



## The Role of Finance Controlling in Mergers and Acquisitions

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Received: 19 September 2024

Accepted: 16 December 2024

DOI: <https://doi.org/10.32479/ijefi.17704>

### ABSTRACT

The aim of the study is to analyse finance controlling as a key factor in case of mergers and acquisitions. It is also to evaluate the quantitative impact of finance controlling on the dynamics of merger and acquisition (M&A) transactions. The research employed the graphic method and cluster analysis to study the dynamics of the global M&A market. Regression analysis was also used to determine the impact of financial controlling and the companies' M&A process. The results of the regression analysis, in particular the P-value, indicate the statistical significance of the influence of the predictor and confirm the relationship between finance controlling and the M&A market dynamics. In particular, the P-value for the number of transactions model is 0.0001, while for the value of transactions model — 0.0034, which indicates that there is no reason to reject the null hypothesis. This emphasizes the prospects for further study of the issue from a theoretical and practical perspective, in particular regarding the impact of internal controlling and the involvement of digitalization factors. Assessments of finance controlling in various industries and national economies are also important, which will give grounds to provide more reasonable recommendations for effective management in the current economic realities. Further research may focus on a deeper analysis of intra-company controlling and specific performance indicators. One of the areas of further research would be to analyse global statistics by country or economic sector.

**Keywords:** Mergers and Acquisitions of Companies, Finance Controlling, Transaction Market, Violation of Financial Control, Number of Transactions, Value of Transactions

**JEL Classifications:** G10; O16

### 1. INTRODUCTION

One of the key ways of business adaptation to the new geopolitical realities that inevitably affect the global economy is the M&A transactions. They are not only a mechanism for generating synergistic effects, but also as a basis for scaling and maximizing corporate value. Mergers and acquisitions, as an important direction in the field of corporate finance, are unique and complex transactional processes characterized by significant variability and risk. According to articles published in the Harvard Business Review, 70-90% of M&A transactions fail to achieve their goals. The arrangement does not provide the expected net added value,

which underscores the critical importance of being aware of the risks and challenges that companies face when undertaking such transactions.

Uncertainty in the markets has increased significantly in view of recent events, including hostilities, global pandemics, threats of cyber-attacks, as well as supply chain disruptions and social upheavals. The rapid growth of external threats can entail an increase in the number of failed transactions, as traditional quantitative methods of evaluating investment decisions lose their relevance. In such conditions, it is important to consider that the probability of increasing influence of subjective and behavioural

factors on the decision-making process can significantly change the results of transactions. This creates a need for in-depth research into these aspects, as well as a rethinking of traditional tools. This approach is used to support M&A decisions in order to increase the probability of success of these complex and risky transactions in the current environment.

Many companies face the impossibility of implementing projects with a positive net present value because of limited financial resources. In this context, M&As are one of the possible ways to overcome financial barriers and implement strategic initiatives. This process may, however, be accompanied by financial conflicts. They arise from a variety of factors, the most significant of which are credit constraints, the inability to raise new capital, over-reliance on bank lending, and the risk of asset illiquidity. The real challenge for company management is the ability to understand and effectively manage these risks in order to ensure stable development and successful implementation of planned projects.

The aim of the study is to analyse finance controlling as a key factor in the process of mergers and acquisitions of companies. It is also to assess the quantitative impact of finance controlling on the dynamics of M&A transactions. The aim involved the fulfilment of the following research objectives:

- 1) Analyse the dynamics of the number and value of M&A transactions in the world;
- 2) Evaluate the impact of finance controlling on the number of M&A transactions based on regression analysis;
- 3) Determine the quantitative value of the impact of financial controlling on the value of M&A transactions.

## 2. LITERATURE REVIEW

The terms “merger” and “acquisition” do have common elements and can be used interchangeably, but there are significant differences between them that emphasize the specifics of each process (Boloupremo and Ogege, 2019). As a rule, a merger involves joining the forces of two companies in order to increase their competitiveness and strengthen their market position by consolidating resources, knowledge, and talents (Münter, 2024; Chakraborty and Kattuman, 2023). There are different points of view on the types of mergers. For example, the authors (Agarwal et al., 2019) claim that conglomerate mergers play a key role in the formation of corporate structure and strategy. At the same time, the researchers (Wu et al., 2024) have the opposite view, indicating that horizontal mergers are more appropriate. This kind of mergers between companies operating in the same industry contribute to the creation of synergies, the elimination of competition, and a significant increase in market share. Such strategic decisions increase the companies’ profitability, contribute to the integration of new products and services, and strengthen their position on the market.

The authors (Liu et al., 2023) consider the M&A process from another opposite position. They demonstrate that such elements as tax policy, debt financing and characteristics of controlling shareholders also significantly affect default risk (Liu et al., 2023). The importance of corporate mergers and acquisitions

needs special attention because they contribute to the integration of resources, increased operational efficiency, and improved management structures (Zhang et al., 2023). According to Kar et al. (2021), the M&A process changes not only the company’ capital structure and the field of activity, but also significantly reduces the risk of default on debt obligations. In general, the results of the study complement previous authors. Moreover, it allows companies to find new ways for growth and profitability in competitive markets, improving their ability to service debt and maintain financial stability.

M&A processes do not have clearly unified and standardized stages, which significantly complicates their effective management. Some authors, including Hou and Li (2024), note that most studies offer different classifications of stages. The indicated classifications range from a simple division into periods “before” and “after” the signing of the contract. At the same time, the research (Adra et al., 2020) contradicts the above authors, asserting the need for more complex models. Such models can have up to ten phases. The variety of approaches, often superficial and conflicting, leads to a number of problems. This leads to the imperfection of the methodological support of individual stages, may lead to a false assessment of its effectiveness and the parties’ readiness for transactions. The probability of a negative outcome of the deal remains high, as many decisions in this area are made on the basis of heuristic methods. Therefore, the introduction of an ecosystem approach in the investment and the use of M&A controlling tools can significantly contribute to streamlining this process and reducing risks.

The imperfection of the theoretical and methodological support for decision-making regarding investments in M&A leads to significant errors in the assessment of the synergy effect and the potential for value growth. According to Hussain and Bashir (2020), the main motives for making investment decisions are concepts based on neoclassical postulates. They state that managers should strive to maximize the shareholders’ welfare, considering capital markets to be efficient. However, it is noted that M&A decision-making is often influenced by psychological factors (Sandeep et al., 2023). This is the conflict between the studies. As a result, the price offered by the buyer is usually higher than the real market value. This is confirmed by the research of representatives of the neo-institutional direction, such as Danylyuk et al. (2024). The diversity of motives affecting the M&A decision-making process makes it difficult to achieve rational and profitable results of investment activities (Cao et al., 2023).

There is a significant risk if incorrect assessments of the potential for value growth because of a significant contradictions and conflicts between different authors. It is determined by the difference between the maximum allowable purchase price and the actual price paid, taking into account the reorganization premium and transaction-related costs. Incorrect valuations can lead to a significant loss, causing the deal to fail. The study of the causes and motives of erroneous decisions in this area is a relevant academic problem.

A thorough analysis of academic sources on M&A revealed a significant lack of research on the role of financial controlling,

which aims to coordinate and support the investment decision-making process. Furthermore, the issue of due diligence, exploring it as a technology to ensure an independent assessment of the risks associated with M&A and other investment decisions, remains poorly studied covered. This research aims to fill these gaps by providing new knowledge and insights. The main direction is the analysis of financial controlling in the context of mergers and acquisitions, which is relevant for practice and theory.

### 3. METHODS

#### 3.1. Research Design

The first stage of analysis in the study of M&A transactions involves determining the dynamics of the number of these transactions followed by comparison of the obtained data with their economic value.

This initial analysis is an important step, as it enables identifying trends in the market, as well as assess the effectiveness and attractiveness of the transactions to stakeholders. At the first stage, three economic and mathematical methods were applied, namely: Graphic analysis, time series analysis, and cluster analysis.

The second step is to investigate the role and quantification of financial controlling in the context of the number of M&A transactions. It is based on a regression equation to identify and analyse the relationship between these two categories. The use of regression analysis makes it possible not only to identify the influence of finance controlling on the frequency of concluding transactions, but also to assess its significance in terms of general strategic management practice. This analysis results in providing specific recommendations for companies seeking to optimize their M&A processes. Such a result can be obtained due to the improvement of finance controlling mechanisms, which, in turn, can positively affect their competitiveness on the market.

The third stage of the research was the formulation of the second regression model to assess the role of finance controlling in determining the value of M&A transactions. This model takes into account external finance controlling as a factor that can affect the effectiveness of transactions. This includes the efficiency of management processes, high-quality analytics of financial information, as well as the degree of integration of controlling functions into the entire business system. The identified patterns may indicate certain factors influencing M&A decisions. This emphasizes the need to conduct a more detailed study of M&A transactions in order to build grounded strategies in the future.

#### 3.2. Sampling

In view of the given procedure, the study used three sets of data: the number of M&A transactions in the world from 1985 to 2023; the value of M&A transactions in the world from 1985 to 2023, \$ milliard; the number of violations in the course of M&A in the world from 1985 to 2023, cases (Table 1).

The number of M&As and the number of violations in the course of M&A in the world from 1985 to 2023 in the table are the total registered number of such transactions and cases in the world.

**Table 1: Source data<sup>1</sup>**

Period	The number of (M&A) in the world	The value of M&A in the world, \$ milliard	Cases of violations of financial control in the world, \$ milliard
1985	2,676	347	9,369
1986	4,228	435	11,745
1987	5,279	506	13,662
1988	7,440	777	20,979
1989	10,135	758	20,466
1990	10,814	540	14,580
1991	14,722	397	10,719
1992	14,102	400	10,800
1993	14,772	516	13,932
1994	16,816	624	16,848
1995	20,278	1,039	28,053
1996	24,310	1,217	32,859
1997	26,227	1,824	49,248
1998	30,218	2,678	72,306
1999	33,132	4,116	111,132
2000	39,783	3,623	97,821
2001	31,047	1,866	50,382
2002	27,201	1,242	33,534
2003	29,573	1,411	38,097
2004	32,953	2,145	57,915
2005	36,025	2,794	75,438
2006	41,407	4,023	108,621
2007	47,455	4,920	132,840
2008	45,173	3,075	83,025
2009	40,710	2,187	59,049
2010	44,844	2,750	74,250
2011	43,976	2,668	72,036
2012	41,480	2,533	68,391
2013	39,568	2,536	68,472
2014	43,847	3,960	106,920
2015	48,052	4,779	129,033
2016	49,991	3,646	98,442
2017	53,302	3,777	101,979
2018	56,382	3,939	106,353
2019	53,594	3,894	105,138
2020	47,307	3,268	88,236
2021	58,308	5,236	141,372
2022	50,763	3,384	91,368
2023	39,603	2,495	67,365

<sup>1</sup> Source: developed by the author based on Statista (2024)

So, the study uses the most complete registered data known to the world's supervisory bodies.

Indicators of the number and value of mergers and acquisitions (M&A) transactions are analysed separately because of their significantly different dynamics. In particular, it turns out that the number of transactions is significantly lower compared to the total value of these transactions within the same period. Such unevenness confirms the volatility in the M&A market. It also demonstrates the structural changes taking place in the M&A industry, in which a large amount of capital can be invested in a relatively small number of transactions. In particular, the analysis of data for a 38-month period can illustrate such trends and contribute to a deeper understanding of the mechanisms of the functioning of this market.

#### 3.3. Research Methods

The research employed various methods of analysis and evaluation. A graphic method is used at the first stage of the research, to

visualize the change of the research object over time and identify its main trends. In addition, time series dynamics analysis methods are used, which provide a more detailed assessment of the fluctuations occurring in the data. This combination of graphical and analytical approaches makes it possible to interpret the available data and make reasonable predictions about their further behaviour. The second method was used for a more detailed analysis of the dynamics — the clustering method based on the “farthest neighbour” principle (Ros and Guillaume, 2019). Farthest neighbour cluster analysis, also known as the farthest neighbour method, is based on the maximum distance between objects belonging to different clusters. This approach helps to reveal the structure of the data by allowing similar items to be grouped according to their distance from each other. The use of this method is an effective tool for analysing and interpreting large amounts of information.

At the second stage, the third method is applied — the method of regression analysis, which is used by building two models based on the equation:

$$\hat{y} = f(x) \tag{1}$$

And the multiple regression model has the form:

$$\hat{y} = f(x_1, x_2, \dots, x_k) \tag{2}$$

Where the mean value of the dependent variable is considered as a function of the  $k^{\text{th}}$  independent variables (Bigliardi et al., 2020).

This approach considers the average value of the dependent variable  $y$  as a function of the explanatory variable  $x$ , which confirms a correlation between them. The model of simple paired regression is formulated in a certain mathematical form, and its main purpose is to establish and quantify the degree of connection between variables. This, in turn, enables making predictions and optimizing decision-making based on the obtained results, which is critical for effective process management (Bigliardi et al., 2020).

The first model determines the impact of financial controlling on the number of M&A transactions. In this way, data on the number of violations in the course of M&A in the world ( $X$ ), as well as the number of M&A transactions ( $Y1$ ) are used. The second model assesses the role of finance controlling in the M&A value ( $Y2$ ). An indicator of the value of financial controlling is data on the number of violations in the course of M&A in the world ( $X$ ).

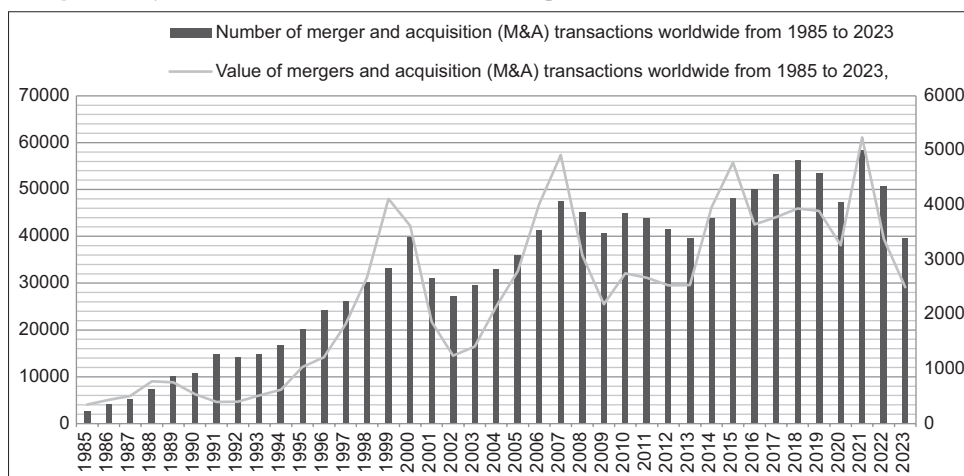
#### 4. RESULTS

The study provides a comprehensive analysis of the dynamics indicating the number and value of companies’ M&A transactions during 1985-2023. There were significant changes that had an impact on the M&A market in the mentioned period, including economic crises, the growth of technological innovation and changes in the regulatory environment. Analysing the data, it is necessary to take into account numerous factors that prompted companies to more actively integrate and consolidate on the world stage. Figure 1 illustrates statistical indicators reflecting the change in both the number and value of M&A transactions over the specified period. It shows both the peak years in the conclusions of transactions and the periods of stagnation, which may be related to external and internal economic factors.

The given data show that there was a clear correlation between the number and value of companies’ M&A transactions during 1985-1991 (Statista, 2024). However, there was a significant increase in the number of such transactions in 1991, which amounted to 36%. This rise is impressive, given that, in parallel, the value of transactions has experienced a significant decrease of 26%. Such a situation may indicate changes in market conditions that affected the structure and nature of transactions, taking into account the decrease in the value of assets.

Based on the results of calculations in Table 2, it can be concluded that from 2016 to 2020 there was a downward trend in the cost of M&A transactions. At the same time, there is a simultaneous increase in their number, which reflects the complex and dynamic nature of the global business environment. Global economic trends should be considered one of the main reasons

**Figure 1:** Dynamics of the number and value of companies’ M&A transactions for 1985-2023<sup>2</sup>



<sup>2</sup> Source: developed by the author based on Statista (2024)

**Table 2: Results of the assessment of the growth rates of the number and value of companies' M7A transactions in 1985-2023<sup>3</sup>**

Year	Number of M&A transactions worldwide for 1985-2023		Value of M&A transactions worldwide for 1985-2023	
	Numbers	Growth rate (%)	milliard \$	Growth rate (%)
1985	2,676	-	347	-
1986	4,228	58	435	25
1987	5,279	25	506	16
1988	7,440	41	777	54
1989	10,135	36	758	-2
1990	10,814	7	540	-29
1991	14,722	36	397	-26
1992	14,102	-4	400	1
1993	14,772	5	516	29
1994	16,816	14	624	21
1995	20,278	21	1,039	67
1996	24,310	20	1,217	17
1997	26,227	8	1,824	50
1998	30,218	15	2,678	47
1999	33,132	10	4,116	54
2000	39,783	20	3,623	-12
2001	31,047	-22	1,866	-48
2002	27,201	-12	1,242	-33
2003	29,573	9	1,411	14
2004	32,953	11	2,145	52
2005	36,025	9	2,794	30
2006	41,407	15	4,023	44
2007	47,455	15	4,920	22
2008	45,173	-5	3,075	-38
2009	40,710	-10	2,187	-29
2010	44,844	10	2,750	26
2011	43,976	-2	2,668	-3
2012	41,480	-6	2,533	-5
2013	39,568	-5	2,536	0
2014	43,847	11	3,960	56
2015	48,052	10	4,779	21
2016	49,991	4	3,646	-24
2017	53,302	7	3,777	4
2018	56,382	6	3,939	4
2019	53,594	-5	3,894	-1
2020	47,307	-12	3,268	-16
2021	58,308	23	5,236	60
2022	50,763	-13	3,384	-35
2023	39,603	-22	2,495	-26

3 Source: developed by the author based on Statista (2024)

for this difference, which contributed to the intensification of entrepreneurial activities, innovations, and the development of new technologies. The increase in competition on the market, as well as the emergence of new economic opportunities arouse companies' interest in consolidating resources and technologies in order to increase efficiency and achieve production scales. Along with this, changes in the regulatory framework, as well as the increasing availability of financial resources, have become catalysts for the conclusion of more transactions. This paradoxical situation reflects not only changes in the companies' operating strategies, but also a wide range of economic and social factors.

As a result of significant differences in the structure of the number and cost of M&A transactions, it becomes necessary to carry out

clustering for a more detailed analysis and understanding of the processes. Clustering makes it possible to group companies by common characteristics, such as industry affiliation, company size, geographic location, and strategic goals in the implementation of deals. This approach provides an opportunity to identify key trends affecting the market, as well as identify potential risk factors and investment opportunities. Thanks to clustering, analysts can more accurately predict the behaviour of market entities, evaluate the effectiveness of already concluded transactions and develop recommendations for future M&A (Table 3).

The conducted cluster analysis proves the assumption about the existence of time groups. According to the research results, 5 clusters were obtained (Figure 2):

- Cluster 1 – the period from 1985 to 1992;
- Cluster 2 – the period from 1993 to 1997;
- Cluster 3 – the period from 1998 to 2000 and from 2003 to 2007;
- Cluster 4 – the period from 2014 to 2017, as well as the years 2002, 2008, 2011-2012;
- Cluster 5 – the period from 2018 to 2023, as well as 2013.

Therefore, it can be argued that similar clusters have similar trends, which are expressed in common behavioural and economic patterns observed in the analysed data. For example, Cluster 5 shows an overall decline in the number of M&A transactions at the level of 4%, which indicates decreased activity in this market segment. There is also a decline in the value of concluded M&A transactions, which amounts to 2%. These figures suggest that market participants are turning to more cautious strategies, which can be caused by both internal and external economic factors. In the context of the overall economic situation, these shifts can have important implications for the conclusion of transactions, shaping new approaches to investments and strategic planning in this area.

The next stage of the calculation is the estimation of the first and second regression models. Based on the results of the regression analysis, two models were formed that give a detailed idea of the influence of the identified predictors on the M&A dynamics. The use of these models contributes to a comprehensive analysis of factors that can influence companies' M&A decisions, as well as the economic climate in general. Null hypothesis for regression models: financial controlling has a significant impact on the M&A market dynamics. The results of the analysis provide practical recommendations for strategic management in the modern market, which is extremely important for making informed decisions when making M&A operations: Model 1:  $Y = 9072.004 + 7.850X$  and Model 2:  $Y = 4.547473 + 0.037X$ . Table 4 shows the regression statistics needed to determine the significance of the model.

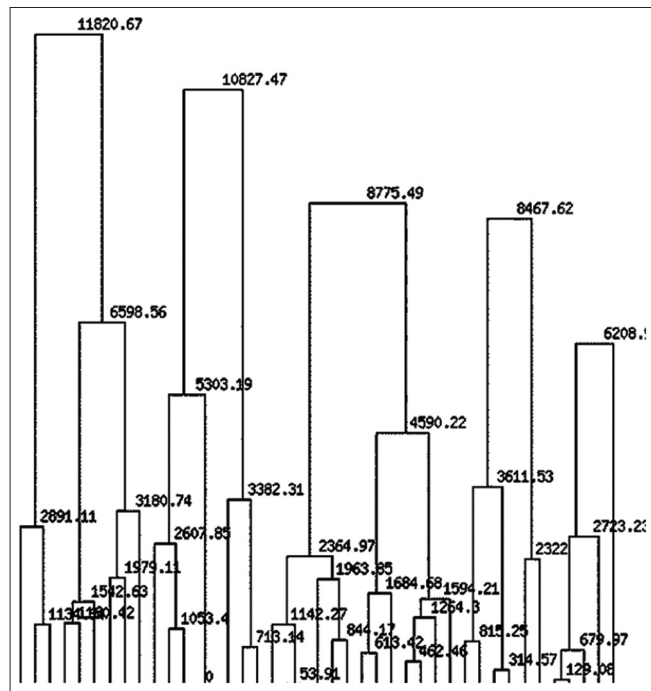
For both models, the coefficient of determination ( $R^2$ ) is sufficiently high: for the number of transactions model (model 1)  $R^2 = 0.82$ , and for the value of transactions (model 2)  $R^2 = 0.81$ . This indicates that the estimated parameters of the models explain 82% and 81% of the variation between the studied parameters, respectively. These indicators illustrate the high level of consistency of the models with empirical data, which supports the appropriateness of their use for further analysis. The results of the regression analysis

**Table 3: Matrix of clusters<sup>4</sup>**

Clusters	1985, 1986, 1988, 1987, 1989, 1990, 1991, 1992	1993, 1995, 1994, 1996, 1997	1998, 1999, 2004, 2000, 2003, 2005, 2001, 2006, 2007	2002, 2012, 2008, 2011, 2014, 2015, 2016, 2017	2018, 2019, 2020, 2021, 2022, 2023, 2013
1985, 1986, 1988, 1987, 1989, 1990, 1991, 1992	0	20304.601	36133.185	48289.062	58542.622
1993, 1995, 1994, 1996, 1997	20304.601	0	22053.325	34231.245	44469.735
1998, 1999, 2004, 2000, 2003, 2005, 2001, 2006, 2007	36133.185	22053.325	0	24007.716	34234.725
2002, 2012, 2008, 2011, 2014, 2015, 2016, 2017	48289.062	34231.245	24007.716	0	18933.505
2018, 2019, 2020, 2021, 2022, 2023, 2013	58542.622	44469.735	34234.725	18933.505	0

4 Source: developed by the author based on Statista (2024)

**Figure 2: Dendrogram of cluster analysis<sup>5</sup>**



5 Source: developed by the author based on Statista (2024)

will be used in this study to test the advanced null hypothesis. In particular, the P-value was used, which demonstrates the probability of confirming the null hypothesis. The analysis showed that the P-value for the number of cases of violations of financial control is below 0.05. For the number of transactions model, the P = 0.0001, while for the value of transactions model — 0.0034. These results indicate that the numerical effect of the relevant predictor is statistically significant. There is clear convincing evidence that there are no grounds for rejecting the hypothesis of an existing connection between finance controlling and the dynamics of the global M&A market. It should be noted that the statistical significance of the identified dependencies emphasizes the importance of further study of this issue in terms of both theoretical and practical aspects.

## 5. DISCUSSION

Our research revealed a stable connection between finance controlling and the market of M&A transactions, which indicates a deep intertwining between these phenomena at the current stage

of economic development. It is important to consider the role of finance controlling from an external perspective for a more complete understanding of this relationship, as external factors can significantly influence M&A processes. In this context, the analysis of the study by Adhikari et al. (2023) emphasizes the impact of financial constraints on the role of finance controlling on the part of the banking system, which emphasizes the importance of the external financial environment for successful M&A transactions. In particular, the study notes that the impact of M&A on individual commercial banks is manifested in different ways. This impact depends on the state of the bank at the time of the transaction, which is a critical aspect for assessing the risks and benefits of such transactions. Such a point of view, which is also confirmed by the works (Muhammad et al., 2019a; 2019b), reveals a certain contradiction with some other findings of (Al-Hroot et al., 2020). Such discrepancies indicate the complex nature of the relationship between finance controlling and the M&A market. Moreover, it raises the need for further research in this area to develop practical recommendations for financial institutions and business in general.

The studies, which partially contradict the results presented in this article regarding the significant impact of digitalization and digital M&A in general are becoming widespread (Huang and Shen, 2024; Zheng and Mao, 2024). The reason for the conflicting findings compared to ours is the non-inclusion of other sectors (development banks and finance companies) in this study is consistency and unavailability of data (Aggarwal and Garg, 2022). This means that the financial aspect (Bansal and Abdulla, 2020) and finance controlling (Jhang et al., 2020) is not taken into account when considering the M&A market of companies based on the principles of digitalization. As a consequence, the results of this study limit the scope of the overall impact of M&A on the financial performance of the acquiring banks because they ignore the impact of M&A on target financial institutions excluded from the data analysis (Olohunlala et al., 2022). Therefore, further research should cover a longer period to measure the overall impact of M&A using both qualitative (Wang et al., 2020) and quantitative data.

The findings of (Shi and Huang, 2024) partially correlate with our findings, as the researchers consider external controlling, but in the context of green M&A, as well as corporate environmental responsibility. This work expands the discussion of potential channels of influence, taking into account not only formal finance, but also green controlling. Numerous literature confirm the existence of technological innovation as a significant channel

**Table 4: Regression statistics<sup>6</sup>**

Model 1		Model 2	
Multiple R	0.90645	Multiple R	0.962205939
R-squared	0.821652	R-squared	0.813884096
Normalized R-squared	0.816832	Normalized R-squared	0.769074942
Standard error	6923.958	Standard error	1.51426
Observation			39

6 Source: developed by the author based on Statista (2024)

in M&A processes. For example, a study by Sun et al. (2023) demonstrate that such deals tend to enhance technological innovation, which in turn leads to improved corporate governance. Guided by the noted technological aspects, this work proves that M&As can also reduce financial constraints. This can be achieved by reducing the information asymmetry between the organization and its stakeholders, which significantly increases transparency and trust in financial transactions. From a practical perspective, this study is important for understanding managerial decisions capable of significantly increasing economic benefits from M&A. Moreover, it contributes to the formation of strategic recommendations for companies seeking to succeed in this competitive field.

### 5.1. Limitations

The study considers only external finance controlling, internal company controlling is not taken into account and indicators are not analysed. The analysis of global, world statistics without a breakdown by country or by industry can also be included in the research.

### 5.2. Recommendations

In view of the conducted research, it is recommended not to neglect indicators of external financial controlling in the M&A process. Although these indicators do not provide comprehensive information about the financial condition of companies, they are important for assessing risks and prospects for future cooperation. Insufficient attention to financial indicators can lead to significant financial losses and negative consequences for all participants in the process. Therefore, the integration of external and internal finance controlling in the M&A strategy is a necessary condition for ensuring the successful implementation of these corporate measures.

## 6. CONCLUSION

Therefore, the conducted research is extremely relevant, as it reveals the importance of the role of finance controlling in the process of concluding M&A transactions. Finance controlling, especially external, which is carried out by external control bodies, reduces the number of violations. In turn, reducing the number of violations will avoid additional costs in the form of fines and other institutional costs. The study provides an analysis of the dynamics of concluding M&A transactions and divides into 5 clusters periods of surge and decline in activity on the M&A market. Two regression models were also built to confirm the hypothesis regarding the significant impact of finance controlling on the

M&A process. For both models, the coefficient of determination ( $R^2$ ) is extremely high: for the number of transactions (Model 1)  $R^2 = 0.82$ , while for the value of transactions (Model 2)  $R^2 = 0.81$ . This means that the estimated parameters of the models explain 82% and 81% of the variation between the studied parameters, respectively, demonstrating a high level of agreement with the empirical data.

The results of the regression analysis, in particular the P-value, indicate the statistical significance of the influence of the predictor and confirm the relationship between finance controlling and the dynamics of the M&A market. The analysis showed that the P-value for the number of transactions model is 0.0001, and for the value of transactions model — 0.0034, which indicates that there is no reason to reject the null hypothesis. This emphasizes the importance of further study of the issue from a theoretical and practical perspective with the study of the influence of internal controlling, the involvement of digitalization factors. In addition, it is necessary to note the importance of evaluating finance controlling in the context of various industries and national economies in the future.

The results of this study can be the basis for making strategic recommendations for companies in the M&A process. Timely and justified implementation of such recommendations can significantly optimize the M&A process, ensuring sustainable growth and business development.

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