

## Impact of Behavioral aspects in Mergers and Acquisitions : An Overview

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### Abstract

The paper studies to extract the behavioral implications behind the M&A decisions by the top level policy and decision makers. Irrespective of the nomenclature given to their designation, their decision making power and competent authority is targeted to study their behavioral traits and beliefs either as an individual or in a team. It is purely a literature based study. The findings and suggestions are based on the historical information and conclusions derived from the past 30 years of literature survey. After a detailed review of the literature, we find that the corporate financial decision makers are taking almost all the M&A related decision with the influence of their psychological contextual which includes their ownership, belongingness, optimism, overconfidence, self-attribution, hubris and satisficing personal as well as organizational objectives. Of-course they give priority to their safety and self-esteem. We also suggest that there is a scope for further research using primary data. A lot of in-depth analysis is possible in the future.

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### I. Introduction

IN THE CURRENT dynamic corporate reforms, mergers, acquisitions and corporate restructuring is becoming a day to day activity. For one or the other motive, profit making concerns are getting merged or amalgamated. In regard to corporate mergers, repeated analyses by academics, management consultants, and investment bankers have reached the same conclusion. In the short-term to medium-term, fewer than half of all mergers add value.

There are a couple of behavioral theory which are inseparable from human mindset. It is not confined to individual investors alone but also applicable to corporate strategic level decision makers, at least a significant minority of them, are subject to behavioral biases that mean their financial decisions can be less than fully rational. Evidence of these biases has

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#### IV. Conclusion

The above outcomes are based on the review of the literature from past 30 years of research papers. The scope of further research is huge because when the secondary data could support to extract this level of information, then definitely the primary data in further research will definitely feed for the empirical analysis. The experiential analysis on this arena in future is possible when the data is collected from the different set of samples who are decision making level/ strategic level to take financial decisions which decides the fate of an organization. Moreover, the study is in a globalized view, not in Indian context particularly. So, there is a lot of scope for having an in-depth study in Indian context itself. In other words, Mergers, acquisitions and amalgamations are becoming a more often business strategy in India due to the globalization and international conglomerations in business world. So, there is a lot to explore in this dimension to have an intellectual awareness to handle the anomalous circumstances during M & A activities in future.

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