



INSTITUTIONAL DETERMINANTS OF MERGERS AND ACQUISITIONS SUCCESS: A COMPARATIVE REVIEW OF KAZAKHSTAN, INDIA, THE UNITED KINGDOM, AND THE UNITED STATES

Madina Taldybayeva

Senior Manager, Department of Asset and Corporate Management
at Nazarbayev University, Kazakhstan

nurgozhin.ip@gmail.com

ORCID: 0009-0002-3355-6411

Abstract

Mergers and acquisitions (M&A) have become a central feature of global corporate restructuring and investment, yet failure rates remain persistently high. Traditional research has emphasized financial and strategic determinants of success, but growing evidence highlights the decisive role of institutional factors such as legal frameworks, regulatory efficiency, corporate governance, and ownership patterns. This review synthesizes existing scholarship on institutional determinants of M&A outcomes, with a comparative focus on Kazakhstan, India, the United Kingdom, and the United States. By integrating findings from both emerging and developed economies, the article demonstrates how institutional environments shape transaction success, often more strongly than firm-level variables. The analysis shows that Kazakhstan and India face significant challenges from state involvement and fragmented regulation, while the UK and US benefit from strong governance and legal predictability. The article concludes with recommendations for policymakers, investors, and managers regarding institutional due diligence.

Keywords: mergers and acquisitions, institutional determinants, emerging markets, corporate governance, comparative analysis



INTRODUCTION

Mergers and acquisitions (M&A) have become a defining feature of the global economy over the past four decades. They represent one of the most widely used strategies for firms seeking growth, market entry, diversification, or technological advancement. The volume and value of global M&A activity have expanded dramatically since the 1980s, with record-breaking deal flows recorded in the United States and Europe in the early 2000s, followed by a sharp increase in emerging markets in the 2010s. According to data from Bloomberg and Refinitiv, annual worldwide M&A deal value often exceeds three trillion US dollars, and in some years has approached five trillion. These figures reflect the centrality of M&A to corporate strategy and financial markets.

Despite their ubiquity, mergers and acquisitions remain risky undertakings. Scholars and practitioners alike have noted that a substantial proportion of deals fail to achieve their stated objectives, whether measured by shareholder value creation, profitability, or post-merger survival. Studies by KPMG, McKinsey, and a large body of academic literature estimate that between fifty and seventy percent of M&A transactions underperform relative to expectations. This paradox, where firms continue to pursue M&A despite persistent failure rates, has motivated extensive scholarly inquiry into the determinants of success.

Early research concentrated primarily on firm-level and financial drivers. Analysts examined the relative size of acquirer and target firms, the payment method used to finance the transaction, the industry or strategic fit, and the market valuation of the acquirer at the time of the deal. These variables provide important insights, yet over time it became clear that they could not fully explain the striking variation in M&A outcomes across different countries and institutional settings. Identical strategies that succeed in one jurisdiction may fail in another, even when industry conditions and firm-level characteristics appear similar.

This realization has directed increasing attention toward institutional factors as critical determinants of M&A success. Institutions, understood as the formal and informal rules governing economic behavior, create the framework within which firms operate. They include the legal system, regulatory agencies, corporate governance norms, ownership structures, cultural practices, and enforcement mechanisms. North (1990) emphasized that institutions shape incentives and reduce uncertainty, thereby structuring economic exchange. La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1998) further demonstrated that the quality of investor protection and legal traditions strongly influences financial development and corporate governance outcomes. These insights have been extended to the M&A context, where institutional quality affects not only whether deals are completed but also how firms integrate and perform afterward.

A growing number of studies now stress the importance of understanding institutional determinants of M&A success. For example, research on Russian and Chinese cross-border acquisitions has shown that weak governance and regulatory opacity increase the probability of deal abandonment (Panibratov, 2017; Ermolaeva, 2019). Studies of emerging Asian economies highlight the role of cultural and institutional traditions, such as Confucian hierarchies, in shaping negotiation styles and integration outcomes (Larchenko and Ruzhanskaya, 2023). Even in advanced economies, where institutions are more stable, informal elements such as communication practices and organizational culture remain decisive in determining whether mergers succeed (Kumar and Sengupta, 2024). Collectively, this literature indicates that institutional environments are not peripheral but central to understanding the varied outcomes of M&A.

The purpose of this article is to review and synthesize the existing scholarship on institutional determinants of M&A success, while providing a comparative analysis of four countries that represent different stages of institutional development: Kazakhstan, India, the United Kingdom, and the United States. This selection allows for a nuanced exploration of both emerging and developed contexts. Kazakhstan represents a transitional economy where M&A activity is growing but remains heavily influenced by state ownership and regulatory opacity. India illustrates the complexities of a dynamic emerging market, with rapid globalization and reform efforts alongside persistent challenges of concentrated family ownership and bureaucratic fragmentation. The United Kingdom serves as a benchmark of a developed institutional framework, characterized by transparent takeover rules and strong shareholder protections. The United States represents the most mature M&A environment globally, with deep capital markets, extensive legal safeguards, and a highly active investor community.

This comparative approach fills an important gap in the literature. While many studies have focused on either emerging markets or developed economies, few have brought them together in a single framework that highlights their institutional contrasts. Moreover, Central Asia, and Kazakhstan in particular, remains underrepresented in global M&A scholarship. By including Kazakhstan alongside India, the UK, and the US, this review aims to show how institutional factors shape outcomes across diverse settings, and what lessons can be drawn for policymakers, investors, and corporate managers.

The contribution of this article is threefold. First, it synthesizes existing research on firm-level and institutional determinants of M&A, clarifying where consensus exists and where further study is needed. Second, it provides a comparative analysis of four country cases that illustrate both convergence and divergence in institutional effects on M&A outcomes. Third, it draws out policy and practical implications for governments seeking to attract investment, for managers

pursuing cross-border acquisitions, and for investors assessing risk and opportunity. By doing so, the article demonstrates that M&A success is not only a matter of financial strategy, but also a reflection of the institutional environments in which firms operate.

The remainder of the article is organized as follows. The next section reviews the literature on traditional firm-level determinants of M&A performance and the growing body of work on institutional influences. The following section presents country-level insights for Kazakhstan, India, the United Kingdom, and the United States. The subsequent section develops policy and managerial implications, emphasizing lessons for emerging economies and global investors. The article concludes by synthesizing findings, reflecting on their broader significance, and suggesting directions for future research.

LITERATURE REVIEW

Early Approaches to M&A Performance

Scholarly interest in mergers and acquisitions can be traced back to the early twentieth century, when economists and financial historians first attempted to document the performance of firms following consolidation. Dewing (1921), Livermore (1935), and Kelly (1967) provided descriptive accounts of merger waves in the United States, highlighting the inconsistency of post-merger outcomes. These early works set the stage for a more systematic search for the determinants of M&A success.

From the 1970s onward, large-sample empirical studies sought to measure shareholder wealth effects and operational performance before and after acquisitions. Jensen and Ruback (1983) established the foundation for event-study methodology in M&A research, showing that while target shareholders tend to gain, acquirer returns are often negligible or negative. This paradox highlighted the risks faced by acquirers and initiated a wide-ranging debate on the conditions under which deals generate value.

Firm-Level Determinants of M&A Success

The first generation of empirical research emphasized firm-level characteristics and deal structures. Several determinants emerged as central to the analysis.

Size and relative scale. Acquirer and target size have been shown to influence post-merger performance. Moeller, Schlingemann, and Stulz (2004) demonstrated that smaller acquirers tend to outperform larger ones, possibly because they are more disciplined in selecting targets and managing integration. In contrast, large firms may pursue acquisitions for empire-building motives rather than shareholder value, leading to inferior results.

Method of payment. Loughran and Vijh (1997) and Ghosh (2001) provided evidence that cash-financed deals outperform stock-financed deals in the long run. This finding aligns with theories of information asymmetry, where managers issue equity when they perceive their stock to be overvalued, and with agency theories of free cash flow, where excess liquidity may encourage unprofitable acquisitions. Rau and Vermaelen (1998) introduced the distinction between glamour and value acquirers, showing that glamour firms often underperform after acquisitions, while value firms experience superior outcomes.

Strategic relatedness. Another determinant examined is whether the acquirer and target operate in related industries. Singh and Montgomery (1987) argued that related acquisitions allow for more effective resource transfer, while unrelated or diversifying deals face higher integration costs. King, Dalton, Daily, and Covin (2004), in their meta-analysis, found limited support for diversification as a driver of long-term performance, suggesting that relatedness may not guarantee success.

Pre- and post-merger financial condition. Studies have also examined the role of acquirer profitability, leverage, and market valuation. Healy, Palepu, and Ruback (1992) found that merged firms often experience improved asset productivity, although not necessarily improved profitability. More recent studies incorporate firm-level governance, managerial incentives, and prior acquisition experience as predictors of performance.

These findings provide valuable insights, but they remain incomplete. Firm-level determinants explain only part of the variance in outcomes and fail to capture why similar deals succeed in one context and fail in another. This limitation has shifted scholarly attention toward the broader institutional environment.

Institutional Theory and M&A

Institutions, as defined by North (1990), are the formal and informal rules that structure human interaction. They include constitutions, laws, regulations, norms, and cultural practices that shape incentives and reduce uncertainty. In the context of corporate governance and finance, institutions determine how rights and responsibilities are allocated, how disputes are resolved, and how enforcement is carried out.

La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1998) advanced the study of legal origins, demonstrating that countries with common law traditions provide stronger investor protections than those with civil law traditions. Their work linked institutional quality directly to the development of financial markets, firm valuation, and corporate governance. In M&A research, these insights have been extended to explain differences in deal completion rates, integration challenges, and post-merger performance across countries.

Formal Institutional Determinants

Several formal institutional factors have been identified as critical to M&A success.

Legal systems and investor protection. The strength of property rights, contract enforcement, and shareholder protection determines how smoothly transactions can be executed. Stronger legal systems reduce the risk of expropriation and increase the likelihood that acquirer promises will be honored. Research on European and North American M&A shows that robust legal protections correlate with higher completion rates and more positive shareholder outcomes (Dikova, Panibratov, and Veselova, 2016).

Regulatory efficiency. The role of regulators in approving mergers is particularly important in emerging markets, where bureaucratic delays can undermine deal value. Ermolaeva (2019) found that weak institutions in Russia increased the probability of deal abandonment. Similarly, evidence from Kazakhstan highlights the impact of slow approval processes and opaque regulations on investor confidence (Minbaeva, 2011).

Corporate governance. Governance standards, including requirements for board independence, disclosure, and auditing, shape post-merger integration. Studies have shown that weak governance increases the risk of managerial opportunism, while strong governance improves accountability and the likelihood of realizing synergies. The United Kingdom and the United States, with their established governance frameworks, provide institutional support that enhances deal success.

Ownership structures. In emerging markets, concentrated ownership, whether by the state or families, can hinder efficient deal-making. State-owned enterprises may pursue political rather than economic objectives, while family ownership may resist integration with outside investors. These patterns are evident in both Kazakhstan and India, where concentrated ownership creates barriers to minority shareholder rights and limits transparency.

Informal Institutional Determinants

Beyond formal institutions, informal institutions also affect M&A outcomes.

Cultural and communicational norms. Cultural distance between acquirer and target firms can complicate negotiation, integration, and long-term collaboration. Panibratov (2017) emphasized the role of cultural and organizational integration in Russian and Chinese cross-border acquisitions. Kumar and Sengupta (2024) showed that in US cross-border deals, communication breakdowns and demographic mismatches often result in deal abandonment, even when legal protections are strong.

Institutional distance. Arslan and Dikova (2015) argued that institutional distance between acquirer and host countries influences ownership strategy and performance in cross-border

M&A. Greater distance increases uncertainty and requires more careful governance structures to mitigate risks.

Reputation and legitimacy. Informal institutions also include norms of corporate legitimacy and reputation. Acquirers from countries with weaker institutions may face skepticism from foreign regulators and stakeholders, raising the cost of integration.

Emerging Themes in Institutional Determinants

Recent scholarship has expanded the scope of institutional analysis in M&A.

ESG considerations. The growing prominence of environmental, social, and governance factors is reshaping M&A strategy. In markets such as the UK and US, investors and regulators increasingly evaluate acquisitions based on ESG performance. This trend adds a new dimension to institutional determinants, where firms must meet both financial and sustainability criteria.

Digitalization and regulatory convergence. The rise of digital platforms, cross-border data flows, and international regulatory cooperation is altering the institutional landscape of M&A. Emerging discussions suggest that convergence in standards, such as data protection or financial reporting, may reduce institutional distance and facilitate integration.

Transitional economies. Kazakhstan provides an important case for examining transitional economies, where rapid legal reforms coexist with entrenched informal practices. Limited research has been conducted on Central Asia, but available studies indicate that institutional weaknesses significantly constrain M&A activity and outcomes (Minbaeva, 2011).

COUNTRY-LEVEL INSIGHTS

Kazakhstan

Research on mergers and acquisitions in Kazakhstan remains limited compared to other regions, yet available studies reveal important institutional features that shape transaction outcomes. Kazakhstan is a transitional economy that has pursued ambitious reforms aimed at attracting foreign direct investment and modernizing its corporate sector. The establishment of the Astana International Financial Centre (AIFC), with its English common law framework, illustrates the government's intent to create an investor-friendly environment. Nevertheless, institutional weaknesses persist, particularly in areas of regulatory transparency, corporate governance, and minority shareholder protection.

Minbaeva (2011) provided one of the earliest academic examinations of acquisitions in Kazakhstan, focusing on foreign investors such as Canadian and Chinese firms. She observed that while market entry was motivated by access to natural resources, institutional constraints,

including opaque regulations and unpredictable approvals, undermined integration. These findings align with the broader literature on transitional economies, where legal reforms coexist with entrenched informal practices that complicate investment.

State ownership remains a defining characteristic of Kazakhstan's M&A landscape. Major industries such as oil, gas, and infrastructure are dominated by state-linked enterprises, often through the sovereign wealth fund Samruk-Kazyna. While privatization programs have been announced, the state continues to play a dual role as both regulator and market participant, raising concerns about conflicts of interest. This structure creates uncertainty for foreign acquirers, as decisions are influenced by political as well as economic considerations.

Governance frameworks are evolving but remain underdeveloped compared to international benchmarks. Boards often lack independence, and disclosure standards are uneven. Weak enforcement of minority shareholder rights discourages outside investors from pursuing acquisitions in sectors beyond natural resources. Transparency International's corruption perception index continues to rank Kazakhstan below many of its emerging market peers, highlighting persistent institutional risks.

Overall, the case of Kazakhstan illustrates the central role of institutions in shaping M&A outcomes. Even when financial motives are strong, as in the resource sector, weak governance and state dominance introduce risks that undermine long-term success.

India

India represents one of the most dynamic emerging markets for M&A activity. Liberalization reforms since the early 1990s have facilitated the entry of multinational corporations and encouraged domestic consolidation. India is now among the top ten global markets for M&A in terms of deal value, with significant activity in technology, telecommunications, pharmaceuticals, and financial services.

The institutional environment in India is complex and evolving. Concentrated family ownership continues to characterize much of the corporate sector. This ownership pattern shapes both the motivation for acquisitions and the integration process. Family-controlled firms often pursue acquisitions to consolidate control, diversify into new sectors, or strengthen succession planning. While these deals can generate synergies, they may also create conflicts with minority shareholders and limit transparency.

Regulatory reforms have sought to address these challenges. The Securities and Exchange Board of India (SEBI) has introduced stronger disclosure requirements, insider trading regulations, and corporate governance codes. These reforms have improved transparency in listed companies and provided greater protection for minority shareholders.

However, regulatory fragmentation across states and the persistence of bureaucratic delays continue to complicate M&A processes.

Cultural and institutional traditions also shape outcomes. Larchenko and Ruzhanskaya (2023) highlight how institutional legacies, including hierarchical organizational cultures, influence negotiations and post-merger integration in Asian contexts. In India, acquirers must navigate complex labor relations, regional diversity, and variations in corporate culture. These factors can create integration challenges that are not easily resolved by financial or strategic planning alone.

India demonstrates both the potential and the limitations of emerging market M&A. Deal activity is high, and reforms have improved governance, yet concentrated ownership and institutional fragmentation continue to constrain outcomes. For foreign investors, India offers opportunities, but success depends on a nuanced understanding of both formal and informal institutions.

United Kingdom

The United Kingdom has long been recognized as a global hub for M&A activity, supported by its deep capital markets, strong legal framework, and international orientation. The UK Takeover Code is a central institutional feature that ensures transparency, fairness, and predictability in the M&A process. It mandates disclosure, protects minority shareholders, and limits defensive tactics by boards, creating a level playing field for acquirers and targets.

Research has consistently shown that robust institutions improve M&A outcomes. Dikova, Panibratov, and Veselova (2016) found that institutional quality in developed economies such as the UK increases the likelihood of deal completion and reduces uncertainty. The presence of strong legal enforcement and independent regulatory oversight allows firm-level strategies to play a more decisive role, since institutional risks are minimized.

Recent developments illustrate how institutions adapt to changing contexts. Brexit created uncertainty for international investors, yet the underlying legal and governance structures of the UK remained intact, preserving its attractiveness for M&A. Moreover, the integration of environmental, social, and governance (ESG) standards into corporate practice has added a new institutional dimension to M&A. Investors and regulators increasingly evaluate acquisitions not only on financial grounds but also on sustainability performance.

The UK also demonstrates the importance of cultural and managerial integration. While legal protections are strong, cross-border acquisitions still face challenges when acquirers underestimate cultural differences. Conn, Cosh, Guest, and Hughes (2005) found that UK firms acquired by foreign investors often struggled with integration, particularly when cultural and

managerial practices diverged significantly. These findings reinforce the argument that institutions reduce risks but cannot eliminate the need for careful integration strategies.

The UK case shows how a mature institutional framework creates conditions for stable M&A activity while also adapting to new global pressures such as ESG and geopolitical change.

United States

The United States is the most mature and active M&A market in the world, with deal volumes and values consistently exceeding those of other countries. Its institutional framework is characterized by strong legal traditions, deep and liquid capital markets, and an active community of institutional and activist investors.

Legal and regulatory structures in the United States provide extensive protections for shareholders and clear processes for approving transactions. Delaware corporate law, in particular, plays a critical role in shaping governance and litigation outcomes. The availability of shareholder lawsuits and the influence of activist investors create market discipline, discouraging poorly planned or opportunistic deals.

Kumar and Sengupta (2024) showed that even in the United States, informal institutions matter. Their study of cross-border M&A involving US firms found that communication practices and demographic mismatches often influenced deal abandonment. This highlights that while formal institutions provide stability, informal cultural factors continue to affect integration and success.

The diversity of the US economy creates additional opportunities and challenges. High success rates are observed in sectors such as technology and pharmaceuticals, where acquisitions are often driven by strategic synergies and knowledge transfer. However, deals in traditional manufacturing sectors have been more uneven, often reflecting broader structural shifts in the economy.

COMPARATIVE DISCUSSION

The four cases illustrate the central role of institutions in shaping M&A success. Kazakhstan exemplifies the risks associated with weak governance, state dominance, and limited investor protections. India highlights the potential of emerging markets where regulatory reforms improve transparency but structural challenges remain. The United Kingdom shows how mature institutions support stability and adaptability, while the United States demonstrates how strong legal frameworks interact with informal cultural factors to shape outcomes.

This comparison confirms that institutional quality often outweighs firm-level financial strategies in predicting M&A performance. In emerging markets, institutional risks can

undermine even well-structured deals. In developed markets, robust institutions create conditions where financial and strategic determinants are more effective, yet integration challenges remain due to cultural distance.

IMPLICATIONS

The comparative analysis of institutional determinants of mergers and acquisitions across Kazakhstan, India, the United Kingdom, and the United States yields important lessons for policymakers, investors, and corporate managers. While financial and strategic motives remain central to M&A decision-making, the evidence clearly shows that institutional environments significantly influence the likelihood of transaction success. This section draws out the practical implications of these findings.

Implications for Policymakers

For policymakers in emerging economies, the first priority is to recognize that institutional reform is not peripheral but fundamental to attracting sustainable M&A activity. Kazakhstan provides a clear example. Although the government has pursued reforms through the Astana International Financial Centre, many deals remain subject to opaque approval processes and weak enforcement of shareholder rights. The implication is that without credible improvements in transparency and governance, Kazakhstan risks deterring foreign investors or limiting acquisitions to resource-based sectors. Specific reforms could include introducing mandatory independent directors on boards, enforcing international accounting standards across all listed firms, and strengthening judicial independence in commercial disputes.

India illustrates the benefits of incremental institutional improvement. Regulatory initiatives by the Securities and Exchange Board of India have enhanced disclosure and corporate governance in listed firms. Policymakers in other emerging economies can draw lessons from India's approach to balancing family ownership traditions with modern governance requirements. Nevertheless, further efforts are needed to harmonize regulatory processes across states and reduce bureaucratic delays. Streamlining approval procedures would lower transaction costs and reduce uncertainty, making the country even more attractive for cross-border M&A.

In developed economies, the United Kingdom and the United States provide examples of how robust institutions not only facilitate deal-making but also evolve in response to new challenges. The UK Takeover Code remains a global benchmark for transparency and fairness in acquisitions, but policymakers have also adapted by integrating environmental, social, and governance considerations into corporate strategy. Similarly, US corporate law and regulatory

frameworks provide a strong foundation for M&A, yet they continue to be tested by the rise of digital markets, data privacy concerns, and activist investor pressures. Policymakers in both countries must therefore remain attentive to global trends and ensure that regulatory frameworks adapt without undermining investor confidence.

Implications for Investors

For investors, the comparative evidence reinforces the need to extend due diligence beyond financial analysis to include institutional risk assessment. In Kazakhstan, investors must evaluate not only the financial condition of the target but also the political and regulatory environment in which it operates. Understanding the influence of state ownership, the likelihood of regulatory delays, and the strength of governance frameworks is essential for accurate risk pricing. Deals in Kazakhstan may require additional contractual protections, such as arbitration clauses linked to international jurisdictions or enhanced warranties against political interference.

In India, institutional risks are more nuanced. Investors must account for the influence of family ownership on governance structures and post-merger integration. They must also be prepared for procedural delays that can erode deal value. Yet India also offers opportunities in sectors such as technology and pharmaceuticals, where reforms have created a more transparent environment. Here, institutional due diligence should focus on assessing board independence, adherence to SEBI regulations, and the reputation of controlling shareholders.

For investors in developed markets such as the UK and US, institutional risks are lower, but they are not absent. Regulatory predictability allows investors to focus more on deal fundamentals, yet cultural and managerial integration issues remain relevant. Evidence from US cross-border transactions shows that even when legal and financial risks are well-managed, poor communication practices can undermine integration. Investors must therefore ensure that post-deal strategies include attention to organizational culture and employee alignment. In the UK, investors must also integrate ESG factors into their evaluation, since market expectations and regulatory frameworks increasingly demand sustainability alignment.

Implications for Corporate Managers

Corporate managers engaged in M&A activity face the challenge of aligning strategic motives with institutional contexts. The findings of this review suggest that managers must adopt different approaches depending on the institutional environment.

In Kazakhstan, managers pursuing acquisitions must recognize the influence of state actors and design integration strategies that account for political sensitivities. Building relationships with regulators and ensuring compliance with evolving governance standards are

essential. Managers must also be cautious about overestimating potential synergies in sectors dominated by state-linked enterprises.

In India, managers must develop strategies for dealing with family ownership structures. This may require negotiating governance arrangements that balance the interests of controlling families with those of new shareholders. Post-merger integration strategies must be sensitive to cultural diversity and regional variation. Effective communication, employee engagement, and respect for local practices can help overcome resistance to change.

In the UK, managers must operate within a transparent and competitive M&A environment where shareholder scrutiny is high. This places a premium on clear strategic rationales and credible integration plans. Managers must also anticipate ESG scrutiny, ensuring that acquisitions contribute to long-term sustainability as well as financial performance.

In the US, managers must balance financial discipline with attention to informal institutions. The prevalence of activist investors means that acquisitions lacking a strong strategic justification are likely to be challenged. Managers must therefore provide compelling evidence of synergy and value creation. At the same time, they must devote resources to cultural integration, communication, and employee retention to prevent post-deal disruption.

Cross-Country Lessons

The comparative analysis also highlights broader lessons. First, institutional quality often outweighs firm-level determinants in shaping M&A success. Weak institutions can undermine even well-planned deals, while strong institutions provide a stable foundation that enhances the effectiveness of financial and strategic strategies. Second, institutional reforms can yield significant benefits, as shown in India, but they must be credible and consistently enforced to attract sustained investment. Third, developed economies demonstrate that institutions must evolve in response to new challenges, whether ESG expectations in the UK or activist investor pressures in the US.

These lessons suggest that policymakers, investors, and managers must adopt a holistic perspective on M&A. Financial analysis and strategic fit remain important, but they must be complemented by institutional analysis. For emerging economies, this means prioritizing reforms that enhance transparency and governance. For investors, it means integrating institutional risk into valuations. For managers, it means designing integration strategies that are sensitive to local institutions and cultures.

CONCLUSION

Mergers and acquisitions remain one of the most significant mechanisms for corporate growth, restructuring, and international expansion. Yet their persistent record of underperformance challenges both scholars and practitioners to identify the conditions under which transactions succeed. Traditional explanations, which emphasize firm-level variables such as size, payment method, or strategic relatedness, continue to offer important insights, but they are insufficient to explain the variation in outcomes observed across different countries and contexts. The evidence reviewed in this article demonstrates that institutional factors are central to understanding the success or failure of M&A transactions.

The comparative analysis of Kazakhstan, India, the United Kingdom, and the United States underscores the decisive role of institutions in shaping both the completion of deals and their long-term integration outcomes. Kazakhstan illustrates the institutional barriers characteristic of transitional economies. Despite legal reforms and efforts to attract foreign investment through initiatives such as the Astana International Financial Centre, acquisitions are hindered by weak governance, state dominance in key industries, and opaque regulatory processes. These factors raise transaction costs, deter foreign acquirers, and limit the sustainability of completed deals. The Kazakhstan case highlights the paradox of economies that liberalize financially without simultaneously strengthening institutional frameworks.

India provides a different, though equally instructive, example. As one of the largest emerging markets for M&A, India benefits from a dynamic corporate sector, growing foreign participation, and regulatory reforms introduced by the Securities and Exchange Board of India. However, concentrated family ownership, regulatory fragmentation, and cultural diversity create integration challenges that financial planning alone cannot resolve. India demonstrates both the potential of emerging economies to attract large-scale M&A activity and the enduring importance of institutional reform for improving outcomes.

The United Kingdom represents a benchmark of developed institutional frameworks. Its Takeover Code provides transparency and fairness, while strong shareholder protections reduce the risks of expropriation and managerial opportunism. The UK case shows that when institutions are robust, deal success is influenced more by strategic fit and managerial execution than by institutional constraints. At the same time, recent developments such as Brexit and the integration of environmental, social, and governance standards illustrate that even mature institutional frameworks must adapt to changing global conditions.

The United States provides a complementary example of an advanced M&A environment. Strong legal traditions, particularly Delaware corporate law, and active investor

oversight create a system where market discipline is high and poorly justified acquisitions are unlikely to proceed. Yet even in this context, informal institutions remain critical. Studies of US cross-border M&A show that communication practices, cultural integration, and demographic differences can undermine deals despite strong legal protections. The US case underscores the point that institutions create the foundation for M&A, but cultural and managerial practices continue to influence long-term outcomes.

Several broader lessons emerge from this comparison. First, institutional quality often outweighs firm-level factors in determining the probability of M&A success. Weak institutions undermine even well-planned deals, while strong institutions provide a stable framework that allows financial and strategic synergies to be realized. Second, institutional reform is both possible and impactful. The experience of India demonstrates that targeted regulatory improvements can enhance transparency and governance, even in the presence of structural challenges such as concentrated ownership. Third, institutions are dynamic. The UK and US cases show that governance frameworks must adapt to new pressures, including sustainability standards, digitalization, and activist investor interventions.

The implications of these findings extend beyond the four countries considered here. For policymakers in emerging economies, the evidence highlights the centrality of institutional reform to attracting sustainable investment. Reforms that strengthen shareholder protections, improve regulatory efficiency, and enhance governance standards can reduce uncertainty and increase the probability of successful M&A outcomes. For investors, the findings suggest that institutional risks must be integrated into valuation models and due diligence processes, particularly in emerging markets where transparency is limited. For managers, the analysis highlights the importance of designing integration strategies that are sensitive to local institutional and cultural contexts.

At the same time, this review highlights gaps in the literature that warrant further research. First, more studies are needed on transitional economies such as Kazakhstan, where institutional development remains incomplete and data availability is limited. Second, greater attention should be paid to sector-specific differences. For example, M&A in technology or pharmaceuticals may be more sensitive to intellectual property protection, while resource-sector acquisitions are influenced by state ownership and political risk. Third, emerging themes such as environmental, social, and governance factors and digital regulation suggest that institutional determinants are evolving. Future research should explore how these new dimensions interact with traditional governance frameworks to shape M&A outcomes.

SCOPE FOR FURTHER STUDIES

While this review has highlighted the institutional determinants of M&A success across Kazakhstan, India, the United Kingdom, and the United States, further studies could broaden and deepen these insights. Future research may examine additional emerging economies in Central Asia, Africa, or Latin America where institutional reforms are still unfolding, providing a more comprehensive comparative perspective. Sector-specific investigations, particularly in technology, energy, and digital platforms, would also shed light on how institutions influence industry-specific dynamics. Moreover, the growing role of environmental, social, and governance (ESG) standards in global finance suggests an important new avenue for research, as sustainability considerations increasingly intersect with corporate restructuring strategies. Longitudinal studies that track institutional reforms and M&A outcomes over time would also provide valuable evidence on the effectiveness of policy interventions in improving deal success rates.

REFERENCES

- Arslan, A., & Dikova, D. (2015). Influences of institutional distance and MNEs' host country experience on the ownership strategy in cross-border M&As in emerging economies. *Journal of East-West Business*, 21(1), 25–49. <https://doi.org/10.1080/15475778.2015.1093784>
- Conn, R. L., Cosh, A., Guest, P. M., & Hughes, A. (2005). The impact on UK acquirers of domestic, cross-border, public and private acquisitions. *Journal of Business Finance & Accounting*, 32(5–6), 815–870. <https://doi.org/10.1111/j.0306-686X.2005.00615.x>
- Dewing, A. S. (1921). *The financial policy of corporations*. New York: Ronald Press.
- Dikova, D., Panibratov, A., & Veselova, A. (2016). The joint effect of investment motives and institutional context on Russian international acquisitions. *International Journal of Emerging Markets*, 11(2), 258–280. <https://www.emerald.com/insight/content/doi/10.1108/IJoEM-04-2016-0105/full/html>
- Ermolaeva, L. (2019). M&A deals completion and abandonment by Russian MNE. *International Journal of Emerging Markets*, 14(5), 915–939. <https://www.emerald.com/insight/content/doi/10.1108/ijoem-05-2016-0140/full/html>
- Ghosh, A. (2001). Does operating performance really improve following corporate acquisitions? *Journal of Corporate Finance*, 7(2), 151–178. [https://doi.org/10.1016/S0929-1199\(01\)00018-9](https://doi.org/10.1016/S0929-1199(01)00018-9)
- Hall, P. A., & Soskice, D. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage*. Oxford: Oxford University Press.
- Healy, P. M., Palepu, K. G., & Ruback, R. S. (1992). Does corporate performance improve after mergers? *Journal of Financial Economics*, 31(2), 135–175. [https://doi.org/10.1016/0304-405X\(92\)90002-F](https://doi.org/10.1016/0304-405X(92)90002-F)
- Jensen, M. C. (1986). Agency costs of free cash flow, corporate finance, and takeovers. *American Economic Review*, 76(2), 323–329. <https://www.jstor.org/stable/1818789>
- Jensen, M. C., & Ruback, R. S. (1983). The market for corporate control: The scientific evidence. *Journal of Financial Economics*, 11(1–4), 5–50. [https://doi.org/10.1016/0304-405X\(83\)90004-1](https://doi.org/10.1016/0304-405X(83)90004-1)
- Kelly, W. A. (1967). *Mergers and the American stock market*. Ann Arbor: University of Michigan Press.
- King, D. R., Dalton, D. R., Daily, C. M., & Covin, J. G. (2004). Meta-analyses of post-acquisition performance: Indications of unidentified moderators. *Strategic Management Journal*, 25(2), 187–200. <https://doi.org/10.1002/smj.371>
- Kumar, D., & Sengupta, K. (2024). Communicational and demographic influences on M&A abandonments: Informal institutional perspective and evidences from US cross-border M&A deals. *Australian Journal of Management*, 49(1), 122–139. <https://doi.org/10.1177/03128962241300659>

- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (1998). Law and finance. *Journal of Political Economy*, 106(6), 1113–1155. <https://doi.org/10.1086/250042>
- Larchenko, N., & Ruzhanskaya, L. (2023). Determinants of mergers and acquisitions in emerging Asian countries: Effects of Confucianism and technological development. *Journal of Corporate Finance Research*, 17(3), 28–42. <https://cyberleninka.ru/article/n/determinants-of-mergers-and-acquisitions-in-emerging-asian-countries-effects-of-confucianism-and-technological-development>
- Livermore, S. (1935). *Mergers and the law*. New York: Macmillan.
- Loughran, T., & Vijh, A. M. (1997). Do long-term shareholders benefit from corporate acquisitions? *Journal of Finance*, 52(5), 1765–1790. <https://doi.org/10.1111/j.1540-6261.1997.tb02741.x>
- Minbaeva, D. B. (2011). Experience of Canadian and Chinese acquisitions in Kazakhstan. *International Journal of Human Resource Management*, 22(9), 1846–1864. <https://doi.org/10.1080/09585192.2011.606120>
- Moeller, S. B., Schlingemann, F. P., & Stulz, R. M. (2004). Firm size and the gains from acquisitions. *Journal of Financial Economics*, 73(2), 201–228. <https://doi.org/10.1016/j.jfineco.2003.07.002>
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge: Cambridge University Press.
- Panibratov, A. (2017). Cultural and organizational integration in cross-border M&A deals: A comparative study of acquisitions made by EMNEs from China and Russia. *Journal of Organizational Change Management*, 30(6), 947–967. <https://doi.org/10.1108/JOCM-01-2016-0011>
- Rau, P. R., & Vermaelen, T. (1998). Glamour, value and the post-acquisition performance of acquiring firms. *Journal of Financial Economics*, 49(2), 223–253. [https://doi.org/10.1016/S0304-405X\(98\)00023-3](https://doi.org/10.1016/S0304-405X(98)00023-3)
- Seth, A. (1990). Value creation in acquisitions: A reexamination of performance issues. *Strategic Management Journal*, 11(2), 99–115. <https://doi.org/10.1002/smj.4250110203>
- Singh, H., & Montgomery, C. A. (1987). Corporate acquisition strategies and economic performance. *Strategic Management Journal*, 8(4), 377–386. <https://doi.org/10.1002/smj.4250080407>