THE RESEARCH ON MOTIVES, INTEGRATING MECHANISM AND PERFORMANCE EVALUATION FOR MERGERS & ACQUISITIONS IN FINANCIAL SERVICES INDUSTRY

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ABSTRACT

In facing a harshly competitive business environment, the managers typically adopted mergers and acquisitions (abbreviated M&A) strategies to gain the opportunities for enterprise growth. However, the emphasis upon success of M&A should not be limited to financial aspect. Therefore, the intention of this research was to understand the influences on performance of M&A from distinct motives and integrating mechanism of the enterprises. This research adopted questionnaire survey as method and distributed the questionnaires to the department director from listed or over-the-counter-listed (OTC-listed) financial holding companies implementing M&A in the past six years. One hundred and forty (140) portions of questionnaire distributed, with 16 invalid and 53 valid questionnaires, a 38% response rate. The results were illustrated as follows: (1) There were significant differences between distinct M&A motives in selection of integrating mechanisms, where the market motives accounted for larger differences, (2) There were significant differences between distinct M&A motives on performance evaluations, where the market motives accounted for larger differences, and (3) There were significant differences between distinct integrating mechanisms on the level of emphasis for each dimension, where the systematic integration accounted for larger differences.

Keywords: *Motives of M&A, Integrating Mechanism of M&A, M&A Performance Evaluation, Balance Scorecard (BSC).*

1. INTRODUCTION

The competitive environment becomes intense nowadays. In order to pursue the goal of sustainable operation, managers from many enterprises typically seek for greater opportunity for enterprise growth through external growth. M&A is the main strategy in external growth. In general, the advantages of M&A are timeliness of investment, industrial barrier crossing, and avoidance of competitive pressure came from increasing capacity. Whereas, viewing the research results of scholars at home and abroad, though the M&A is the main strategy for growth, it has no consistent conclusion on researches of performance. From the research of profit variation of M&A companies worldwide in the past 15 years done by Gugler, Mueller and Yurtoglu (2003), the results showed the profit of companies would increase significantly after conducting M&A. However, some scholars considered most M&A cases presented a failed result on increasing enterprise value (Schmidt & Fowler, 1990;Vester, 2002), or the financial performance would not increase significantly after M&A (Ramaswamy & Waegelein, 2003).

Since the researches on performance of M&A were lacking of consistent conclusion in the past, why did the M&A events continue occurs on everyday life, and the managers still believed that M&A would bring opportunities for the enterprises? Brouthers, Hastenbury and Ven(1998) suggested the main reason resulted in differences between expected results and performance evaluation between M&A, was that the managers did not simply pursue the goal of stockholder value maximization. Seth, Song and Pettie (2002) also brought up the same idea. They considered the performance of M&A could not be effectively evaluated was that the researchers overlooked the other M&A motives. Hence, when the M&A motives were no longer simple as before, will it be biased if we evaluated M&A performance only through financial indexes?

Kaplan and Norton introduced the concepts of Balance Scorecards (abbreviated BSC) and strategic implementation in 1996. Since then, many firms started to think about the casual-effect relationship between strategy and dimensions of performance evaluation, and further recognized that the performance evaluation system they used should no longer simply be based on financial results, but establish a performance evaluation system under strategic-oriented concepts in the future. While Maisel (1992) suggested that the enterprises should make connections between performance evaluation systems with the company policies, thus the evaluation indexes could provide meaningful information aiming at the company operations. Recently, many enterprises started to use BSC to evaluate their enterprise performance, rather than the performance evaluation limited to financial aspect in the past. However, though many researchers used BSC as the performance evaluation tools between distinct industries or different company structure, few of them conducted BSC on M&A performance evaluation.

In addition, the scholars laid stress on the four dimensions of BSC with different degrees. Some of them suggested that the distinct selection of strategy would result in different outcome on the evaluation dimensions of BSC (Olson & Slater, 2002). However, scholars like Voelker, Rakich and French (2001) considered the excellence of organization was resulted from balanced development of each department, rather than focusing on some departments (Kaplan & Norton, 1992; Voelker, Rakich & French, 2001). Hence, the issue for scholars to discuss nowadays was, did the condition that distinct emphasized levels appeared under distinct selection of strategy.

According to the background and motives described previously, this research set the firms conducted M&A in the past six years in Taiwan as research subjects. We aim to achieve two objectives in this study. First, we revise the method of using single financial index to evaluate performance of M&A in the past, with hopes to discuss the M&A performance through distinct indexes. Second, we revise the simple motives for M&A and review the connection between motives and integrating mechanism of M&A. Final, we take advantage of the four dimensions of BSC to discuss whether the distinction of motives and integrating mechanism of M&A would result in difference on emphasized level of each dimension.

2. THEORETICAL BACKGROUND AND HYPOTHESES

2.1 Motives of M&A

Motives of M&A as referred to in most literature describe M&A as ways to predominately reach additional market shares or synergies, such motives indicate that M&A is means to realize the strategies of the acquiring or merging parties (Öberg & Holtström, 2006). But many current researches discovered that the M&A actions no longer pursued for simple financial motives in the past, despite the financial motives, other managerial motives also influenced the outcome of M&A. Scholars have suggested that the managers adopted M&A actions in recent years with multiple motivated objectives, and developed numerous arguments to explain why firms may choose to participate in M&A (Gaughan, 2002; Trautwein, 1990; Weston et al., 2001). The common reasons for merging with or acquiring other companies includes (1) acquisitions often allow growing fast, as the target is an organization already in place, with its own production capacity, distribution network, and clientele, (2) takeovers can be cheaper than internal expansion, in particular when the replacement cost of target assets exceeds their market value, or (3) in contrast to organic growth, M&As can be paid for with stock, which could be interesting for firms with small cash reserves or limited debt capacity (Huyghebaert & Luypaert, 2010).

Schmidt and Fowler (1990) discussed motives of M&A by two indexes of maximization of stockholders’ wealth and maximization of managerial value. Brouthers, Hastenbury and Ven (1998) classified motives of M&A as follow three categories: (1) economic motives: the manager took M&A as method of performance increases, including economies of scale for market, economics of scale for technology, building stockholders’ value, increasing profit margin, economies of scale, risk diversification, lowering cost, responses to market failure, defensive mechanism and acquire bargaining power on price through manifold market value, (2) personal motive: the motive derived from manager pursuing some individual objective, such individual objective included the increasing influential power of individual on enterprise through opportunities of company growth, increasing individual compensation through the increases of sales amount or profit margin, or challenging new managerial opportunity and consolidating inefficient managed company on M&A, (3) strategic motives: the strategic motives included pursuit of synergy, expansion of product line, global market exploitation, market power increases, and acquisition of new managerial tactics or raw materials. Further, soothe the harshly competitive environment through conducting M&A on competitors or enhancing the entry barriers.

Some scholars took advantage of distinct assumptions or theoretical basis to categorize the motives of M&A into two main kinds: Maximization of stockholders’ wealth and maximization of managerial value (Roll, 1986; Amihud & Lev, 1981; Schmidt & Fowler, 1990; Trautwein, 1990; Capron & Mitchell, 1997; Seth, Song & Pettit, 2002).

According to some relevant researches on M&A performance, most companies took alteration of profitability, stockholders’ value or stock price as the evaluating indexes for M&A performance. However, from results shown in Table 1, the using of single index could not reflect the complicated motives of M&A while the financial indexes could not response to the problems on managerial motives of managers.

2.2 Integrating Mechanism of M&A

The success of M&A was determined by the ability of enterprise to create new value during the M&A process, while the new enterprise value came from the effective integration between enterprises, that is, the success or failure of M&A was decided by the collaborative integration of strategy, organization and personnel. Haspeslagh and Jemison (1991) proposed the capability to integrate and coordinate assets, people, and practices during the post-merger period better than competitors may be the main source of sustainable competitive advantage. Mercer management consulting company suggested an effective integrating plan may increase the successful rate of consolidation by 50%, however only about 30% M&A brought out synergy, 55% of the enterprises ignored the creation of potential value after consolidation, and the reason was that they were primarily unable to effectively integrate the resources between organizations. In addition, Boston Consulting Group also discovered that only 20% of the enterprises conducting M&A believed that the integrating mechanism was crucial, many of them ignored the influential degree of integrating mechanism on M&A results, and typically focused only on the market performance after M&A (Tetenbaum, 1999).

Blake and Mouton (1985) classified the integrating mechanism into task integration and human integration, which were correlated rather than independent to each other. Birkinshaw, Bresman and Håkanson (2000) made further illustrations on how did the task and human integration influences the success of M&A. In aspect of human integration, if the company improved the satisfaction of employees might make the resources transfer and sharing between organizations more easily. Though the effective integration of works may further increase the satisfaction of employees, excessively emphasizing on task or human integration might rather cause negative influence. Although overly emphasizing on human integration might increase the satisfaction of employee, it failed to bring out the operating synergy, contrarily, overly emphasizing on task integration could acquire operating synergy but losing the inspiring factor for employees. Furthermore, because capabilities involve tacit knowledge, they cannot be bought in market transactions; rather, they must be internally developed, obtained through the acquisition of organizations that possess the desired capability, or created by a combination of the two (Weber & Tarba, 2010).Therefore, the success of M&A was determined by whether it could effectively employ distant speed on task and human integration.

In addition, when conducting consolidation, despite the rearrangement of employees and operations, many firms also conducted integration on systematic compatibility, circulation of information and customer data. Scholars like Stylianou, Jeffries, Robbins(1996) and Giacomazzi (1997) categorized the integrating dimensions of information technology into three main parts: growth strategy or organization, company objectives and operating scope and software and hardware states of system.

2.3 Evaluation on M&A Performance

Some performance evaluation researches on M&A generally used the stock price or financial indexes as the basis for evaluation. Most of them were based on stock price to discuss the alteration of stock price at the time of announcement of M&A (Agrawal, Jaffe & Mandelker, 1992; Switzer, 1996; Rau & Vermaelen, 1998, Carpon & Pistre, 2002). Using stock price to analyze the influential degree of M&A on capital market was just using the M&A event to delve into the creation of wealth of stockholders and excess returns. This kind of analysis was called event study, which emphasized the short-tern reaction of the market. However, performance researches based on financial indexes compare the distinctions before and after the M&A on several financial ratios, which was usually considered as the long-term performance of M&A (Schmidt & Fowler, 1990; Banerjee & Eckard, 1998; Sorensen, 2000; Park, 2002; Ramaswamy & Waegelein, 2003; Gugler, Mueller & Yurtoglu, 2003).

Whereas, evaluating organizational performance on stock price or financial indexes might result in losing of foresighted prediction ability on the future economic value of organization. Kaplan and Norton (1992) set forth different performance-evaluated perspectives from before, they considered it should contemplate both the financial indexes focused by the enterprises in the past and the non-financial indexes influencing the future performance of the organization. In addition to concerning the short-tern financial performance, it should also consider the long-tern development of organizational execution ability. Therefore, they brought up non-financial dimensions for performance evaluation including customer relationship, internal business process, organizational learning and innovations. This research evaluated performance on M&A with distinct angles, with hopes to provide another aspect of evaluation results.

2.4 Motives of M&A and Integrating Mechanism

Mentioned by Mckiernan and Merali (1995) in their research, distinct M&A strategy would influence the integrating process of the organization, since the main motives of M&A were typically to pursue the market economies of scale and enlarge the potential market shares, the process of planning before the M&A as well as the integrating activities after the M&A were both influenced by these motives. Larsson, Finkelstein (1999) also set forth certain viewpoints focusing on cases study, they considered that many companies had started to learn connecting the integration of strategy and organization together, in order to improve the synergy. Therefore, this research would like to delve deeply into the distinctions between different motives for M&A and integrating mechanisms.

H1: Distinct M&A motives had significant influences on selection of integrating mechanism.

H1a: Market motives had a significant influence on integrating mechanism.

H1b: Strategic motives had a significant influence on integrating mechanism.

2.5 Integrating Mechanism and M&A Performance Evaluation

According to research results of the several scholars, it was proved that the integrating process of M&A would have influence on the final performance (Pareto & Huston, 1995; Tetenbaum, 1999; Birkinshaw, Bresman & Hakanson, 2000; Jeremy, 2000; Krishnan & Park, 2003). Robb (2003) also set forth the idea that the harder cultures were less easily to be merged in the integrating process. As a result, the enterprises may take advantage of the information system to make connections between the knowledge of each party, and thus elevate the M&A performance. This research rearranged the viewpoints from scholars above, and further discussed the interrelationship between integrating mechanism and performance.

H2: Distinct integrating mechanisms had significant influences on performance evaluation.

H2a: Human integration had significant influence on performance evaluation.

H2b: Task integration had significant influence on performance evaluation.

H2c: System integration had significant influence on performance evaluation.

2.6 The Influence of Types of Performance Evaluation

According to the research results from Brouthers, Hastenbury and Ven (1998), it suggested that the distinction of M&A motives would result in different outcomes of M&A. Certain scholars suggested that distinct motives would influence the performance of M&A as well (Nilssen & Sorgard, 1998; Jeremy, 2000). Moreover, others (Slater, Olson & Reddy, 1997; Olson & Slater, 2002; Seth, Song & Pettit, 2002) considered, the degree of emphasis of the enterprises on each dimension of BSC would be different out of varied strategy selection. This research adopted the viewpoint of BSC based on the opinions of scholars above to discuss the correlation between motives and performance of M&A.

H3: Distinct M&A motives had significant influences on performance evaluation.

H3a: Market motives had a significant influence on performance evaluation.

H3b: Strategic motives had a significant influence on performance evaluation.

3. RESEARCH DESIGN

This section reports the sample and data collection, then the measures, and finally the reliability and validity for measures.

3.1 Sample and Data collection

This research adopted questionnaire survey to complete the study. The questionnaires distributed to the subjects of department directors from listed or over-the-counter-listed (OTC-listed) financial holding companies implementing M&A in the past six years. One hundred and forty (140) portions of questionnaire distributed, with 16 invalid and 53 valid questionnaires, a 38% response rate.

3.2 Measurement, Reliability and validity of scales

3.2.1 M&A Motives

The motives for M&A referred to a kind of managerial intention influencing the adoption of M&A strategy by managers (Meyer & Doczy, 2003), that is, the enterprise managers' expectations that wished to supplement or reinforce their own advantages or disadvantages through M&A at the time when they were plotting the future development opportunities for the enterprises. Referring to the scales of M&A motives from Capron & Mitchell (1997), Brouthers et al. (1998) and Gammelgaard (2004), this research designed 11 questions to evaluate the motives of firms conducting M&A. After adopting factor analysis, the questions were eliminated to six items and being further divided into two dimensions of market and strategic motives.

3.2.2 Integrating Mechanism

Integrating Mechanism referred to the management system that acquiring company established to effectively merge the operation of organizations, employees and systems between two parties. In other words, the acquiring company established a managerial system to integrate itself with the acquired company (Capron & Mitchell, 1997), the manager of acquiring company wished to improve the integrating synergy and further lowing down the conflicts and chaos between organizations through such managerial system. Referring to the scale of integrating mechanism introduced by Krishnan & Park (2002), Krishnan & Park (2003), Zaheer, Schomaker and Genc (2003), this research designed 15 questions to evaluate the integrating mechanism of M&A for the enterprise. After adopting factor analysis, the questions were eliminated to ten questions, and being further divided into three dimensions of human, task and systematic integration.

3.2.3 Performance Evaluation

Performance evaluation was a kind of measurement focusing on level of achievement for organizational objectives, that is, to understand the gap between expected and practical results of the organization through performance evaluation. This study adopted a scale for organizational performance developed in the context of adoption of the four dimensions (financial, customer, internal business process and learning & growth introduced) of the Balance Scorecard by Kaplan and Norton(1992), and the scale of performance evaluation from some scholars (Voelker, Rakich, French, 2001; Slater & Olson, 2000; Youngblood & Collins, 2003; Maltz, Shenhar & Reilly, 2003). This research designed 12 question items to evaluate the performance of M&A, and further divided them into four dimensions of financial index, customer index, internal business process and innovation & learning.

3.2.4 Reliability and validity

This research conducted factor analysis on the 11 items from scale of M&A motives and 15 items from the scale of integrating mechanism, to extract the factors with eigenvalue greater than one. In addition, the Cronbach's Alpha was used to test their consistency with the minimal reliability greater than 0.5 (Nunnally, 1978). There were 2 factors extracted from scales of M&A motives with cumulative percentage of total variance explained of 69.58%, and 3 factors from scale of integrating mechanism with cumulative percentage of total variance explained of 68.32%. The name and content of factors were listed in Table 2. Moreover, the reliability of scale of performance evaluation was also greater than 0.5.

4. RESULTS

The three dimensions adopted cluster analyses in this research were M&A motives, integrating mechanism and performance evaluation. After separating the samples into three groups through the Ward's method and K-means method, the results were shown in Table 3 below. The three categories were further named as high level, moderate level and low level, and followed by conducting discriminate analysis to test the validity of categorizing and the identifying capacity of discriminate function. From results in Table 3, the three groups all achieved significant level and the accuracy achieved 100% on each separating results. This study research the result of cluster analysis to conduct ANOVA (analysis of variance) to discuss whether the difference between each dimension appeared.

According to cluster results, this research further test the existence of significant difference between each dimensional factor on clusters through ANOVA. Table 4 displays the results. Distinct M&A motives would make significant influence on selection of integrating mechanism. The enterprises would focus on distinct integrating point out of different motives, when the M&A was conducting under market motives, the higher level of the market motives, it laid stress more on systematic integration during the process, while when the M&A was conducting under strategic motives, there were no significant difference on selection of integrating mechanism.

Therefore, H1 (Distinct M&A motives had significant influences on selection of integrating mechanism) was partly accepted. H1a (Market motives had a significant influence on integrating mechanism) was accepted and H1b (Strategic motives had a significant influence on integrating mechanism) was not. From above, the firms would emphasize mechanism of systematic integration when the level of market motives were higher when enterprises conducting M&A, that is, when the enterprises concerned about the market motives like improving managerial efficiency and lowering operating costs, they would lay stress on integration of quality, speed and operation of systematic database more.

Distinct integrating mechanism would make significant influence on performance evaluation, which means the level of emphasis on performance evaluation indexes were different when conducting distinct integrating mechanism during the process of M&A integration. The higher the level of human integration, the enterprise would lay more stress on performance indexes of financial, internal business process and innovation & learning, while the higher the level of systematic integration, the enterprises would focus more on indexes of financial, customer and innovation & learning. Hence, H2 (Distinct integrating mechanisms had significant influences on performance evaluation) was accepted. H2a (Human integration had significant influence on performance evaluation), H2b (Task integration had significant influence on performance evaluation) and H2c (System integration had significant influence on performance evaluation) was accepted. These conclusions were similar to opinions of some scholars (Slater, Olson & Reddy, 1997; Olson & Slater, 2002; Seth, Song & Pettit, 2002); the enterprises laid different stress on each dimension of BSC since their distinct strategy selection. In addition, if the integrating cores of M&A were different, the focus of M&A performance evaluation would also be distinct.

Different M&A motives had significant difference on performance evaluation, that is, when the enterprises conducting M&A with different motives, the performance evaluation indexes they emphasized were also be different. When the stronger the market motives of M&A, the enterprise would emphasize the indexes of financial, custom and innovation & learning. As for the strategic motive of M&A, it did not have significant difference on performance evaluation. Thus, H3 (Distinct M&A motives had significant influences on performance evaluation) was partly accepted. H3a (Market motives had a significant influence on performance evaluation) was accepted while H3b (Strategic motives had a significant influence on performance evaluation) was not.

5. DISCUSSIONS

5.1 Contributions

In the harshly competitive business environment nowadays, in order to pursue sustainable operation, the enterprises had been seeking for the opportunities for growth. In the past few years, M&A had been the main strategy chosen for external growth of enterprises, the integration process between acquiring and acquired companies and their performance after M&A was one standard to judge whether the M&A operation was success. Recently, many relevant researches of M&A performance still focused on stock price or financial indexes to determine whether the M&A was success. However, in this research, despite the financial indexes, other 3 dimensions from BSC were used to evaluate the M&A performance of enterprise with a more complete measurement approach.

This research focused discussion on M&A motives, integrating mechanism and performance evaluation, with hopes of understanding the practical condition of M&A. The contribution of this study is the findings that distinct M&A motives would have significant differences on selection process of integrating mechanism, in which the market motives had a larger effect; distinct M&A motives would have significant differences on emphasizing degree of each dimension in performance evaluation, in which the market motives had a larger effect; and distinct integrating mechanisms would have significant differences on emphasizing degree of each dimension in performance evaluation, in which the systematic integration had a larger effect.

5.2 Limitations and Future Research Avenues

Many enterprises still used only the financial dimensions as the evaluation indexes of M&A performance. However, in view of M&A motives, the single financial index could not fully disclosure the motives or purpose of managers conducting M&A. Presently, many enterprises were promoting the approach of performance evaluation based on BSC, but most of them laid stress on the financial indexes or evenly developed the four dimensions. However, the promotion of BSC should be adjustable under different M&A motives and integrating mechanism, to evaluate the real synergy of M&A.

The researchers in the future could work on studies focusing the connections between M&A motives, integrating mechanism and performance evaluation within single industry. Besides, the research subjects were domestic companies conducting M&A, the researchers may consider the researches on foreign enterprises in the future, and then conduct comparison between them. Finally yet importantly, the difference of organizational culture might also cause difficulties to integration during the M&A process, the cultural dimension will be worthwhile to include in the future discussions.

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Table 1 Summary of Relevant Researches on Motives for M&A

	Schmidt & Fowler (1990)	Yagil (1996)	Capron & Mitchell (1997)	Sorensen (2000)	Seth et al. (2002)	Berggren (2003)	Pautler (2003)	Gammelgaard (2004)
Motives for M&A								
Enlarge economies of scale	✓		✓		✓			
Acquire new technology		✓	✓					✓
Increase sales amount		✓	✓	✓				✓
Reducing cost								✓
Acquire more market share		✓	✓			✓	✓	
Diversification		✓	✓					✓
Acquire new resources		✓						
Increase profitability	✓	✓		✓				
Enhance inefficient management		✓			✓			
Increase financial leverage						✓	✓	✓
M&A theories								
Efficiency Theory		★			★		★	★
Under-valuation theory								
Signaling theory							★	
Hubris hypothesis	★				★		★	
Growth hypothesis					★			
Risk diversification hypothesis					★	★		
Cash flows hypothesis		★						★

Table 2 Factor Analysis on M&A motives and Integrating Mechanism, and the Consistency of Performance Evaluation

	Content of Factor	Factor Loading	Item-to-total correlations	Cronbach's α
M&A motives	**Market motives**			
	Acquire the channel system platform	0.860	0.700	
	Reduce the operating costs	0.842	0.706	0.821
	Increase sales amount	0.770	0.616	
	Enhance efficiency	0.736	0.564	
	Strategic motives			
	Decrease of the sources supplying raw material	0.883	0.531	0.694
	Competitors	0.853	0.531	
Integrating mechanism	**Human integration**			
	Emphasize the technical ability of the employees	0.758	0.774	0.872
	Emphasize the refinement of operation processes	0.679	0.774	
	Task integration			
	Frequent and close connection between employees	0.808	0.653	
	The integrating team was composed by members from both parties	0.797	0.602	0.818
	Regularly announce the latest news	0.767	0.667	
	Communication channels establishment	0.643	0.630	
	Systematic integration			
	Enlarge and integrate the using area of databases	0.896	0.887	
	Rapidly integrate databases from each company	0.875	0.903	0.900
	Emphasize the improvement of database quality	0.847	0.667	
	The overall systematic integration process was led by the IT members	0.640	0.670	

Table 3 Mean-Variance Analysis on Distinct Clusters

Dimension	Factors	Cluster1 (High level)	Cluster 2 (Moderate level)	Cluster 3 (Low level)	F-Value	P-Value
M&A motives	Market motives	4.71 N=18	3.95 N=30	2.44 N= 5	116.424	0.000*
	Strategic motives	4.70 N=6	3.47 N=36	2.10 N=11	72.497	0.000*
Integrating mechanism	Human integration	4.56 N=10	3.70 N=32	2.68 N=11	88.012	0.000*
	Task integration	4.16 N=17	3.05 N=21	1.86 N=15	184.688	0.000*
	Systematic integration	4.65 N=11	3.72 N=37	2.13 N= 5	78.810	0.000*

***p<0.05**

Table 4 ANOVA for M&A motives, Integrating Mechanism and Performance Evaluation

Independent Variable	Dependent Variable	Sum of Mean Square	F-Value	P-Value	Cluster1 (High level)	Cluster 2 (Moderate level)	Cluster 3 (Low level)	Duncan
Market motives	Human integration	0.572	1.321	0.276				
	Task integration	2.149	2.512	0.092				
	Systematic integration	1.751	3.974	0.025*	4.06	3.72	3.06	(3,21)
Strategic motives	Human integration	0.716	1.677	0.198				
	Task integration	0.904	0.603	0.551				
	Systematic integration	0.303	0.995	0.399				
Human integration	Financial index	2.711	9.169	0.000*	4.28	3.93	3.70	(32,1)
	Customer index	0.090	0.245	0.784				
	Internal business process	1.423	4.127	0.022*	4.22	3.77	3.45	(32,21)
	Innovation & learning	2.360	7.337	0.002*	4.48	3.95	3.48	(1,2,3)
Task integration	Financial index	0.299	0.751	0.478				
	Customer index	0.607	1.753	0.184				
	Internal business process	0.423	1.093	0.344				
	Innovation & learning	1.469	4.072	0.023*	3.71	4.28	3.93	(23,31)
Systematic integration	Financial index	2.968	10.421	0.000*	4.55	4.03	3.13	(3,21)
	Customer index	2.339	8.589	0.001*	4.55	3.94	3.38	(1,2,3)
	Internal business process	1.129	3.160	0.052				
	Innovation & learning	4.085	16.459	0.000*	4.57	3.90	2.92	(1,2,3)
Market motives	Financial index	1.289	3.618	0.035*	4.35	3.95	3.63	(32,31)
	Customer index	1.487	4.820	0.012*	4.32	3.91	3.50	(32,21)
	Internal business process	0.492	1.281	0.287				

	Innovation & learning	1.313	3.585	0.036*	4.26	3.82	3.63	(32,21)
Strategic motives	Financial index	0.017	0.042	0.959				
	Customer index	0.504	1.429	0.247				
	Internal business process	0.339	0.866	0.427				
	Innovation & learning	0.841	2.177	0.125				

***p<0.05**