employment effects. On one hand, new foreign owners may feel less compulsion to adhere to implicit contracts and may be less swayed by local political or community opposition to redundancies or plant closures. On the other, the informational and economic costs of mounting cross-border takeovers are higher and this may deter foreign acquirers from making riskier acquisitions. They may also be more motivated by considerations of securing market share than achieving efficiencies.

Although there are some well-known cases of plant shutdowns after acquisitions by foreign companies – such as Kraft's takeover of Cadbury – the bulk of the evidence tends to support the second prediction. Bandick and Karpaty (2011) found positive employment effects of foreign acquisitions in Swedish manufacturing, with employment of skilled labour increasing more than that of unskilled labour. This is more pronounced in Swedish firms that are not part of Swedish multinationals. Contrary to this, however, Hittunen (2007) found that foreign acquisitions decrease the share of highly educated workers in Finnish establishments 1988-2001.

Balsvick and Haller (2010) found that plant-level employment and wages increase after foreign acquisitions in Norway. They found that foreign acquirers pick large, high performing plants, and suggest that this is consistent with foreign takeovers occurring to gain access to local markets. Lehto and Bockermann have more nuanced findings in that they found adverse employment effects of cross-border mergers are much less in services than in manufacturing. They observed, consistent with Bandick and Karpaty, that foreign acquirers take over domestic firms with high levels of human capital. In the United States, O'Shaughnessy and Flanagan (1998) also found that lay-offs are less likely in cross-border mergers and acquisitions because they tend not to be motivated by rectifying inefficiencies.

Recent evidence to the contrary, however, indicates a negative impact of foreign takeovers on employment in German manufacturing enterprises in 2007–2009 (Weche Gelbücke 2012), although an explanation for this finding cannot be developed with the data used. There are few comparative studies of takeovers but the results so far are provocative. Gugler and Yurtoglu (2004), in their study of 646 transactions, found that labour demand falls in European companies after takeovers but not in the United States. They argue that flexible labour markets in the latter mean that takeovers provide less of a shock to firms. In other words, they are less likely to need mergers or acquisitions to bring about employment change.

5.5 Finance

M&A transactions are typically financed by shares, cash or a combination of the two. Where cash is used, the acquirer typically takes on debt to resource the transaction because of limited cash and liquid assets (Faccio and Masulis 2005). It has been predicted that the extent of leverage, either in the transaction or that held by the acquirer more generally, will have adverse effects on employment after the takeover. This is consistent with the idea, popularised by Michael Jensen, that debt forces managers to increase efficiency by restricting their access to free cash flow. There is some evidence to support this prediction: Krishnan et al (2007) and Kuvandikov *et al.* (2014a) found that levels of leverage increase the probability of workforce reductions post-takeover.

5.6 Size of the transaction

In most takeovers the target is smaller than the acquirer and the probability of being taken over diminishes with firm size. Both Krishnan *et al.* (2007) and Kuvandikov *et al.* (2014a) found that the smaller the difference in size between acquirer and target, the greater the likelihood that employment will be reduced. Similarly, Maksimovic *et al.* (2011) found that the probability of post-takeover divestitures increases with the size of the target relative to the acquirer firm. These results are consistent with the view that larger acquisitions are more problematic to 'digest'. Also, larger takeovers may be driven by managerial hubris or a desire to implement large-scale industry restructuring rather than by a concern to achieve more incremental increases in the range or extent of corporate activities.

5.7 Timing

The timing of takeovers may well impact upon employment change, though this has not been systematically investigated. Takeovers occurring towards the end of takeover booms appear to be more likely to be driven by herding effects and managerial hubris (Martynova and Renneboog 2008), with the result that these takeovers are less successful. That they occur shortly before steep falls in stock markets and economic recession is also not conducive to successful outcomes. The evidence suggests that abnormal returns – the performance differential attributable to the takeover – tend to be lower for takeovers towards the end of the takeover cycle (Harford 2005) and it may be that this subsequently imposes greater pressure for employment contraction. In the extreme case, large ill-judged takeovers taking place shortly before a recession may lead to very substantial post-takeover restructuring.

5.8 Characteristics of target companies

A dominant perspective within the economics literature suggests that acquirers target under-performing firms so as to reallocate resources to more efficient users (Manne 1965). Restructuring is therefore likely to occur after takeovers. On this basis relatively poor performance of target companies prior to takeover is expected to predict employment reductions after the transaction. The evidence supports this contention, with a range of studies finding that relatively poor productivity or financial performance is associated with adverse employment change post-takeover (Coucke *et al.* 2007; O'Shaughnessy and Flanagan 1998; Krishnan *et al.* 2007).

Kuvandikov *et al.* (2014a) found that executive ownership in the acquiring firm has a strong bearing on whether employment grows or falls post-takeover. They argue that loss aversion induces managers with ownership stakes to select takeovers of firms with better past performance. In these cases employment is more likely to grow after the takeover.

6. Conclusions

Much of the literature finds that takeovers have adverse effects on employment, though equally there is evidence of employment growth in some cases. Recent literature has attempted to identify determinants of employment change after a takeover, using various characteristics of takeover transactions and the firms undertaking them as predictors. It seems likely that managerial motives for takeovers are likely to affect employment outcomes, but the reliance on accounting data in the literature means that managerial motives are rarely directly observed. Nevertheless, it seems reasonable to conclude that large-scale takeovers arising from managerial hubris are likely to have more adverse effects on employment than smaller-scale takeovers aimed at securing access to new markets or integrating parts of the supply chain. Although the findings from the literature are inevitably somewhat diverse, taken together they do enable reasonable predictions to be made about the kinds of takeovers that pose a particular risk to employment.

A limitation of the literature is that it is often difficult to judge whether employment reductions involve job transfer or job destruction. The former will usually be less damaging than the latter, though the adverse effects of the former on workers should not be under-estimated. The plant-level studies give a better indication of employment consequences, although they are not immune from uncertainty concerning the nature of employment reductions. Ideally, more qualitative information on employment change would be sought, but collection and integration of this with large-scale statistical data will be challenging.

Finally, it is worth returning to the argument that takeovers involve a transfer of wealth from employees to shareholders. Few studies have attempted to fully test this proposition but the evidence has not been supportive. Beckmann and Forbes (2004) argue that takeovers lead to 'equal misery': both employees and shareholders suffer wealth losses, while Kuvandikov *et al.* (2014b) found that employees and shareholders share returns (or losses). It is possible that the 'breach of trust' perspective is specific to certain times and places. It was developed in the context of the 1980s takeover boom in the United States, involving the dismemberment of conglomerate firms, leveraged buy-outs and hostile takeovers. Large-scale restructuring and employment reductions often followed takeovers with these characteristics. Subsequently, these kinds of takeover have been less in evidence in the listed sector in the United States and the United Kingdom. However, a similar phenomenon may be widely observed today among private equity acquisitions in the United States and Europe (see Gospel *et al.* 2014) and it may be that labour is especially at risk of wealth transfer in this kind of transaction.

References

Balsvik R. and Haller S. (2010) Picking 'lemons' or picking 'cherries'? Domestic and foreign acquisitions in Norwegian manufacturing, Scandinavian Journal of Economics, 112 (2), 361–387.

Bandick R. and Karpaty P. (2011) Employment effects of foreign acquisition, International Review of Economics and Finance, 20 (2), 211–234.

Beckmann T. and Forbes W. (2004) An examination of takeovers, job loss and the wage decline within UK industry, European Financial Management, 10 (1), 141–165.

Conyon M.J., Girma S., Thompson S. and Wright P.W. (2002) The impact of mergers and acquisitions on company employment in the United Kingdom, European Economic Review, 46 (1), 31–49.

Cosh A. and Hughes A. (2008) Takeovers after takeovers, Working Paper 363, Cambridge, Centre for Business Research, University of Cambridge.

Coucke K., Pennings E. and Sleuwaegen L. (2007) Employee layoff under different modes of restructuring: exit, downsizing or relocation, Industrial and Corporate Change, 16 (2), 161–182.

Denis D.K. (1994) Evidence on the effects of hostile and friendly tender offers on employment, Managerial and Decision Economics, 15 (4), 341–357.

Faccio M. and Masulis R. (2005) The choice of payment method in European mergers and acquisitions, Journal of Finance, 60 (3), 1345–1388.

Franks J. and Mayer C. (1996) Hostile takeovers and the correction of managerial failure, Journal of Financial Economics, 40 (1), 163–181.

Gospel H., Pendleton A. and Vitols S. (2014) Financialization, new investment funds, and labour: an international comparison, Oxford, Oxford University Press.

Gugler K. and Yurtoglu B.B. (2004) The effects of mergers on company employment in the USA and Europe, International Journal of Industrial Organization, 22 (4), 481–502.

Harford J. (2005) What drives merger waves?, Journal of Financial Economics, 77 (3), 529–560.

Hittunen K. (2007) The effect of foreign acquisitions on employment and wages: evidence from Finnish establishments, Review of Economics and Statistics, 89 (3), 497–509.

Holmstrom B. and Kaplan S. (2001) Corporate governance and merger activity in the United States: making sense of the 1980s and 1990s, Journal of Economic Perspectives, 15 (2), 121–144.

Höpner M. and Jackson G. (2001) An emerging market for corporate control? The Mannesmann takeover and German corporate governance, MPIfG Discussion Paper 01/4, Cologne, Max Planck Institute for the Study of Societies.

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

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

Kubo K. and Saito T. (2012) The effect of mergers on employment and wages: evidence from Japan, Journal of the Japanese and International Economies, 26 (2), 263–284.

Kuvandikov A., Pendleton A. and Higgins D. (2014a) Employment change after takeovers: the role of executive ownership, British Journal of Industrial Relations, 52 (2), 191–236.

Kuvandikov A., Pendleton A. and Higgins D. (2014b) Shareholders, managers, and employees: rent transfer or rent sharing in corporate takeovers, unpublished paper.

Lehto E. and Bockerman P. (2008) Analysing the employment effects of mergers and acquisitions, Journal of Economic Behavior & Organization, 68 (1), 112–124.

Lichtenberg F.R. and Siegel D. (1992) Productivity and changes in ownership of manufacturing plants, in Lichtenberg F.R. (ed.) Corporate takeovers and productivity, Cambridge, MIT Press, 5–45.

Maksimovic V., Phillips G. and Prabhala N. (2011) Post-merger restructuring and the boundaries of the firm, Journal of Financial Economics, 102 (2), 317–343.

Manne H.G. (1965) Mergers and the market for corporate control, Journal of Political Economy, 73 (2), 110–120.

Marris R. (1964) The economic theory of managerial capitalism, New York, Free Press of Glencoe.

Martynova M. and Renneboog L. (2008) A century of corporate takeovers: what have we learned and where do we stand?, Journal of Banking & Finance, 32 (10), 2148–2177.

McGuckin R.H. and Nguyen S.V. (2001) The impact of ownership changes: a view from labor markets, International Journal of Industrial Organization, 19 (5), 739–762.

O' Shaughnessy K.C. and Flanagan D.J. (1998) Determinants of layoff announcements following M&As: an empirical investigation, Strategic Management Journal, 19 (10), 989–999.

Roll R. (1986) The hubris hypothesis of corporate takeovers, Journal of Business, 59 (2), 197–216.

Shleifer A. and Summers L.H. (1988) Breach of trust in hostile takeovers, in Auerbach A.J. (ed.) Corporate takeovers: causes and consequences, Chicago, University of Chicago Press, 33–68.

Weche Gelübcke J.P. (2012) Foreign and domestic takeovers in Germany: first comparative evidence on the post-acquisition target performance using new data, Working Paper Series in Economics 249, Lüneburg, Leuphana University.