

Post-Merger Integration Capability and Shareholder Value Added

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ABSTRACT

The study investigates the impact of a post-merger integration capability (hereinafter PMIC) on shareholder value added (hereinafter SVA) of acquirer banks listed on the Ghana Stock Exchange (hereinafter GSE). The study used panel data techniques of random effects, fixed effects estimation and generalised method of moments (GMM) to purge time-invariant unobserved firm specific effects and to mitigate potential endogeneity problems. The study indicated that PMIC (proxied by strategic, communication, coordination and network, marketing, technology, knowledge management, human capital, intellectual capital, managerial and information technology capabilities) have positive and significant influence on SVA (proxied by Economic Value Added, Market Value Added and Cash Value Added). The results further show that bank size, bank age, bank growth and leverage moderate the relationship between PMIC and SVA. The study recommends that banks analyse their organisational capabilities and firm size prior to any business expansion decision (organic or inorganic).

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Keywords: post-merger integration capability, shareholder value added, economic value added, market value added, cash value added

I. INTRODUCTION

The fundamental reason for the failure of M&A transactions, however, is presented by the failed integration of the merging organisations (Hackmann, 2011). It is commonly known that the main problems for the responsible managers arise in the so-called post-merger integration (PMI). This is particularly significant as this is the phase where the value creation associated with the merger takes place (Savovic, 2012). Notwithstanding, the relevance of PMIC is often underestimated and mistakes that influence the whole outcome of the M&A are predestined. While the cause of this failure is commonly thought to involve the management of PMI (Graffin et al., 2016), there is no satisfactory explanation of why under-performance is so prevalent. In PMI, value creation is accomplished when the potential value the acquirers identified before the acquisition is achieved (Graebner et al., 2017). Failure to realise this full available value is known as 'value leakage', and is defined as the dissipation of the value expected by acquirers (Gates and Very, 2003). Prior research shows that value leakage plays an equal part in determining final acquisition performance (Teerikangas and Thanos, 2018). Thus, even the highest value creation expectations can be toppled by value leakage through unanticipated problems and barriers. The challenge then becomes how to manage PMI to realise value creation potential and achieve the expected acquisition performance.

Managers seeking to succeed in managing PMI need a deep understanding of the integration–performance link. This link is complex and is largely affected by integration strategy – the approach taken to manage resources with the aim of creating value for acquirers. Due to its critical role, integration strategy has attracted the attention of scholars from both quantitative and qualitative schools. However, both qualitative and quantitative studies concur that integration strategies have mixed and complex effects on acquisition performance (Faulkner et al., 2012). The literature is also split over whether features related to integration strategies such as integration speed impact acquisition performance positively or negatively (Bauer and Matzler, 2014).

Contradictory results are reported by some researchers regarding the elements that affect the M&A performance and the effects of these elements with each other (Aggarwal and Singh, 2015). Because of these contradictions, meaningful generalizations about the subject have not been possible. Most studies on M&As relied chiefly on traditional accounting measures (profitability, liquidity and financial leverage) in assessing post-M&A financial performance as opposed to focusing on SVA (Buadee, 2015). Paradoxically, the vast body of M&A literature largely neglected the influence of PMI on M&A financial performance. Conventional accounting measures such as net profit margin; EPS, ROA, ROE and ROCE do not reflect the economic returns of a firm because they do not reflect shareholders wealth (Aloy and Alfred, 2014). SVA represents the framework for value enhancement that will guide management decision process in terms of financial planning, monitoring and controlling (Sharma and Kumar, 2012).

Untangling the PMIC–SVA link can assist in resolving this confusion over how integration strategies affect SVA. In PMI, functional integration strategies evidently experience value leakage while also creating shareholder value (Gates and Very, 2003). These functional integration strategies are determined according to the level of integration – the extent to which the target firm is integrated into the acquirer (Cording et al., 2008). Consequently, we suggest that a promising avenue for exploring the integration–SVA link is to conduct a functional analysis aimed at pinpointing the

mediating dynamics running from the level of integration to SVA.

However, research has little to offer regarding the function-specific mechanism that determines SVA. A handful of studies identified the role of target firm managers, acquirer integration managers, and investors in creating value for acquirers (Paruchuri et al., 2006; Teerikangas and Thanos, 2018). Other studies explored structural integration (Puranam et al., 2009), inter-unit collaboration (Kretschmer and Puranam, 2008), and a hybrid approach in PMI. These studies investigated specific actors and intermediating mechanisms, but only Teerikangas and Thanos (2018) examined functional mediating dynamics to explore the integration–SVA link. However, their grounded model stops short of connecting each functional integration strategy with its associated value creation and value leakage. We thus extend their work to gain a better understanding of how SVA is built up and achieved via a PMIC.

The firm's size (herein after referred to as FS), firm's age (herein after referred to as FA), firm's growth (herein after referred to as FG) and financial leverage (herein after referred to as FL) are important factors in determining a firm's success in obtaining finance in addition to access in large economic production. The finance decision is usually based on studying and analysing profitability as a measure of its performance. The FS represents the quantity and variety of its products, or services and its ability to provide them to customers, according to the concept of large-scale production. This involves production at lower costs to maximising profits. A firm's management often aims at maximising shareholder value in the long run. This is in tandem with the organisation theory. If an organisation achieves the maximum level of growth, all other things being equal, it will achieve the maximum level of profitability which could translate into value creation for shareholders. From a managerial perspective, the firm's growth depends on its size.

Large companies benefit from economic of scale owing to their size. Often times firms increase their size to gain sustainable competitive advantages over their rivals. This increases their market share as they reduce the cost of production. Consequently, large companies have the advantage of producing items at relatively lower costs as opposed to smaller companies. Indeed, Danaei and Abdi (2015) asserted that large firms increase because of market of large capitalisation, consistent in book value and high revenue. Investors tend to be more interested in companies with large scale. Thus, all these factors help large firms to stabilise their operations. More importantly, firms' consistency attracts investors to own portions of the total investment in the company. Consequently, this serves as the basis of increase in share price in the capital market. Generally, size has an impact greatly on firm values and enhancing their standard of living. From these scenarios it is evident that FS could contribute to shareholder value in many ways. Kartikasari and Merianti (2016) argued that maximising shareholder value has potential to enhance organisational performance through economy of scale, increasing efficiency and growth and financial performance.

Large companies that have been established for a long time period have good level of liquidity and cash flow and can endure and survive bad financial conditions. Even though production activities could be hampered because of the purchasing power of customers are weakened, large companies still have good budget plans to keep going concern. Large companies have a greater amount of assets and capital rather than small companies that are just starting business, so it can be more easily for them to obtain loan funds for helping the operating activities and increase the sales to generate more profit.

Whereas previous studies concluded that firm size, firm age, firm growth, and leverage positively and significantly affect corporate financial performance and going concern of a company (Kartikasari and Merianti, 2016), other studies showed inconsistent results regarding firm characteristics and financial performance (Ilaboya and Ohiokha, 2016; Olawale and Olanrewaju, 2016; Charles et al., 2018; Samosir, 2018; Harisa et al., 2019; Abeyrathna and Priyadarshana, 2019; and Yameen et al., 2019).

SVA measures an entity's performance, management efficiency in using assets in increasing the owners' fortune and its success in achieving its activities. Because of the importance of SVA proxy, many studies have been conducted to identify the factors affecting it. There is no agreement between researches on the effect of FS, FA, FL and FG on SVA. In Ghana, there is no studies that tests the mediating/moderating role of FS, FA, FL and FG in the relationship between PMIC and SVA. Therefore, this study aims to shed light on the effect of PMIC on SVA in the Ghanaian banking sector. The study also tests the effect of the FS, FA, FL and FG on SVA and how they mediate the relationship between PMIC and SVA in the banking sector.

This study conceptualised a PMIC geared towards value addition to shareholders wealth in the banking sector. It is an all-embracing framework because it incorporates the desires, demand and expectations of all business stakeholders, especially the contributors of funds (shareholders). From the viewpoint of academic researchers, the findings highlight the importance of taking a broad perspective in studying M&A performance from the viewpoint of shareholders instead of reliant on traditional accounting performance indicators such as ratios. This study argues that despite the relevance of the pre-merger phase, the actual value is created in the post-merger phase. Attention must be averted to banks' reporting framework to correct some of the anomalies that distort the financial analysis of their financial reports. Banks must be made to disclose the nature of all assets and liabilities (whether they are current or non-current) in their statement of financial position to enable analysts to fairly estimate their cost of equity.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Post-Merger Integration Capability (PMIC) and Shareholder Value Added (SVA)

From a practical perspective, effectiveness of integration should be seen as crucial tool to positively influence the M&A performance and consequently improve shareholder value. In a paradoxical manner, the vast body of M&A literature largely neglected this field of research (Homburg and Bucerius, 2006). Zollo and Meier (2008) found a linkage between PMI and long-term firm performance. Cording et al. (2008) identified a relationship between PMI and acquisition performance. Therefore, further research is required to understand the impact of effectiveness of PMIC on SVA (proxied by EVA, MVA and CVA). The present study develops the hypothesis that:

H1: PMIC has a significant positive effect on SVA of acquirer banks listed on the GSE

1. Strategic Capability (SC) and SVA

Wanjiku (2017) concluded that possession of SC enables firms to directly improve their value offering to shareholders, the market or customers in terms of products or services which are a result of possession of core competencies. Imbambi (2018) investigated the influence of SC on competitive advantage and financial performance of sugar manufacturing firms. The study established a statistically significant and direct link between SC, competitive advantage and financial performance. Xiao et al. (2014) concluded that strategic financial resource capabilities improve firm performance and firms should strike a balance between expenses and the revenue streams.

The above discussions enable the assumption that enhancing SC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of SC on SV are reasonably assumed to be as follows:

H1a: SC has a significant positive effect on SVA of acquirer banks.

2. Communication Capability (CC) and SVA

According to Richards et al. (2019), the decline in organisational financial performance could be partially attributed to inadequacies in the practice associated with strategic communication. Effective planning and research in strategic communication is necessary to support the process of strategic decision-making that is key to a successful PMI and enhanced SVA (Shonubi and Akintaro, 2016). Sound strategic communication systems have the potential to influence learning in acquirer entities and energise the process of innovation which could influence SVA after the merger/acquisition (Waal and Heijden, 2016).

Abass et al. (2017) stressed the need for sound communication practices to translate strategy into favourable organisational outcomes after a merger or an acquisition. Hickman and Silva (2018) indicated that most acquirer entities have failed to properly execute strategic communication despite having well-articulated strategies. In a study carried out by Mafini (2016), strategic communication was found to positively and significantly affect the financial performance of business entities. Similarly, Muiruri (2017) conducted a study on the influence of strategic communication on the financial performance of commercial banks in Kenya and the results confirmed a favourable relationship between strategic communication and financial performance.

The manner in which strategic communication enhances a successful PMI outcome is nebulous, notwithstanding the critical role they play in creating value additions for shareholders of acquirer entities. The above discussions enable the assumption that improving upon CC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of CC on SVA are reasonably assumed to be as follows:

H1b: CC has a significant positive effect on SVA of acquirer banks.

3. Coordination and Networking Capabilities (CNC) and SVA

Zacca et al. (2015) concluded that networking capability positively impacts on the creation of knowledge and that innovation and competition are important factors in the creation of knowledge and the performance of organisations. Papastamatelou et al. (2016),

study sought to determine the networking capability related factors that improved the performance of German, Chinese and Turkish companies. The study concluded that factors affecting performance varied across countries.

Parida et al. (2017) research concluded that network relationship building does assist in explaining the innovativeness of firms and the effects this has on the sales, customers and the performance of the innovation. Srečković (2018) concluded that in cases of environmental uncertainties, networking capability improves the performance of architectural companies while managerial capability helps in the real estate firm's performance. Mandal and Korasiga (2016) revealed that coordination capability positively moderates the relationship between demand management interface capability and logistics integration. Rico et al. (2017) found that coordination has a positive effect performance of systems.

The above discussions enable the assumption that improving upon CNC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of CNC on SVA are reasonably assumed to be as follows:

H1c: CNC has a significant positive effect on SVC of acquirer banks.

4. Marketing Capabilities (MKTC) and SVA

Udoyi (2014) established that there was a significant positive relationship between bank performance and inter-functional coordination. More so, Karanja et al. (2014) established that MKTC contributed significantly to the intermediary organisations' performance. In addition, Odhiambo (2014) revealed that MKTC had strong statistical predictability of firm performance. A study done in the USA and Slovenia by Breznik and Hisrich (2014) found that MKTC affect the financial performance of micro and small family businesses as a result of the dynamism hence adjusting to innovativeness.

The above discussions enable the assumption that improving upon MKTC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of MKTC on SVA are reasonably assumed to be as follows:

H1d: MKTC has a significant positive effect on SVA of acquirer banks.

5. Technological Capabilities (TC) and SVA

A study by Obembe et al. (2014) showed a positive impact of TC, innovations, and clustering on the performance of the firms on new furniture products. Similarly, Zawislak et al. (2012) investigated the relationship between investments in technological capability and economic performance in Brazilian firms. The relationship between investments in technological capability and firm performance was found to be positive and significant. Further, Azubuike (2013) attempted to find out the relationship between technological innovation capability and firm's performance in new product development. The survey findings verified the existence of correlation between technological innovation and firm performance on new product development.

The above discussions enable the assumption that improving upon TC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of TC on SVA are reasonably assumed to be as follows:

H1e: TC has a significant positive effect on SVA of acquirer banks.

6. Managerial Capabilities (MC) and SVA

Yin (2012) found a statistically insignificant relationship between MC and financial performance. Furthermore, Ahmed (2017) revealed that there is a relationship between MC, managerial performance and organisational performance. Aduloju (2014) investigated whether IT investments and IT MC can account for variations in customer service performance among insurance companies in Nigeria. Results showed that the interaction of IT investments and tacit, path-dependent, and firm-specific IT MC significantly explains variations in customer service performance.

The above discussions enable the assumption that improving upon MC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of MC on SVA are reasonably assumed to be as follows:

H1f: MC has a significant positive effect on SVA of acquirer banks.

7. Knowledge Management Capabilities (KMC) and SVA

Onyango (2016) conducted a study on the influence of KMC on performance of international humanitarian organisations in Kenya. The study concluded that KMC affect the performance of international humanitarian organisations in Kenya. Moreover, Musuva et al. (2013) specifically considered the effect of organisation innovation intensity, knowledge and adaptive capability on the degree of internationalisation and performance. The results showed that KMC have a positive influence on the degree of internationalisation and performance of a firm. Similarly, Mararo (2013) conducted a study on knowledge management practices as a competitive tool in insurance companies in Kenya. The study found that knowledge management practices have a positive and significant effect on competitive advantage.

The above discussions enable the assumption that improving upon KMC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of KMC on SVA are reasonably assumed to be as follows:

H1g: KMC has a significant positive effect on SVA of acquirer banks.

8. Information Technology Capability (ITC) and SVA

Al-Azzawi and Altmimi (2015) researched on the effect of information and communication technology investment on the profitability of the Jordanian commercial banks. From the analysis of the study, it was concluded that there is a positive effect of ICT on the profitability and performance of the sample Jordanian commercial banks. Bonza (2015) studied information technology and the company performance in the sector of services and found a positive and significant relationship between the two variables.

Muthoni and Kinyua (2020) in a study on the impact of ITC in the tourism state corporations in Kenya concluded that ITC has a significant effect on performance of tourism state corporations in Kenya. Investigating the relationship between ITC and the performance of an organisation, Chae et al. (2014) showed that there is no positive

relationship between ITC capability and the performance of an organisation. Tanui (2015) concluded that ITC positively influences firm competitiveness which translate into high returns for shareholders. Imbambi (2018) studied the influence of ITC on Western Kenyan sugar firms' competitive advantage. The results showed a positive relationship between ITC and competitive advantage.

The above discussions enable the assumption that improving upon ITC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of ITC on SVA are reasonably assumed to be as follows:

H1h: ITC has a significant positive effect on SVA of acquirer banks.

9. Human Capital Capability (HCC) and SVA

Investigating the effects of HCC and internal customer satisfaction on organisational effectiveness, Chuang et al. (2015) concluded that organisational effectiveness is a function of HCC (team orientation) and internal customer satisfaction. Khandekar and Sharma (2015) established that HCC are positively correlated with organisational performance and significantly predicted sustainable competitive advantage.

Moloi (2018) revealed that inadequate risk management processes and ineffective practices were partly responsible for the weak control environment in public institutions and could also be attributed to the capabilities of the human capital deployed in enterprise risk management functions. In a study on utilisation of HCC as a competitive tool in organisations for improved employee performance in courier companies in Kenya, Bartocho (2016) concluded that HCC had a positive relationship but statistically insignificant influence on employee performance.

The above discussions enable the assumption that improving upon HCC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of HCC on SVA are reasonably assumed to be as follows:

H1i: HCC has a significant positive effect on SVA of acquirer banks.

10. Intellectual Capital Capabilities (ICC) and SVA

Mungai (2014) established that ICC affects the operational performance of commercial banks in Kenya largely. From the study findings, it was concluded that professional competence, employee skills, leadership abilities and employee motivation affect the operational performance of the commercial banks in Kenya. ICC is the most effective competitive weapon impacting the performance of innovation in organisations (Alrowwad et al., 2020). ICC allows businesses to stay competitive at the leading edge of their industry (Garg and Zhao, 2018). Apreku-Djan et al. (2022) investigated the effect of managerial competence on value-based financial performance of banks: the mediating role of sustainable competitive advantage. Intellectual capital (one of the variables of sustained competitive advantage) had a positive and significant effect on value-based financial performance of listed banks in Ghana.

The above discussions enable the assumption that improving upon ICC will ultimately lead to increased SVA. Therefore, the hypotheses involved in the influence of ICC on SVA are reasonably assumed to be as follows:

H1j: ICC has a significant positive effect on SVA of acquirer banks.

B. Mediating Variables

1. Firm Size (FS) and Shareholder SVA

The size of the company shows that there are differences in the business risk of large and small companies. Company size is depicted by total assets, total sales, average sales level, and average total assets. According to Mule et al. (2015), there is a positive relationship between FS and profitability based on Kenyan firms that were registered in the financial market of Nairobi during the period 2010-2014. Studies by Ilaboya et al. (2016) indicated a significant positive relationship between FS and profitability. According to Wati (2019), the greater the size of the company, the better the technology and systems in a company and the ease with which management can use company assets that can boost the performance of a company. Previous studies conducted by Megawati and Dermawan (2019), Charles et al. (2018) and Samosir (2018) confirmed that FS has significant and positive effect on corporate financial performance.

On the contrary, research conducted by Thaibah (2020) showed that FS has a positive and insignificant effect on company performance.

The above literature results in the following hypothesis:

H2a: FS has a significant positive effect on SVA of acquirer banks.

H2b: FS moderates the relationship between PMIC and SVA of acquirer banks.

2. Firm Age (FA) and SVA

Studies conducted by Ghafoorifard et al. (2014) and Samosir (2018) underscore the fact that FA has significant and positive effect to shareholder value. On the contrary, studies by Megawati and Dermawan (2019) and Dawar (2014) indicated that FA has negative and significant effect on corporate financial performance. Dogan (2013) found a negative relationship between FA and financial performance of banks. Research conducted by Haji and Mohd-Ghazali (2018) showed that FA has a positive and insignificant effect on corporate financial performance. Ibrahim (2017) reported that FA has positive and significant relationship with firm value of Nigerian Manufacturing Industry.

It is clear from the above that empirical studies on FA and financial performance have shown contradictory results. This results in the hypothesis below:

H2c: FA has significant positive effect on SVA of acquirer banks.

H2d: FA moderates the relationship between PMIC and SVA of acquirer banks.

3. Firm Growth (FG) and SVA

Research by Musah et al. (2019) and Sunardi and Sasmita (2019) showed that FG has a positive and significant effect on company performance. Research by Jonatan (2018) and Megawati and Dermawan (2019) showed that FG has no influence on company performance. Sucuahi and Cambarihan (2016) determined the relationship between FG, FS, and capital structure decisions and the firm value of selected eighty-six diversified

companies in the Philippines Stock Exchange (PSE) for the period of 2014. The results reveal that FG has a negative significant relationship with firm value. Research conducted by Dewi and Asyik (2021) showed that FG has a positive and significant effect on firm value.

Ardi and Murwaningsari (2018) examined the financial performance determination, earnings quality, intellectual capital and company value of ninety manufacturing companies in ISE. Their empirical research demonstrated that FG has a negative and significant influence on firm value measured by Tobin's Q. In addition, a study by Tristan and Huy-Cuong (2015) revealed that FG has positive and significant effect on the financial performance of one hundred and forty-seven companies listed on Vietnam Stock Exchange during the period of nine years (2006-2014). A study conducted by Saputri and Giovanni (2021) shows that the growth of the company has a negative effect on the value of the company.

It is clear from the above that empirical studies on FG and financial performance have shown mixed results, hence the hypothesis below:

H2e: FG has significant positive effect on SVA of acquirer banks.

H2f: FG moderates the relationship between PMIC and SVA of acquirer banks.

4. Financial Leverage (FL) and SVA.

Leverage has the potential to determine the level of risk the company must bear (Puspitaningtyas, 2015). The higher the level of corporate leverage, the heavier the financial burden faced by the company which translates to a higher risk faced by the company. High debt reduces excess cash flow of a company which prevents wastage by management. Studies show that leverage has a significant negative effect on corporate financial performance (Dawar, 2014; Utami, 2018; Mishra and Dasgupta, 2019). Conversely, a study by Sunardi and Sasmita (2019) shows that leverage has a negative and insignificant effect on corporate financial performance.

It is clear from the above that empirical studies on FG and financial performance have shown mixed results, hence the hypothesis below:

H2g: FL has significant positive effect on SVA of acquirer banks.

H2h: FL moderates the relationship between PMIC and SVA of acquirer banks.

III. METHODOLOGY

A. Research Design

The research study employed Time Series Cross Sectional (TSCS) research design to show the effect of PMIC on SVA of acquirer banks listed on the GSE. TSCS research design is a quasi-experimental research design that have long been considered as one of the best designs for the study of causation, next to a purely random experiment. Lempert (2016) stated that TSCS designs are research designs "par excellence". In addition to their potential for detecting causal relationships, TSCS designs offer a number of distinct advantages. The study used unbalanced panel data regression analysis to measure, describe and analyse the effect of PMIC on SVA of acquirer banks in Ghana during the

period 2008-2022.

Panel data estimation techniques of fixed effects estimation and generalised method of moments (hereinafter after abbreviated as GMM) were adopted because it takes care of heterogeneity associated with individual banks by allowing for individual specific variables. The long run specification was estimated using the fixed effects or random effects models while the short run model was estimated using system GMM estimator (Verbeek, 2004). The estimation of the short run model was preceded by the estimation of the naïve OLS and fixed effects models in order to establish the required bound for coefficient of lagged bank performance as theorised by Roodman (2006).

To establish the reliability of the estimates, a number of post estimation diagnostics were to interpreted. The fixed and random effect model involved interpretation of the F statistic, interclass correlation (ρ), within and between R^2 , chow test statistics, LM test statistic and Hausman test. The short run GMM specification involved the interpretation of Hansen J statistic and the Arrelano and Bond autocorrelation tests.

B. Data Processing and Analysis

The unbalanced panel data collected was analysed quantitatively using regression equations, which were solved using STATA version 13.0 software. The study adopted SVA and PMIC as dependent and explanatory variables respectively. FS, FA, FG and LV were moderating variables. Refer to Table 1 for a summary of the measurement of variables.

1. Dependent Variable - SVA

There is no gainsaying that the goal of every business organisation is to maximise shareholder value. According to Kartika et al. (2019) and Andriani (2017), a firm should address the stakeholder's interests, ensure ethical business practices and the legitimacy to maintain sustainable operations, and obtain investors' trust to improve shareholders' value (SV). To maximize the value of shareholders, firms ought to implement the right strategy to improve corporate financial performance which is the result of firms achievement in the ability to generate profits. An increase in corporate financial performance can also be expected to increase shareholder value (Ayuni, 2020). Assessment of a company is an important step in maintaining the sustainability of the company because the company's evaluation can provide information to investors to invest their capital, indirectly maintaining the credibility of the company. In this study, shareholder value added is measured using the economic value added (EVA), market value added (MVA) and cash value added (CVA). These value-added performance metrics reflect a company's financial health (Mustanti, 2016).

2. Economic Value Added (EVA)

EVA is a measure that is based on residual incomes of corporations (Grant, 2003). EVA considers financial performance on the basis of after-tax net operating income, investments in assets required to generate this income and the cost of investments. Described in simpler terms, EVA is based on a corporation's case of generating an

income at least as much as the cost of capital. Since EVA considers both the cost of debt (which is a direct cost item) and the cost of equity (which is an indirect cost item), analytically it differs widely from traditional accounting measures (Grant, 2003). EVA for a certain duration can be expressed as a formula:

$$\text{EVA} = \text{NOPAT} - (\text{WACC} \times \text{CE}), \text{ Where}$$

NOPAT: Net Operating Profit After Taxes but before financing costs
WACC: Weighted Average Cost of Capital
CE: Capital Employed (Total of the balance sheet – non-interest-bearing current liabilities at the beginning of the year).
WACC is expressed as $[(rE \times E/V)] + [(rD \times D/V)(1-Tc)]$
 $rD = \text{cost of debt}$, $D = \text{total debt}$, $Tc = \text{corporate tax rate}$, $rE = \text{cost of equity}$, $E = \text{total equity}$, $V = D + E$.

Since banks borrow from the Bank of Ghana at the Monetary Policy Rate, this study adopted the Monetary Policy Rate from 2008 to 2022 to represent Cost of debt for the banks selected for this study. Cost of equity was calculated by the use of the Capital Asset Pricing Model (CAPM) approach. The CAPM makes use of a risk-free rate (rf) because the Governments' Treasury Bill Rate are normally characterised by non-default risk. Therefore, this study adopted Ghana's Treasury bill rates from 2008 to 2022 to represent the risk-free rate.

$$rE = rf + \beta(rm - rf)$$

rE = cost of equity for each bank

rf = risk-free rate, is Ghana's Treasury bill rates for the years (2008 to 2022) acquired from the Bank of Ghana website.

rm = Annual Market Returns acquired from the Ghana Stock Exchange (hereinafter abbreviated as GSE) website from 2008 to 2022.

β = beta, indicates the sensitivity of a stock's return to market returns.

Beta was calculated using Data Regression method. Annual Percentage changes of the GSE composite index were calculated from 2008 to 2022. Annual percentage changes of the firms' stock returns were also calculated. These percentage changes of the stocks were then regressed on the percentage changes of the GSE composite index. The results of the betas were then inserted into equation: $rE = rf + \beta(rm - rf)$ to arrive at cost of equity for each bank for the fifteen (15) year period of this study.

3. Market Value Added (MVA)

Another measure used in performance measurement within the framework of the value-based management approach is MVA. Shawn (1994) suggests that MVA is the best measure for assessing value creation – the primary objective of a corporation. Many value-based management practitioners regard MVA as one of the most prominent measurement methods of value-based management (John et al., 2000).

$MVA = \text{Total Market Value} - \text{Total Capital}$
 $= (\text{MV of Stock} + \text{MV of Debt}) - \text{Total Capital}$
 Where $\text{MV of Stock} = \text{Market Capitalization} = \text{Shares Outstanding} \times \text{Stock Price}$
 $\text{MV of Debt} = \text{Book Value of Debt (as an estimate to the MV)}$
 $\text{Total Capital} = \text{Total Book Value of Debt and Equity}$

Gross cash investment was obtained by adding depreciable assets to non-depreciable assets. Economic depreciation was calculated as follows (where n stands for the economic life): $\text{Economic depreciation} = [\text{WACC} / (1 + \text{WACC})^n - 1] \cdot \text{depreciable assets}$. On the other hand, capital load was calculated as the multiplication of WACC by Gross Cash Investment.

4. Cash Value Added (CVA)

Another dependent variable used in our study is CVA. A new method that has recently emerged in the measurement of financial performance, CVA is a value-based measure developed by American advisory institutions (Knight, 1998). The basic rationale behind developing CVA as a financial performance measure is the opinion that cash flows are to be benefited at every stage of corporate performance measurement. CVA does not consider returns, but emphasizes cash flow as the major factor in decision-making processes (Heidari, 2003).

$CVA_t = \text{Operating cash flow} - \text{gross capital charge}$
 $= (\text{NOPAT}_t + \text{CVAAdjop}) - [c^* \times (\text{IC}_{t-1} + \text{AccDepr})]$
 $\text{CVAAdjop} = \text{Depreciation, amortization and changes in other long-term liabilities}$
 $\text{AccDepr} = \text{Accumulated depreciation}$

5. Independent Variable - PMIC

The study sample comprised of four (4) acquirer banks listed on GSE involved in an M&A activity from 2008 and four hundred and eighty-two (482) senior and middle level managers of the respective banks, were purposively selected for this study. In soliciting data for the independent variables, self-administered questionnaire was issued to the respondents which questionnaire were anchored on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

6. Strategic Capability (SC)

SC basically describe the ability that a firm possesses in building and extending primary capabilities to enable them align their operations competitively within the environment characterised by high changes (Schilke, 2014). On the other hand, Eshima and Anderson (2017) viewed SC as the ability of the acquirer entity that allows it to grow and survive in the marketplace as affected by the firm's competences and resources. It is the acquirer ensuring that the business rationale is clear and widely understood; developing and communicating the new organisation's vision, and helping employees understand the benefits of the deal.

7. Communication Capability (CC)

A significant ingredient in the PMIC is effective communication to address the insecurities and fears employees may harness after the merger or acquisition (Epstein, 2004:177). Even if employees' concerns are not addressed promptly, it is imperative to arrange for a meaningful communication process at the earliest possible time. It prevents emerging rumours and speculations that further fuel insecurities and fears (Roediger, 2010:63). All different interest groups should be addressed and informed about the company's new direction and what kind of corporate changes and measures need to occur to achieve the strategic objectives (Ruess and Voelpel, 2012:81).

8. Coordination and Network Capabilities (CNC)

This is the coordinated utilisation of firm resources in creating superior value for target customers and is closely tied to both customer and competitor orientation (Mamat et al., 2011). It originates from management concept which advocates that firms require coordinated efforts of different departments to create superior value for customers. It is a coordinated utilisation of company resources in creating superior value for target customers (Tiantian and Yezhuang, 2015).

As established by Vesalainen and Hakala (2014) networking capability of an organisations is its ability to come up, maintain, successfully handle, and make use of relationships with relevant stakeholders. Further, Balboni et al. (2014) defined networking capability as the ability of an organisation to manage and accrue benefits from external relationships. The people who are part of the firm's network when it comes to the organisations network are the suppliers, clients and the customers while the personal network might include friends, family members, and acquaintances. Further, Zacca et al. (2015) concluded that the organisation networks are part of the other organisation abilities making it extremely difficult to separate them.

9. Information Technology Capability (ITC)

According to Attom (2017) Information technology (IT) is defined as any technology which supports activities involving the creation, storage, manipulation and communication of information; together with their related methods, management and application. Information systems are essential for conducting day-to-day business as well as achieving strategic business objectives. The banking industry would be non-existent without information systems.

10. Technological Capabilities (TC)

Terjesen et al. (2011) described TC as the ability to perform any relevant technical function or volume activity within the organisation including the ability to develop new products and processes and to operate facilities effectively. It is the ability of an organisation to lead and maintain technological change in the industry to gain a justifiable competitive advantage over others. TC helps organisations to efficiently produce more products at the lowest cost possible and enhancing its economies of scale (Obembe et al., 2014).

11. Managerial Capabilities (MC)

According to Parnell et al., (2015) MC prevail as a result of distinctive capabilities and core competencies possessed by organisational members, workforce and employees especially senior or top-level management. This arises as a result of specialised knowledgeable skills of experience through training and learning. MC in an organisation is usually required for communicating and implementing strategy, maintaining beneficial relationships with internal and external stakeholders and participating in organisational resource allocation and deployment such as, innovation and entrepreneurial systems, and incentive systems (Simon et al., 2015).

12. Knowledge Management Capabilities (KMC)

KMC is the process of developing, transferring, transmitting, storing, identifying, acquisition, and implementing knowledge in an organization (Gholami et al., 2013). Darroch and McNaughton (2013) suggest that KMC is a process that creates or locates knowledge and manages the sharing, dissemination and use of knowledge in the organisation. The recognition of knowledge as a key resource for firms in the current business environment confirms the need for processes that facilitates individual and collective knowledge creation, transfer and leverage.

13. Marketing Capabilities (MKTC)

Market sensing capabilities are anticipatory capabilities which enables the firm to track the way that the market is moving in advance of competitors through an open approach to market information, development and interpretation and capture of market insights and also by seeking insights beyond the sources (Odhiambo, 2014). Market sensing is a superior market learning capability which plays a potential significant role in integrating a broader model of management while MKTC is a dynamic capability (Sok and O'Cass, 2013).

14. Human Capital Capabilities (HCC)

According to Sirmon et al. (2011), HCC is made up of the individuals that are part of the organisation skills, knowledge, experience, wisdom, propensity, risk-taking and judgement. In addition, Lazear (2009) observed that an organisation's staff skills, experiences, and knowledge can improve its performance if it is adequately used for value addition through learning and making superior decisions to those of competitors. The entire HCC has a direct positive relationship with enhanced firms' performance as it helps boost the production capability of the firm.

15. Intellectual Capital Capability (ICC)

ICC also called intellectual property, business intelligence or knowledge assets is infinite and rests upon the individual (Zott et al., 2011). For this reason, it is viewed as the most important PMIC since it is difficult to imitate and sustainable over a long period. This capability is regarded in terms of experience, knowledge, skills and abilities that forms

part of the workers employed by the firm. It is difficult for competitors to imitate the tactical knowledge inherent in employees because it is part of the employee's skills and experiences gained which increases firm value.

16. Mediating Variables

Internal factors are the product of business activity and diversifiable risk is associated with these factors (Louzis et al., 2012) and can be reduced by efficient management. This risk is controllable compared to an external factor, which cannot be diversified because this risk is market risk (Ghosh, 2015; Rachman et al., 2018). If a firm can manage its internal factor effectively, then the firm can be high profitability, while, on the other hand, these factors are mismanaged. It would adversely affect the firm's balance sheet and income statement (Ofori-Abebrese et al., 2016). Chimkono et al. (2016) discussed different bank-specific variables and firm performance in their studies. The bank-specific variables used in this study are firm size (FS), firm age (FA), firm growth (FG) and financial leverage (FL).

17. Firm Size (FS)

A company is considered big or small based on the total assets it controls or the total sales created by the company (Aulia and Agustina, 2015). In addition, Babalola (2013) emphasise that the larger a firm is, the more influence it has on its shareholders and so large firms tend to enjoy economies of scale and outperform small firms. The greater the size of a firm, the more business activities it carries out to get the attention of external stakeholders such as government, investor, creditors and economic analyst.

According to Kartikasari and Merianti (2016), FS can be measured by the natural logarithm of total assets or natural logarithm of total sales. FS is represented by natural logarithm of total asset (Albaity et al., 2019). In this study employed natural logarithm of total assets because total assets are all resources owned by the company as a result of past transaction which is expected to provide potential economic benefits for the company in the future.

18. Firm Age (FA)

According to Yameen et al. (2019), FA denotes age of a company at the time period of analysis. The age of the company can determine the amount of experience the company has. The longer the company has been established, it is expected that the company will have more superior performance marked by an increase in company assets and sales. Companies can carry out their routines in a structured and systematic manner, and carry out development as an innovation activity. In this study, FA is measured as the difference between the year the study was conducted and the year the banks were established.

19. Firm Growth (FG)

FG is a factor expected by the shareholders. From shareholders' perspective, firms with sustainable growth have good opportunities or prospects in the future. Firms that develop will generate high returns in line with their growth (Suastini et al., 2016). FG is a gradual

process, starting by increasing sales or the expansion of the business, such as acquiring new investments in subsidiaries or associates, developing and increasing the number of employees.

FG is an index that shows a company's ability to maintain its economic position in the midst of economic growth and its sector of activity (Suwardika and Mustanda, 2017). FG growth can be measured by Total Asset Growth (TAG), where TAG is the difference between total assets in the present and in the past to total assets in the past (Dewi and Sudiarta, 2017).

20. Financial Leverage (FL)

Leverage is the ratio used to measure the company's ability to fulfil all of the company's liabilities (debt) with total assets and or equity as collateral (Irfani, 2020). In general, this leverage ratio aims to measure a company's ability to meet its long-term and short-term financial obligations. This ratio is used to help measure the composition of capital that comes from debt or loans. In terms of analysing company finances, this ratio plays an important role because it can provide information on the source of funds used to finance company operations or activities that come from own capital or debt.

Table 1
Measurement of Variables

Variable type	Variable Name	Sub-Variables/measure	References	Measurement Tool
Independent variable	TC	- Business intelligence technologies - Collaboration and distribution. - Knowledge application technology - Education (type and level) - Work experience	Terjesen et al. (2011); Obembe et al. (2014);	5-point Likert scale. 3 sub variables and a composite of 8 items
Independent variable	MC	- Social network ties (size, closeness, strength, diversity, centrality) - Relationships (with other managers, business contacts and government officials)	Parnel et al. (2015); Dangol and Kos (2014); Teeter et al. (2016); Hambrick (2007)	5-point Likert scale. 4 sub variables and a composite of 8 items
Independent variable	HCC	- Personnel Expertise - Level of Experience - Knowledge and Skills - Training and development - Innovation efforts	Jiang et al. (2012); Nyberg et al. (2014); Lazear (2009); Gilbert (2011); Wernerfelt (2011)	5-point Likert scale. 4 sub variables and a composite of 8 items
Independent Variable	ICC	- Number of patents - Knowledge development and sharing - Creativity potential - Brand management.	Zott et al. (2011); Lazear (2009)	5-point Likert scale. 4 sub variables and a composite of 8 items
Independent variable	MKTC	- Market sensing capabilities - Customer relationship management capabilities	(Mohammadian and Mohammadreza (2012); Dubihlela (2013); Murgor (2014); Day (2011)	5-point Likert scale. 3 sub variables and a composite of 8 items
Independent variable	CNC	- Information sharing. - Logistic synchronization.	(Tiantian and Yezhuang (2015); Udoyi (2014);	5-point Likert scale. 6 sub variables and a

		- Incentive alignment. - Network characteristics - Research facilities - Network resources	Protogerou et al. (2011)	composite of 8 items
Independent variable	KMC	- Knowledge accumulation. - Knowledge protection. - Knowledge leverage	Tseng and Lee (2012); Chen and Fong (2013); Gholami et al. (2013);	5-point Likert scale. 3 sub variables and a composite of 8 items
Independent variable	CC	- Channels of communication - Communication technologies - Feedback	Epstein (2004); Kearney (2005); Bruner (2004); Ruess and Voelpel (2012); DiGeorgio (2002). Habek et al. (2000);	5-point Likert scale. 3 sub variables and a composite of 8 items
Independent variable	SC	- Clear vision - Coherent integration - Speed in integration - Financial resource management capability	Vernersson (2006); Palm (2012); Angwin et al. (2013); Homburg and Bucerius (2006); Xiao et al. (2014)	5-point Likert scale. 4 sub variables and a composite of 8 items
Independent variable	ITC	- Infrastructure capability - IT business spanning capability - IT proactive stance - IT competence - Information Systems	Chae et al. (2014); Vesalainen and Hakala (2014); Vogel and Güttel (2013); Lu and Ramamurthy (2011)	5-point Likert scale. 5 sub variables and a composite of 8 items
Moderating Variable	FS	Ln (Total Assets)	Kartikasari and Merianti (2016); Albaity et al. (2019); Zhang et al. (2016)	Audited financial report of acquirer entities
Moderating Variable	FA	Log (the number of years since listing)	Yameen et.al. (2019); Paramitha and Rohman (2020); Mule et al. (2015).	Audited financial report of acquirer entities
Moderating Variable	FG	$(TA_t - TA_{t-1}) \div TA_{t-1}$	Fitzsimmonse et al. (2005)	Audited financial report of acquirer entities
Moderating Variable	FL	<i>Total Debt/Total Equity</i>	Utami (2018); Dawar (2014), Mishra and Dasgupta (2019); Sunardi and Sasmita (2019); Suci and Nasib (2019)	Audited financial report of acquirer entities
Dependent variable	SVA	- EVA - MVA - CVA	Stewart (1991, 1994); Stern (1993); Milunovich and Tsuei (1996); O'Byrne (1996); Chen and Dodd (2001); Hall (2013); Worthington and West (2004); Chmelikova (2008); Lee and Kim (2009).	Audited financial report of acquirer entities

21. Model Specification

Panel Model 1

Objective one was to establish whether PMIC influence SVA of acquire banks listed on the GSE. EVA, MVA and CVA were considered as measures for SVA and considered as the dependent variables whereas SC, CC, CNC, TC, MC, MKTC, HCC, ITC, KMC, ICC were considered independent variables. The study assumed that the

independent and dependent variables had general multiplicative Cobb Douglas functional relationship shown in Equation 1.

$$SVA = f(SC, CC, CNC, TC, MC, MKTC, HCC, ITC, KMC, ICC) \quad (1a)$$

Upon linearisation and parametrisation, the long run model was specified as:

$$SVA_{it} = \beta_0 + \beta_1 SC_{i,t} + \beta_2 CC_{i,t} + \beta_3 CNC_{i,t} + \beta_4 TC_{i,t} + \beta_5 MC_{i,t} + \beta_6 MKTC_{i,t} + \beta_7 HCC_{i,t} + \beta_8 KMC_{i,t} + \beta_9 ITC_{i,t} + \beta_{10} ICC_{i,t} + \alpha_i + \epsilon_{i,t} \quad (1b)$$

And the short run model as:

$$SVA_{it} = \beta_0 + \lambda SVA_{it-1} + \beta_1 SC_{i,t} + \beta_2 CC_{i,t} + \beta_3 CNC_{i,t} + \beta_4 TC_{i,t} + \beta_5 MC_{i,t} + \beta_6 MKTC_{i,t} + \beta_7 HCC_{i,t} + \beta_8 ITC_{i,t} + \beta_9 KMC_{i,t} + \beta_{10} ICC_{i,t} + \alpha_i + \epsilon_{i,t} \quad (1c)$$

$$\text{Where } i = 1, \dots, 4 \quad t = 1, 2, \dots, 15$$

The linearisation process involved logging the variables. Therefore, all the variables were to enter models 1b and 1c in log form. This inherently made the λ and the $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9$, and β_{10} elasticities.

Panel Model 2

Objective two was to establish the moderating effect of FS, FA, FG and FL on the relationship between PMIC and SVA of acquirer banks listed on the GSE. The study used Keppel and Zedeck (1989) analysis procedure to test whether FS, FA, FG and FL moderated the relationship between PMIC and SVA. Keppel and Zedeck (1989) suggest that the perceived moderator has to be established as an explanatory variable and thereafter as an interaction term (moderator) as shown in models 2a through 2d.

$$SVA_{it} = \beta_0 + \beta_1 SC_{i,t} + \beta_2 CC_{i,t} + \beta_3 CNC_{i,t} + \beta_4 TC_{i,t} + \beta_5 MC_{i,t} + \beta_6 MKTC_{i,t} + \beta_7 HCC_{i,t} + \beta_8 ITC_{i,t} + \beta_9 KMC_{i,t} + \beta_{10} ICC_{i,t} + \beta_{11} FS_{i,t} + \beta_{12} FA_{i,t} + \beta_{13} FG_{i,t} + \beta_{14} FL_{i,t} + \Theta + \epsilon_{i,t} \quad (2a)$$

And the short run model as:

$$SVA_{it} = \beta_0 + \lambda SVC_{it-1} + \beta_1 SC_{i,t} + \beta_2 CC_{i,t} + \beta_3 CNC_{i,t} + \beta_4 TC_{i,t} + \beta_5 MC_{i,t} + \beta_6 MKTC_{i,t} + \beta_7 HCC_{i,t} + \beta_8 KMC_{i,t} + \beta_9 ITC_{i,t} + \beta_{10} ICC_{i,t} + \beta_{10} FS_{i,t} + \beta_{12} FA_{i,t} + \beta_{13} FG_{i,t} + \beta_{14} FL_{i,t} + \Theta + \epsilon_{i,t} \quad (2b)$$

The linearized and parametrised long run and short run models introducing bank size as a moderator were shown in 2c and 2d respectively.

where:

β_0 = Constant term

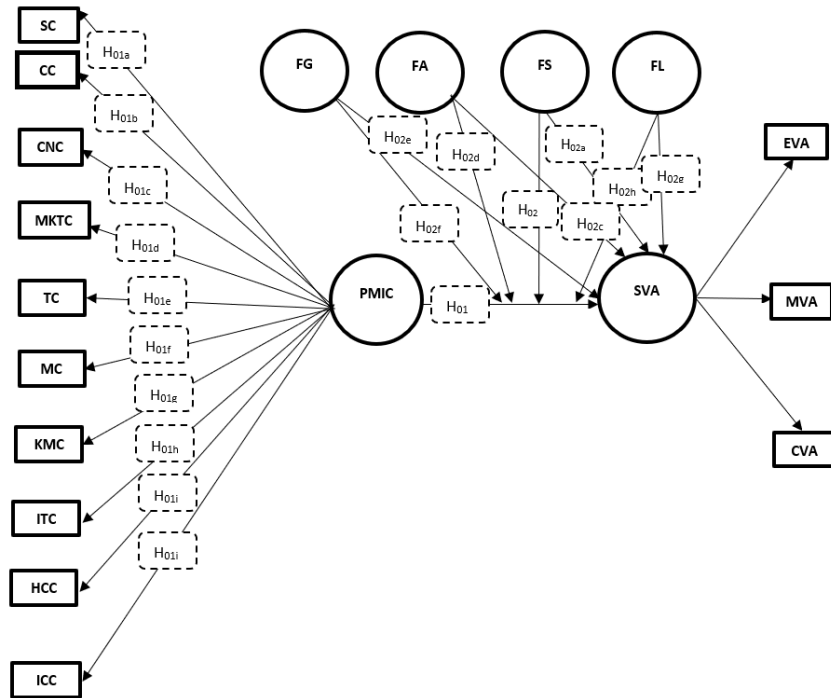
β_j = Coefficients of the explanatory variables and interactive terms

λ_i = Coefficients of lagged performance

X_{it} = Vector of PMIC variables

XitFSit = Vector of interactive variables (product of explanatory and moderating variables)
 XitFAit = Vector of interactive variables (product of explanatory and moderating variables)
 XitFGit = Vector of interactive variables (product of explanatory and moderating variables)
 XitFLit = Vector of interactive variables (product of explanatory and moderating variables)
 Θ_i = bank individual heterogeneity
 $\epsilon_{i,t}$ = Error term (the time-varying disturbance term is serially uncorrelated with mean zero and constant variance)

Figure 1
 Conceptual Framework



IV. PANEL REGRESSION RESULTS

A. Effect of PMIC on SVA of Acquirer Banks

To test the hypothesis of the study, the long run and the short run version of model 1a were estimated. The first long run specification of model 1a was the fixed effects model whose findings are shown in Table 2. The analysis shows that the F statistic is significant ($\beta = 11.19$; p-value 0.018) at five per cent level of significance. Therefore, PMIC components are jointly significant in explaining the variations in EVA, MVA and CVA.

The interclass correlation (ρ) is 68.9 per cent implying that 68.9 per cent of the variations in EVA, MVA and CVA leads to differences across the acquirer banks. The within and between R^2 is 18.7 per cent and 41.8 per cent respectively. Thus, 18.7 per cent of variations in the EVA, MVA and CVA lead to differences within individual banks and 41.8 per cent of the variations could be traced to differences between the banks. The overall R^2 is 69.3 percent, indicating that the variables considered in the model account for about 69.3 percent change in EVA, MVA and CVA, while about 30.7 percent change may be as a result of other variables not addressed by this model.

Table 2
Fixed Effects Estimates for Model 1

Dependent variable	EVA, MVA and CVA	
Explanatory Variable	Coefficient	P-value < 0.05
SC	0.552	0.001
CC	0.586	0.021
CNC	0.428	0.016
MKTC	0.584	0.011
TC	0.647	0.004
MC	0.581	0.003
KMC	0.634	0.004
ITC	0.541	0.005
HCC	0.782	0.001
ICC	0.824	0.007
Constant	5.624	0.017
R^2 Within	0.187	0.006
Between	0.418	0.017
Overall	0.693	0.009
Rho	0.689	0.006
F test	11.19	0.018
chow test	10.47	0.002

The chow test statistic is 10.47 with a p-value lower than the five per cent level of significance. Thus, the option of specifying the model as a pooled OLS model over the Fixed effects specification is rejected at five per cent level of significance. The second alternative specification of model 1 is the random effects model whose findings are shown in Table 3.

Table 3 shows that the Wald statistic is 55.69 is significant since the p-value is less than five per cent level of significance. Therefore, the PMIC components are jointly significant in explaining the variations in EVA, MVA and CVA in the random effects specification. The interclass correlation (ρ) is 51.5 per cent implying that 51.5 per cent of the variations in EVA, MVA and CVA are due to differences across the banks as per the random effects model. The coefficient of determinations, R^2 shows the within and between values of 18.6 per cent and 43.4 per cent respectively. Thus, 18.6 per cent of variations in the EVA, MVA and CVA are due to differences within individual banks and 43.4 per cent of the variations are due to differences between the banks. The LM test statistic of 252.02 is significant since the p-value is lower than the five per cent level of significance. Thus, the random effects specification is preferred over pooled OLS.

Table 3
Model 1 Random Effects Estimates

Dependent variable	EVA, MVA and CVA	
Explanatory Variable	Coefficient	P-value < 0.05
SC	0.581	0.005
CC	0.492	0.016
CNC	0.413	0.004
MKTC	0.398	0.001
TC	0.612	0.006
MC	0.362	0.002
KMC	0.458	0.023
ITC	0.396	0.005
HCC	0.752	0.006
ICC	0.826	0.003
Constant	4.051	0.016
R ² Within	0.186	0.017
Between	0.434	0.001
Overall	0.644	0.005
Rho	0.515	0.011
Wald test	55.69	0.002
LM test Chibar2	252.02	0.000

A comparison of the post estimation diagnostics between the fixed and random effects specification reveals that the conclusions are comparable. For instance, when pooled OLS specification is compared with the estimated models, it is rejected in both instances. In addition, the overall explanatory powers of the specifications are not significantly different; the fixed effect specification has an overall explanation of 69.3 per cent while the random effects model has an overall explanation of 64.4 per cent. However, the consistency in post estimation diagnostics does not eliminate the need to discriminate between the models. The Hausman test statistics to discriminate between the specifications are shown in Table 4.

Table 4 shows that the test statistics have a chi statistic of 12.99 with three degrees of freedom and a corresponding p-value of 0.005. This means the regressors and individual heterogeneity are not strictly exogenous. Accordingly, the fixed effect specification is preferred over random effect specification. Consequently, the fixed effects model should be interpreted for the long run specification.

Table 4
Model 1 Hausman Test

Test statistic Chi (3)	P-value
12.99	0.005

To establish the bound where the coefficient of lagged profits will lie, the naïve OLS was estimated. The OLS estimates overstate the coefficient of lagged profits by attributing to it some explanatory power of the error term. Thus, the OLS estimate provides the upper bound of the coefficient. The OLS estimates are shown in Table 5.

Table 5 shows that the coefficient of lagged SVA is 0.604. Therefore, the upper bound for the coefficient of lagged SVA in the GMM specification of the short run model should be 0.604. To get the lower bound, the fixed effect estimates of the short run

specification are used. Fixed effect estimation understates the coefficient by denying the lagged dependent variable some of its explanatory power, thus providing the lower bound. The fixed effect estimates of the short run specification are shown in Table 6.

Table 5
Short Run OLS Estimates for PMIC Components

Dependent variable	SVA (EVA, MVA and CVA)	
Explanatory Variable	Coefficient	P-value < 0.05
SVA _{1-t}	0.604	0.001
SC	0.489	0.006
CC	0.527	0.015
CNC	0.371	0.005
MKTC	0.484	0.023
TC	0.642	0.003
MC	0.389	0.014
KMC	0.474	0.008
ITC	0.624	0.004
HCC	0.739	0.000
ICC	0.852	0.008
Constant	5.344	0.007
Post Estimation Diagnostics		
R ²	0.328	0.001
F statistic	132.31	0.008

Table 6
Short Run Fixed Effects Estimates for PMIC components

Dependent variable	SVA (EVA, MVA and CVA)	
Explanatory Variable	Coefficient	P-value < 0.05
SVA _{1-t}	0.447	0.024
SC	0.557	0.006
CC	0.448	0.002
CNC	0.339	0.000
MKTC	0.452	0.001
TC	0.384	0.000
MC	0.296	0.026
KMC	0.472	0.003
ITC	0.382	0.000
HCC	0.692	0.006
ICC	0.819	0.001
Constant	4.075	0.009
Post Estimation Diagnostics		
R ²	0.264	0.005
F statistic	13.34	0.010

Table 6 shows the fixed effects estimates of the short run specification of model 1. The coefficient of lagged SVA is 0.447. Thus, the lower bound of lagged SVA in the GMM specification should be 0.447. Specifically, if the estimate is λ , it should lie in the interval $0.447 \leq \lambda \leq 0.604$.

To obtain consistent estimates of the short run specification, one step system GMM is used. The estimates are shown in Table 7.

Table 7
One Step System GMM Estimates

Dependent variable	SVA (EVA, MVA and CVA)	
Explanatory Variable	Coefficient	P-value < 0.05
SVA _{1-t}	0.579	0.000
SC	0.446	0.006
CC	0.394	0.003
CNC	0.368	0.017
MKTC	0.342	0.005
TC	0.341	0.000
MC	0.295	0.026
KMC	0.396	0.021
ITC	0.411	0.032
HCC	0.427	0.005
ICC	0.527	0.000
Constant	1.887	0.001
Post Estimation Diagnostics		
Hansen J test	40.5	0.004
AR (1)	3.62	0.001
AR (2)	0.92	0.021

Table 7 shows the one step system GMM estimates for the short run specification of model 1. The coefficient of the lagged shareholder value is 0.579. The coefficient, therefore, lies in the acceptable range of 0.447 \square \square \square 0.604 established by the naïve OLS estimates and fixed effects estimates of the short run model 1. This points to consistency of estimates. Further, it shows that the Hansen J statistic is 40.5 with a corresponding p-value less than 0.05. Therefore, validity of the overidentifying restrictions for the instruments is accepted at five per cent level of significance. Consequently, the instruments employed by the model are appropriate and lead to precise consistent estimates.

In addition, the results show the test of autocorrelation in error terms. The AR (1), first order autocorrelation test statistic is 3.62 and is lower than the p-value at five per cent level of significance. Therefore, the disturbance term (error term) has first order serial correlation at five per cent level of significance. This is expected because of the dynamic specification of model 1 and therefore, points to correct specification. The test statistic for second order serial correlation in the error term is 0.92 with a corresponding p-value that is lower than 0.05. Therefore, at five per cent level of significance, there is no second order serial correlation in the disturbance term. This permits the use of instruments from the second lag and differences further supporting the argument of correct short run specification of model 1 using the one step GMM estimates.

The findings in Table 2 through 7 are summarized in Table 8 in order to summarise the findings necessary to test the hypothesis in the short and long run.

Table 8 shows that the signage of the coefficients is comparable be it in the short run or in the long run. The magnitude of the coefficients is comparable for the long run model but significantly differs in the short run specification as expected. Based on the post estimation diagnostics and theory, only the fixed effects model and the GMM specification results should be interpreted in the long run and short run respectively.

Table 8
Effect of PMIC on SVA of listed Acquirer Banks in Ghana

Variables	Long Run Model		Short Run Model		
	Fixed Effects	Random Effects	OLS	Fixed Effects	GMM
SVA _{t-1}			0.604 (0.001)	0.477 (0.024)	0.579 (0.000)
SC	0.552 (0.001)	0.581 (0.005)	0.489 (0.006)	0.557 (0.006)	0.446 (0.006)
CC	0.586 (0.021)	0.492 (0.016)	0.527 (0.015)	0.448 (0.002)	0.394 (0.003)
CNC	0.428 (0.016)	0.413 (0.004)	0.371 (0.005)	0.339 (0.000)	0.368 (0.017)
MKTC	0.584 (0.011)	0.398 (0.001)	0.484 (0.023)	0.452 (0.001)	0.342 (0.005)
TC	0.647 (0.004)	0.612 (0.006)	0.642 (0.003)	0.384 (0.000)	0.341 (0.000)
MC	0.581 (0.003)	0.362 (0.002)	0.389 (0.014)	0.296 (0.026)	0.295 (0.026)
KMC	0.634 (0.021)	0.458 (0.000)	0.474 (0.013)	0.472 (0.000)	0.396 (0.005)
ITC	0.541 (0.029)	0.396 (0.001)	0.624 (0.002)	0.382 (0.000)	0.411 (0.000)
HCC	0.782 (0.000)	0.752 (0.001)	0.739 (0.004)	0.692 (0.016)	0.427 (0.016)
ICC	0.824 (0.000)	0.826 (0.001)	0.852 (0.004)	0.819 (0.016)	0.527 (0.016)
Constant	5.624 (0.017)	4.051 (0.012)	5.344 (0.007)	4.075 (0.009)	1.887 (0.001)
Observations	56	56	56	56	56
R ²	0.693	0.644	0.328	0.264	
Hausman Chi (3)		12.99			
Wald statistic		55.69			
F statistic	11.19		132.31		13.34

P-value in parentheses

SVA represents Shareholder Value Added (proxied by Economic Value Added, Market Value Added and Cash Value Added), SC stands for Strategic Capability; CC is Communication Capability; CNC is Coordination and Network Capability; TC is Technological Capability; MC is Managerial Capability; MKTC is the Marketing Capability; HCC is Human Capital Capability; KMC is the Knowledge Management Capability; ITC is the Information Technology Capability, and ICC is Intellectual Capital Capability.

PMIC (SC, CC, CNC, TC, MC, ITC, KMC, HCC, ICC and MKTC) were found to explain 69.3% and 26.4% of all the variations in SVA in the long run and short run respectively. This also implies that 30.7% and 73.6% of the variation in SVA (in the long run and short run respectively) are attributed to other variables not captured in the model. The results indicated that the overall model was significant to predict the relationship between PMIC and SVA. This was supported by F statistics of 11.19 and 13.34 (long run and short run respectively) and the reported p-values (0.018 and 0.001 for long run and short run respectively) which were less than the conventional probability of 0.05 significance level. The results of model of fitness are consistent with previous findings by a number of researchers (Cording et al., 2008; Zollo and Meier, 2008) who found a positive and significant linkage between PMI and long-term financial performance of firms after acquisition. Thus, the study accepts the first null hypothesis H01 that: PMIC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1a: SC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of SC on SVA of acquirer banks listed on the GSE, results of which are presented in Table 8. The results show that in the long run and short run, the coefficients and p-values of SC are $\beta = 0.552$, p-value = 0.001 and $\beta = 0.446$, p-value = 0.006 respectively. Thus, the coefficients are significantly different from zero at five per cent level of significance. Since both SVA and SC enter equation 1 in log form, a one per cent increase in SC increases SVA (EVA,

MVA and CVA) by 55.2 percentage and 44.6 percentage points in the long and short run respectively, holding other factors constant. Thus, the study accepts null hypothesis H01a that: SC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1b: CC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of CC on SVA of acquirer banks listed on the GSE. Results were presented in Table 8. In the long and short run, the coefficients and p-values of communication capabilities are $\beta = 0.494$, p-value = 0.021 and $\beta = 0.586$, p-value = 0.003 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in CC increases SVA (EVA, MVA and CVA) by 49.4 percentage and 58.6 percentage points in the long and short run respectively. In the long and short run, an improvement in the communication prowess of acquirer banks will result in an increase in SVA. Thus, the study accepts null hypothesis H01b that: CC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1c: CNC has a significant positive effect on SVC of acquirer banks.

Regression analysis was done to determine the effect of CNC on SVA of acquirer banks listed on the GSE. Results were presented in Table 8. In the long and short run, the coefficients and p-values of CNC are $\beta = 0.428$, p-value = 0.016 and $\beta = 0.368$, p-value = 0.017 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in CNC increases SVA (EVA, MVA and CVA) by 42.8 percentage and 36.8 percentage points in the long and short run respectively. Thus, the study accepts null hypothesis H01c that: CNC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1d: MKTC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of MKTC on SVA of acquirer banks listed on the GSE. Results were presented in Table 8. In the long and short run, the coefficients and p-values of MKTC are $\beta = 0.584$, p-value = 0.011 and $\beta = 0.342$, p-value = 0.005 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in MKTC increases SVA (EVA, MVA and CVA) by 58.4 percentage and 34.2 percentage points in the long and short run respectively. Thus, the study accepts null hypothesis H01d that: MKTC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1e: TC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of TC on SVA of acquirer banks listed on the GSE. In the long and short run, the coefficients and p-values of TC are $\beta = 0.647$, p-value = 0.004 and $\beta = 0.341$, p-value = 0.000 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of

significance. This indicates that, holding other factors constant, a one per cent increase in TC increases SVA (EVA, MVA and CVA) by 64.7 percentage and 34.1 percentage points in the long and short run respectively. In the long and short run, an improvement in TC of acquirer banks will result in an increase in shareholder value. Thus, the study accepts null hypothesis H01e that: TC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1f: MC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of MC on SVA of acquirer banks listed on the GSE. In the long and short run, the coefficients and p-values of MC are $\beta = 0.581$, p-value = 0.003 and $\beta = 0.295$, p-value = 0.026 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in MC increases SVA (EVA, MVA and CVA) by 58.1 percentage and 29.5 percentage points in the long and short run respectively. In the long and short run, an improvement in the MC of acquirer banks will result in an increase in SVA. Thus, the study accepts null hypothesis H01f that: MC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1g: KMC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of KMC on SVA of acquirer banks listed on the GSE. In the long and short run, the coefficients and p-values of KMC are $\beta = 0.634$, p-value = 0.021 and $\beta = 0.396$, p-value = 0.005 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in KMC increases SVA (EVA, MVA and CVA) by 63.4 percentage and 39.6 percentage points in the long and short run respectively. In the long and short run, an improvement in the KMC of acquirer banks will result in an increase in SVA. Thus, the study accepts null hypothesis H01g that: KMC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1h: ITC has a significant positive effect on SVA of acquirer banks

Regression analysis was done to determine the effect of ITC on SVA of acquirer banks listed on the GSE. In the long and short run, the coefficients and p-values of ITC are $\beta = 0.541$, p-value = 0.029 and $\beta = 0.411$, p-value = 0.000 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in ITC increases SVA (EVA, MVA and CVA) by 54.1 percentage and 41.1 percentage points in the long and short run respectively. In the long and short run, an improvement in the ITC of acquirer banks will result in an increase in SVA. Thus, the study accepts null hypothesis H01h that: ITC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1i: HCC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of HCC on SVA of acquirer banks listed on the GSE. In the long and short run, the coefficients and p-values of HCC are $\beta = 0.782$, p-value = 0.000 and $\beta = 0.427$, p-value = 0.026 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in HCC increases SVA (EVA, MVA and CVA) by 78.2 percentage and 42.7 percentage points in the long and short run respectively. In the long and short run, an improvement in the HCC of acquirer banks will result in an increase in SVA. Thus, the study accepts null hypothesis H01i that: HCC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

H1j: ICC has a significant positive effect on SVA of acquirer banks.

Regression analysis was done to determine the effect of ICC on SVA of acquirer banks listed on the GSE. In the long and short run, the coefficients and p-values of ICC are $\beta = 0.824$, p-value = 0.000 and $\beta = 0.527$, p-value = 0.026 respectively. The positive coefficients are significant because the p-values fall below the five per cent level of significance. This indicates that, holding other factors constant, a one per cent increase in ICC increases SVA (EVA, MVA and CVA) by 82.4 percentage and 52.7 percentage points in the long and short run respectively. In the long and short run, an improvement in the ICC of acquirer banks will result in an increase in SVA. Thus, the study accepts null hypothesis H01j that: ICC has a positive and significant effect on SVA of acquirer banks listed on the GSE.

B. Moderating Effect of FS on the Relationship between PMIC and SVA

1. Introduction of FS, FA, FG and FL as Explanatory Variables

The second objective sought to establish the moderating effect of FS, FA, FG and FL on the relationship between PMIC and SVA of the acquirer banks listed on the GSE. To achieve this objective, null hypotheses H02a, H02b, H02c, H02d, H02e, H02f, H02g and H02h were tested. The first regression introduced FS, FA, FG and FL as an explanatory variable while the second introduced FS, FA, FG and FL as moderators as theorised by Keppel and Zedeck (1989). The findings for each regression are shown in Tables 9 and 10 respectively.

The analysis shows the introduction of FS as an explanatory variable. FS enters in linear (Size) and non-linear (size squared) form. It shows that the coefficient of bank size is significant in both long run ($\beta = 0.369$; p-value 0.009) and short run ($\beta = 0.192$; p-value 0.015) because the p-values are of 0.009 and $0.015 < 0.05$ significant level. The signage of size squared is positive in the long run ($\beta = 0.642$; p-value 0.030) and the short run ($\beta = 0.304$; p-value 0.030) implying that growth in size of a bank is associated with rise in SVA. If the size of the bank is getting bigger, the bank's SVA is also high. Consequently, the square of bank size is an explanatory variable both in the short run and the long run. Thus, the study accepts null hypothesis H02a that: FS has a positive and significant effect on SVA of acquirer banks listed on the GSE.

Table 9
Introduction of Firm Size (FS), Firm Age (FA), Firm Growth (FG) and Financial Leverage (FL)
as Explanatory Variables

Variables	Long Run Model		Short Run Model		
	Fixed Effects	Random Effects	Naïve OLS	Dynamic Fixed Effects	One Step GMM
SVA _{1-t}			0.310 (0.031)	0.578 (0.025)	0.364 (0.023)
PMIC	0.426 (0.029)	0.356 (0.029)	0.333 (0.024)	0.316 (0.030)	0.285 (0.038)
FS	0.369 (0.009)	0.449 (0.018)	0.122 (0.031)	0.118 (0.031)	0.192 (0.015)
FS SQUARE	0.642 (0.030)	0.590 (0.028)	0.362 (0.011)	0.319 (0.017)	0.304 (0.030)
FA	0.289 (0.008)	0.539 (0.016)	0.175 (0.037)	0.148 (0.034)	0.202 (0.016)
FA SQUARE	0.592 (0.028)	0.460 (0.022)	0.362 (0.015)	0.319 (0.013)	0.394(0.035)
FG	0.039 (0.169)	0.042 (0.188)	0.099 (0.125)	0.012 (0.224)	0.019 (0.326)
FG SQUARE	0.092 (0.331)	0.079 (0.129)	0.012 (0.214)	0.089 (0.115)	0.098 (0.228)
FL	-0.448 (0.005)	-0.518 (0.014)	-0.269 (0.021)	-0.222 (0.023)	-0.439 (0.016)
FL SQUARE	-0.712 (0.021)	-0.559 (0.039)	-0.512 (0.024)	-0.409 (0.025)	-0.428 (0.018)
Constant	5.618 (0.032)	6.069 (0.012)	6.424 (0.032)	5.568 (0.028)	4.401 (0.019)
Observations	56	56	56	56	56
R ²	0.662		0.486	0.438	
F statistic	102.23***		162.80***	67.69***	110.39***
Wald statistic		711.01***			
Hausman chi (7)	17.94***				

P-values in parentheses ($p < 0.05$); *** $p < 0.05$

SVA represents Shareholder Value Added (proxied by Economic Value Added, Market Value Added and Cash Value Added), PMIC represents post-merger Integration Capability (Strategic Capability; Communication Capability; Coordination and Network Capability; Technological Capability; Managerial Capability; Marketing Capability; Human Capital Capability; Knowledge Management Capability; Information Technology Capability, Intellectual Capital Capability).

The analysis shows the introduction of FA as an explanatory variable. FA enters in linear (Size) and non-linear (age squared) form. It shows that the coefficient of FA is significant in both long run ($\beta = 0.289$; p-value 0.008) and short run ($\beta = 0.202$; p-value 0.016) because the p-values are of 0.008 and $0.016 < 0.05$ significant level. The signage of FA squared is positive in the long run ($\beta = 0.592$; p-value 0.028) and the short run ($\beta = 0.394$; p-value 0.035) implying that the age of a bank is associated with rise in SVA. This study shows that if the FA increases, corporate financial performance also increases, translating in increased SVA. Consequently, the square of bank age is an explanatory variable both in the short run and the long run. Thus, the study accepts null hypothesis H02c that: FA has a positive and significant effect on SVA of acquirer banks listed on the GSE.

The analysis shows the introduction of FG as an explanatory variable. FG enters in linear (Size) and non-linear (growth squared) form. It shows that the coefficient of FG is insignificant in both long run ($\beta = 0.039$; p-value 0.169) and short run ($\beta = 0.019$; p-value 0.326) because the p-values are of 0.169 and $0.326 > 0.05$ significant level. It is concluded that partially the FG does not affect SVA. The signage of FG squared is positive in the long run ($\beta = 0.092$; p-value 0.331) and the short run ($\beta = 0.098$; p-value 0.228) implying that the bank growth is not associated with rise in SVA. This study shows that an increase in bank growth does not translate in increased corporate financial performance. Consequently, the square of bank growth is not an explanatory variable both in the short run and the long run. Thus, the study rejects null hypothesis H02e that:

FG has a positive and significant effect on SVA of acquirer banks listed on the GSE.

The analysis shows the introduction of FL as an explanatory variable. FL enters in linear (Size) and non-linear (leverage squared) form. It shows that the coefficient of FL is significant in both long run ($\beta = -0.448$; p-value 0.005) and short run ($\beta = -0.439$; p-value 0.016) because the p-values are of 0.005 and $0.016 < 0.05$ significant level. The signage of FL squared is negative in the long run ($\beta = -0.712$; p-value 0.021) and the short run ($\beta = -0.428$; p-value 0.018) implying that a high degree of FL of a bank is associated with a reduction in SVA. This study shows that a high degree of FL can reduce corporate financial performance which consequently results in decline in SVA. Consequently, the square of bank leverage is an explanatory variable both in the short run and the long run. Thus, the study rejects null hypothesis H02g that: FL has a positive and significant effect on SVA of acquirer banks listed on the GSE. The study rather indicates that FL has a negative and significant effect on SVA of acquirer banks listed on the GSE.

2. Introduction of FS, FA, FG and FL as Moderators

With reference to Table 9, the long run and short run coefficients of PMIC are 0.426 and 0.285 respectively. They are positive and significant. However, the results in Table 10 indicate that the coefficient of interaction between PMIC and FS in long run is positive and significant ($\beta = 0.712$; p-value 0.021). The coefficient of interaction of the two variables is positive but insignificant in short run ($\beta = 0.449$; p-value 0.073). This is an indication that bank size has a positive influence on the effect of PMIC on SVA only in the long run. However, in the short run, bank size positively and insignificantly influences the effect of PMIC on SVA. Thus, the study accepts null hypothesis H02b that: FS mediates the relationship between PMIC and SVA of acquirer banks listed on the GSE.

The results in Table 10 indicate that the coefficient of interaction between PMIC and FA in long run is positive and significant ($\beta = 0.692$; p-value 0.028). The coefficient of interaction of the two variables is positive and significant in short run ($\beta = 0.259$; p-value 0.033). This is an indication that bank age has a positive and significant influence on the effect of PMIC on SVA in the long and short run. Thus, the study accepts null hypothesis H02d that: FA mediates the relationship between PMIC and SVA of acquirer banks listed on the GSE.

The results in Table 10 indicate that the coefficient of interaction between PMIC and FG in long run is positive and insignificant ($\beta = 0.072$; p-value 0.211). The coefficient of interaction of the two variables is positive and insignificant in short run ($\beta = 0.059$; p-value 0.413). This is an indication that bank growth has a positive and insignificant influence on the effect of PMIC on SVA in the long and short run. Thus, the study rejects the null hypothesis H02f that: FG mediates the relationship between PMIC and SVA of acquirer banks listed on the GSE.

The results in Table 10 indicate that the coefficient of interaction between PMIC and FL in long run is negative and significant ($\beta = -0.772$; p-value 0.018). The coefficient of interaction of the two variables is negative and significant in short run ($\beta = -0.459$; p-value 0.011). This is an indication that a bank's FL has a negative and significant influence on the effect of PMIC on SVA in the long and short run. Thus, the study rejects the null hypothesis H02f that: FL mediates the relationship between PMIC and SVA of

acquirer banks listed on the GSE.

Table 10
Introduction of Bank Size, Bank Age and Bank Growth as Moderators

Variables	Long Run Model		Short Run Model		
	Fixed Effects	Random Effects	Naïve OLS	Dynamic Fixed Effects	One Step GMM
SVA _{t-1}			0.312 (0.033)	0.267 (0.028)	0.210 (0.029)
PMIC	0.397 (0.022)	0.365 (0.040)	0.185 (0.034)	0.121 (0.041)	0.193 (0.041)
FS	0.351 (0.029)	0.305 (0.026)	0.116 (0.026)	0.111 (0.031)	0.123 (0.035)
FS*PMIC	0.712 (0.021)	0.694 (0.005)	0.461 (0.006)	0.432 (0.006)	0.449 (0.073)
FA	0.411 (0.017)	0.305 (0.031)	0.196 (0.016)	0.186 (0.011)	0.193 (0.015)
FA*PMIC	0.692 (0.028)	0.544 (0.009)	0.381 (0.004)	0.362 (0.008)	0.259 (0.033)
FG	0.051 (0.219)	0.005 (0.316)	0.016 (0.419)	0.011 (0.221)	0.023 (0.125)
FG*PMIC	0.072 (0.211)	0.014 (0.315)	0.081 (0.516)	0.072 (0.273)	0.059 (0.413)
FL	-0.551 (0.018)	-0.505 (0.017)	-0.316 (0.020)	-0.311 (0.019)	-0.323 (0.028)
FL*PMIC	-0.772 (0.018)	-0.614 (0.017)	-0.401 (0.019)	-0.472 (0.016)	-0.459 (0.011)
Constant	2.196 (0.021)	2.580 (0.018)	2.036 (0.028)	2.104 (0.025)	2.036 (0.019)
Observations	56	56	56	56	56
R ²	0.786		0.762	0.465	
F statistic	48.85***		101.43***	35.80***	48.45***
Wald statistic		555.48***			
Hausman chi (9)	18.60***				

P-values in parentheses; *** p<0.05

SVA represents Shareholder Value Added (proxied by Economic Value Added, Market Value Added and Cash Value Added), PMIC represents Post-merger Integration Capability, FS*PMIC represents interaction of Firm size with Post-merger Integration Capability, FA*PMIC represents interaction of Firm Age with Post-merger Integration Capability, FG*PMIC represents interaction of Firm Growth with Post-merger Integration Capability.

V. DISCUSSION

A. PMIC and SVA

The results clearly indicated that PMIC has significant positive influence on SVA of acquirer banks in the long and short run. All the PMIC variables had positive coefficients and p-values below five per cent level of significance. The results are in tandem with literature. Shareholder value varies following M&A, tending to be negative during early PMI and often becoming positive in the longer term (Quah and Young, 2005). Zollo and Meier (2008) found a linkage between PMI and long-term firm performance. The results also support findings by Cording et al. (2008) who identified a relationship between PMI and acquisition performance.

1. SC and SVA

The results of the study reveal that SC is a significant PMIC success factor that results in the creation of shareholder in the banking sector. This agrees with findings by Wanjiku (2017) who concluded that possession of SC enable firms to directly improve their value offering to shareholders, the market or customers in terms of products or services which

are a result of possession of core competencies. The findings also agree with a study by Seyhan et al. (2013) who found that SC have a positive effect on competitive performance which creates value for shareholders in the long run. Imbambi (2018) established a statistically significant and direct link between strategic financial management capabilities, competitive advantage and financial performance.

2. CC and SVA

The results show that CC has a positive and significant effect on SVA of acquirer banks listed on the GSE. This conclusion is consistent with the findings reported in past studies that communication has a positive effect on firm performance (Otieno et al., 2015). This study validates the proposition of the theory of cybernetics that sound flow of information facilitates the attainment of organisation goals and enhances corporate performance. Successful PMI lends credence to channels of communication; communication technologies and feedback.

3. CNC and SVA

The results indicated that CNC and SVA of acquirer banks are positively and significantly related. The findings of the study concur with the findings of Rehman and Saeed (2015) who asserted that coordination capabilities help firms to integrate all the tacit knowledge and codified knowledge in order to produce and deliver those products/services that are cost effective. This enables firms to access more information and data about the needs and demands of customers which positively impacts on firm performance. The results are inconsistent with those of Tai and Lin (2018) who found that firm performance is not directly linked to coordination capabilities.

Further, Parida et al. (2017) showed that firms that engage in networking are able to eliminate constraints and competition arising from resources, innovation, competence and skills which results in better post M&A performance. Further, the findings supported the postulations of the results-based theory which outlines organisations resources to include intangible resources and capabilities such as skills, knowledge, experiences, and ability to create and maintain relationships with relevant stakeholders.

4. MKTC and SVA

The results indicated that MC have a positive and significant effect on SVA of acquirer banks listed on the GSE. The study found that organisations that give orientation towards the development, transfer and protection of strategic knowledge are capable of improve their financial performance. In addition, bank management that clearly supports the role of knowledge in the bank's success exceed their financial performance target. Same applies to employees that successfully link existing knowledge with new insights.

The findings of this study agree with that of Udoyi (2014) who found a significant positive relationship between financial performance and MKTC. The findings are also consistent with those of Ejrami et al. (2016) who found that MKTC has positive impact on financial performance. Further, the results concur with those of Salisu et al. (2017) who asserted that MKTC has positive impact on financial performance of firms in Nigeria. Hosseini (2016) also found that MKTC has a positive effect on financial performance.

5. TC and SVA

The results implied that TC is a good predictor of firm's performance. The results of model of fitness are consistent with previous findings by a number of researchers (Figueiredo, 2018; Prašnikar et al., 2018) who asserted that TC is a good component of PMIC which is a notable contributor of SVA. The findings concur with previous scholars who investigated the effect of TC on financial performance and found a positive and significant relationship between TC and financial performance (Otiso, 2017). Their studies found that firms that had adopted new technologies outperformed their competitors. The adoption of new technologies enabled the firms to develop new services, new functions, and formation of new alliances.

6. MC and SVA

The relationship between MC and firm performance was found to be positive and significant. The study found that acquirer entities that had a management that had skills in developing clear operating procedures were able to run business successfully. In addition, management that had the ability to allocate resources (e.g. financial, employees) to achieve the firm's goals perform better than their competitors. Moreover, management that had the ability to forecast and plan for the success of the business performed relatively better than their compatriots. These findings were consistent with the findings of Jolly et al. (2016) who found that MC has a positive and significant relationship with financial performance of Malaysian firms. The results also agreed with those of Kwalanda et al. (2017) who found that MC such as presentation capabilities and interpersonal capabilities were a good predictor of financial performance. Sreckovic (2015) also found that interpersonal capabilities of managers is important predictor of financial performance. On the contrary, results were inconsistent with those of Lo (2015) who found that MC have no effect on firm performance.

7. KMC and SVA

The results indicated that KMC have positive and significant relationship with SVA. The results revealed that banks that had the ability to launch new products/services successfully are able to outperform their competitors. Furthermore, banks that were good at creating, maintaining and enhancing relationships with customers had better performance. In addition, banks that are capable of sharing mutual commitment and goals with strategic partners in the market perform better than their competitors. The study further found that management that responds to competitive actions that threaten the bank perform better than their competitors.

The findings were in agreement with that of Musuva et al. (2013) who showed that KMC have a positive influence on the financial performance of firms. Further, the findings agreed with Tseng and Lee (2014) who concurred that KMC increased performance of firms. On the other hand, results disagreed with those of Bharadwaj et al., (2015) who asserted that KMC negatively impacted on the financial performance of Indian firms.

8. ITC and SVA

The findings of the study further show that ITC positively and significantly influence SVA of acquirer banks listed on the GSE. Information Systems adoption and implementation improves the banks' performances (efficiency, productivity, organisation competitiveness and development) resulting in an improved SVA for shareholders of acquirer banks.

The results were consistent with the conclusions reached by Chae et al. (2014) who asserted that ITC enables firms to improve financial performance by increasing the speed at which decisions are made and being responsive to changes. Further, Vesalainen and Hakala (2014) opined that ITC helps a firm to adapt to changing customer needs thereby improving competition and financial performance. Vogel and Güttel (2013) stated that organisational assets (such as IT) are essential to the organisation's ability to formulate and employ strategies that would offer competitive advantages over competitors, result of which is improvement in shareholder value.

9. HCC and SVA

The results show that HCC has a positive and significant effect on SVA of acquirer banks listed on the GSE. The results are consistent with conclusions reached by Sirmon et al. (2011) whose studies showed that skills, knowledge, experience and wisdom help employees make informed judgement which increases organisational efficiency and better financial performance. Wernerfelt (2011) opined that HCC has a direct positive relationship with performance as it boosts the productive capacity of the firm which often translates to greater financial performance and shareholder value. On their part, Jiang et al. (2012) observed that HCC can be adequately used for value addition through learning and development. Nyberg et al. (2014) postulated that HCC is a key factor that lay the foundation for the achievement of improved performance by a firm.

10. ICC and SVA

The results of the study indicate that ICC has a positive and significant effect on SVA of acquirer banks listed on the GSE. The conclusions reached in the study align with those of Apreku-Djan et al. (2022) who confirmed that ICC has strong positive influence on EVA, MVA and CVA of banks in Ghana. ICC is a knowledge of an organisation (Lerro et al., 2014) which mobilises employees, managerial processes and knowledge (Mouritsen et al., 2003), and coordinates and organises all available knowledge to create value for shareholders in the future.

ICC allows firms to stay afloat in a highly competitive industry (Garg and Zhao, 2018) which enables firms to control a high market share with the resultant effect of maximising shareholder value. Further, Mungai (2014) advanced that ICC affects the operational performance of commercial banks in Kenya.

B. Moderating Effect of FS, FA, FG and FL on the Relationship Between PMIC and SVA of Banks

1. FS, PMIC and SVA

The results indicate that FS has a positive and significant effect on SVA in the long run and short run. The results also show that FS positively and significantly mediates the relationship between PMIC and SVA only in the long run. However, in the short run, the mediation of the relationship between PMIC and SVA is insignificant. This study shows that a growth in bank size results in a corresponding increase in a bank's SVA. The findings of the study support studies conducted by Ilaboya et al. (2016), Wati (2019), Megawati and Dermawan (2019), Charles et.al (2018), Mule et al. (2015) and Samosir (2018). The authors concluded that FS has significant and positive effect on corporate financial performance. On the contrary, studies conducted Thaibah (2020) showed that FS has a positive and insignificant effect on company performance.

The size of a given firm is of utmost relevance to its stakeholders, especially shareholders who finance the firm. Hence, management are always in the business of expanding their total assets-base to attract more investors and income. The results obtained when FS was regressed with the SVA revealed that all listed acquirer banks in this study validate this claim. This means that FS truly attracts more customers and this explains why most listed banks continue to expand their total assets-base and build structures similar to banks in developed countries and this is in tandem with studies conducted by Soumaya (2012) and Tayem (2017).

The results of the study were expected as Biekpe (2011) suggests that economies of scale enjoyed by larger Ghanaian banks enable them to benefit from reduced risk. Bank size is proxied as the natural logarithm of total bank assets. However, while large banks are assumed to have better experience and knowledge in mergers and acquisitions, which ensure proper screening of targets and financial, operational and legal due diligence, it is also hypothesized that as banks increase in size, monitoring and evaluation become difficult as they take on high risk.

The results proved that the size of a firm enables the firm to attract more funds relative to funds from the core activities of the business. This goes further to buttress the point that FS is one of the reasons why the listed acquirer banks are able to compete on the global scale. Larger firms can: use new ways to manage market risks and uncertainties; have better opportunities to avoid losses; have the ability to negotiate with suppliers and competitors; acquire new technology; train employees to make them extensive professional experience and gains control in the market.

The results indicate that larger firms have greater access to capital as well as larger capability for R&D investments, and thus will be in a position to make better use of the acquisition, which in turn produces relatively higher returns for shareholders. Larger firms are considered to be superior in maximising shareholders' wealth relative to smaller firms because the former can more easily adapt to pressures and changes in market developments. Such large firms are more trusted to meet the expectations of stakeholders, primarily shareholders. A large company denotes greater ownership and control of economic resource (assets), huge invested capital, high sales growth, and high publicity. Large companies are considered to have a better chance of obtaining credit from financial institutions to boost their strategic, communication, coordination and network, marketing, technology, knowledge management, human capital, intellectual capital, managerial and information technology capabilities which are the core success factors of PMI.

Endri and Fathony (2020), Suwardika and Mustanda (2017) and Suffah and

Riduwan (2016) stated that the larger the FS which is seen from the higher amount of the total assets of the firm can indicate that the firm has reached its maturity stage. A firm that is in its maturity stage has a positive cash flow and is expected to be generally stable and able to generate profits in a relatively long period of time. Thus, the firm will be able to attract investors to subscribe to shares of the firm. This condition causes the firm's share price to increase in the capital market and increase the firm value. Other than that, it will be easier for the firm to get the trust from creditors to obtain fund that can be used in the process of increasing the firm value.

According to Hardian and Asyik (2016), the larger the FS shows that the firm has larger amount of assets that affords management the preference to utilise the assets. Thus, it will be more flexible for management to utilise the existing assets to control the business activity in the firm. From management's perspective, the ease of controlling the firm will increase the firm value and shareholder value. This explains why large firms prefer M&A because they have the capability to manage the PMI.

2. FA, PMIC and SVA

The results of the statistical analysis clearly indicate that FA has a positive and significant effect on SVA in the long run and short run. The results also show that FA positively and significantly mediates the relationship between PMIC and SVA both in the long and short run. This study shows that if the firm age increases, the bank's SVA will also increase.

The results of the study are consistent with previous studies conducted by Ghafoorifard et al. (2014), Samosir (2018), Ibrahim (2017). Their studies underscored the fact that firm age has a positive and insignificant effect on corporate financial performance. That notwithstanding, the findings of this study are not in tandem with studies conducted by Megawati and Dermawan (2019), Dawar (2014), Dogan (2013), Haji and Mohd-Ghazali (2018). Studies by Megawati and Dermawan (2019) and Dawar (2014) indicated that FA has negative and significant effect on corporate financial performance. Dogan (2013) found a negative relationship between FA and financial performance of banks. Research conducted by Haji and Mohd-Ghazali (2018) showed that FA has a positive and insignificant effect on corporate financial performance.

Based on the statistical analysis, long-established companies are more experienced and knowledgeable and conduct post-merger integration activities in a more systematic and structured manner. Moreover, such companies usually carry out development as an innovative activity and have the technological and marketing capabilities in creating new products/services. This extensive experience makes it easier for such companies to improve overall SVA. Long-established firms witness improvement in SVA because they never lose the courage to take risks and try new things in order to safely guard and sustain their competitive advantage.

The study shows that long-established acquirer banks are more experienced in conducting mergers and acquisition activities in the financial sector because their very existence is better known to the broader stakeholders as opposed to new banks. Acquirer banks which have been in existence for long are expected to have more superior performance marked by an increase in assets and revenue. In investment decisions, firm age is one of the factors investors consider in their assessment of a firm because it provides information to investors on how much investment opportunities are accessible to the firm. FA increases the capacity of acquirer banks to gain more investment from

debt to equity to facilitate the success of the post-merger integration exercise which translates into improvement in SVA.

3. FG, PMIC and SVA

The statistical test shows that FG has no significant effect on SVA both in the long and short run. The results also show that FG does not mediate the relationship between PMIC and SVA both in the long and short run. The findings of this study are consistent with studies conducted by Jonatan (2018) and Megawati and Dermawan (2019) which concluded that FG has no influence on corporate financial performance. A research conducted by (Yudistira, 2019) also exhibited that the firm's growth variable has no effect on firm and shareholder value. Thus, an increase or decrease in FG will not affect shareholder value.

Firms witness yearly fluctuations in total assets which is inconsequential to the value of the firm as well as shareholders value. According to Abdillah (2021), there are several companies that did not experience growth due to a decrease in totals from the previous year. Moreover, growth in bank assets does not necessarily indicate that such banks own and control large total assets because total assets consist of liabilities and equity. Banks rely heavily on customers deposits, as such, banks have a higher amount of liabilities relative to total equity making it a daunting task to determine FG. An astronomical growth in the total assets (due to an M&A activity) of a parent company does not necessarily indicate high company growth due to ignorance of the company's internal and external conditions.

However, the findings of this study are inconsistent with studies conducted by Musah et al. (2019), Sunardi and Sasmita (2019), Tristan and Huy-Cuong (2015), Suci and Cambarihan (2016). The results of their studies showed that FG has a positive and significant effect on shareholder value. FG is defined as the development of a firm that is getting better and bigger from time to time (Kusumawati and Setiawan, 2019). According to Ramdhonah et al. (2019), if the firm is able to increase its assets, the firm's operational results will also increase. Thus, a good FG that is indicated by an increase in assets gives a positive signal that the firm has a high potential to generate high cash flows in the future and therefore increase the level of trust of investors. Investors will judge that the firm is able to generate a higher rate of return on the investment made. When there is a good response from the investors, the market value of the firm will increase translating into an increase in SVA.

4. FL, PMIC and SVA

The results of the statistical analysis show that FL has a negative and significant effect on SVA in the long run and short run. The results also show that FL negatively and significantly mediates the relationship between PMIC and SVA both in the long and short run. This study shows that a high degree of FL reduces a firm's corporate financial performance which results in a decrease in SVA.

The results of this study agree with studies by Azzahra (2019) and Utami (2018), which all indicated that FL has a negative and significant effect on corporate company performance. The authors intimated that high debt potentially reduces the excess cash flow and inventory of a company which denotes the efficiency of management. Being over-leveraged typically results in a high potential risk which makes investors hesitant to

invest in such companies. According to Utomo, (2017), the greater the debt, the greater the cost of financial pressure which will affect shareholder value creation. In addition, source of funds in banking is dominantly from debt such as saving and time deposits.

According to Febrianti (2012), the greater the proportion of debt used in the capital structure, the greater the firm's obligation to pay its loans and interest. It will affect the dividends that will be distributed. With a low ability to pay dividends, it is not attractive for investors to buy the firm's shares, resulting in a decrease in shareholder value added. Besides, the high amount of debt makes the firm's financial condition unhealthy because it may cause the risk of financial distress due to the firm's inability to pay the principal and interest of the debt. As a result, the market value will decrease which consequently affects shareholder value added.

On the other side, Suwardika and Mustanda (2017) and Ramdhonah et al. (2019), stressed that the greater the proportion of debt used in the capital structure can increase shareholder value due to higher reduction in income tax. Income tax expense reductions will increase the firm's profits which investors positively respond to. Hence, the demand of the shares will increase and followed by the increase in share price and firm value.

According to Ramdhonah et al. (2019), the use of debt can accelerate the business of the firm if the firm is able to optimize its business operations to get the expected return, therefore it makes investors assume that firms with high amount of debt indicate that the firm has good business prospects. The creditor should also assess the condition of the firm whether it is feasible for a loan. If it is feasible, then the firm is considered to have good business prospects and therefore capable of fulfilling its obligations in the future. Investors will respond positively and increase the firm value.

VI. CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

A. Conclusion

The study sought to determine the effect of PMIC on SVA of acquirer banks listed on the GSE. The indicates that PMIC explains 69.3% and 26.4% of all the variations in SVA in the long run and short run respectively. This also implies that 30.7% and 73.6% of the variation in SVA (in the long run and short run respectively) are attributed to other variables not captured in the model. The results indicated that the overall model was significant to predict the relationship between PMIC and SVA.

The findings revealed that PMIC has a significant positive effect on SVA of acquirer banks listed on the GSE both in the short run and long run. This implies that improvement in acquirer banks' SC, CC, CNC, TC, MC, ITC, KMC, HCC, ICC and MKTC will increase EVA, MVA and CVA to the admiration of shareholders. The study also indicate that FS and FA have positive and significant effect on SVA in the long run and short run. The results also show that FS and FA positively and significantly mediates the relationship between PMIC and SVA both in the long and short run. However, FG has no significant effect on SVA both in the long and short run. The results also show that FG does not mediates the relationship between PMIC and SVA both in the long and short run. Moreover, FL has a negative and significant effect on SVA in the long run and short run. The results also show that FL negatively and significantly mediates the relationship between PMIC and SVA both in the long and short run.

Larger firms (after M&A) and long-established firms are superior in producing

good performance relative to smaller ones because the merged entity can easily adapt to pressures and changes in market developments. If the performance of a merged company is good, it will reflect the entity's performance in managing existing resources effectively and efficiently to increase SVA. The better the merged company's SVA, the more trusted the merged company will be in meeting the expectations of consumers and stakeholders. A combined company performs better after the merger than either company has done beforehand.

B. Theoretical and Practical Contribution/Implication

1. Theoretical Contribution

The study contributes to the body of knowledge by illustrating an empirical model, based on the adopted conceptual framework, applicable by banks in Ghana in achieving better performance and creating value for shareholder after a merger or an acquisition. The model showed the linkage between PMI capabilities (ITC, SC, CNC, TC, MKTC, MC, KMC, HCC, ICC and CC) and SVA. Previous studies had their limitations related to methodology, context, and the conceptualisation of the variables by focusing on individual capabilities such as HR capabilities. The current study contributes empirically by focusing on organisational capabilities holistically and the mediating effect of FS, FA, FG and FL. This is consistent with the process school theory that effective management of the PMI process is crucial to success. This study conceptualized a PMI capability framework geared towards value addition to shareholders wealth in the banking sector.

Earlier studies (both internationally and locally) had not focused on holistic organisational capabilities for a successful PMI outcome which is a precursor for shareholder value improvement in the banking sector. The current study therefore contributes to this knowledge by providing an empirical review on the effect of an all-embracing PMIC framework on SVA of listed acquirer banks in Ghana. This study enhances the conceptualisation of the variables based on how the variables have been measured in the study. Further, the study has established statistically the mediating effect of FS, FA, FG and FL on the relationship between PMIC and SVA. This will help researchers to consider FS, FA, FG and FL when dealing with other organisations since it enhances SVA. The study looks at performance in terms of EVA, MVA and CVA which is novel in the Ghanaian context.

2. Implications for Managers

Firms should devise ways and procedure to enhance the capabilities of managers and staff in terms of ITC, SC, CNC, TC, MKTC, MC, KMC, HCC, ICC and CC. This could be achieved through arrangements for trainings and benchmarking from other firms that thrive in these areas. Based on the study findings, the study recommends that banking industry strives to adopt new technologies from the other competing firms, through building strong relationships with their management, arranging for trainings from their experts and focusing more on external social ties. The study also recommends that banks appoint their managers based on education level and experience, cognitive capabilities and ability to form social ties and relate well with other managers from other related firms.

The study further recommends that banks ensure their marketing personnel have

the right marketing capabilities by bringing expert in the area to train them and also organise in-house trainings. Additionally, the study recommends that firms should ensure knowledge capability acquisition to employees through on-the-job trainings, mentorship programs, coaching, attending workshops and supporting them for further studies. It behooves managers to prioritise personnel expertise by recruiting based on qualifications and frequently conducting random assessments to evaluate level of expertise. Besides, the level of experience, knowledge and skills possessed by staff should be highly emphasised by the HR department. Consequently, effective and better strategies should be deployed in banks to enhance innovation efforts, number of patents, knowledge development and sharing, and creativity potential. The HR managers of banks should endeavour to improve on this capability by organising trainings, seminars, and conferences to improve and enhance knowledge sharing and creativity potential that will aid in improving bank performance which translates into improvement in shareholder value in the long and short run.

Moreover, coordination in banks should be ensured by the use of effective communication channels and having different departments that perform different duties. Banks should focus on ways of maximising the utilisation of relational trust by cultivating trust amongst staff, relational capability by encouraging inter-bank interactions in open forums, relational strength, initiation of business relationships, coordination within networks, and encouraging information sharing. In addition, banks should create strategic networks and partnerships that are unique and inimitable by other banks to enable them acquire innovations, resources, skills and competencies, thus improving shareholder value.

The study recommends that banks in Ghana should map their IT capabilities to improve their infrastructure such as well-equipped computer laboratories to enable them span their businesses by automating most of their service and reduce human interference which breeds fraud. Further, banks should adopt a proactive stance by developing adaptable operating systems. The ICT managers of financial institutions should exploit this capability and embrace digitalisation of their processes and services to gain competitive superiority that will lead to better performance.

3. Recommendations for Further Studies

The study was restricted to listed acquirer banks in the Ghanaian banking sector. To test the applicability of the PMIC and for purpose of making a comparison of the findings with those of the current study, further studies should be extended to cover additional M&A activities in non-financial firms listed on the GSE using the same value-based financial performance (EVA, MVA and CVA). Besides, the study was conducted in Ghana and thus extensive research could be carried out in the neighbouring African countries to establish a relational and comparison in performance of banks in other African countries.

In addition, the study tested the mediating effect of bank size on the relationship between PMIC and SVA of acquirer banks listed on the GSE. However, there are other factors that could mediate the relationship. The study therefore recommends that other studies extended to establish the mediating effect of other factors (such as government policies, firm age, financial risk, fraud and environment) on the relationship between PMIC and SVA. Furthermore, the study adopted a cross-sectional time horizon with

secondary data covering the period between 2008 and 2021. Therefore, long term conclusions cannot be drawn from the findings of this study. Thus, other studies should consider a longitudinal time horizon to determine if similar inferences could be drawn from the findings.

The sample of the study covers a fourteen-year period from 2008 to 2021. The study did not consider any significant events which may affect shareholder value added, such as financial crisis and COVID-19, government regulation changes, industry and year effects. Other studies could consider such significant events.

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