POST-ACQUISITION INTEGRATION BEHAVIOUR OF NASCENT AFRICAN MULTINATIONAL ENTERPRISES

ABSTRACT

This paper explores nascent African MNEs' approach to integrating intra-regional acquisitions, including the theoretical link between such decisions and the acquirer's resource position. It contributes by offering rare evidence of these firms' preference for control-availing absorption-type integration approach and of how their resource profile, acquisition motives and target's institutional environment affect this preference. The paper counsels newer MNEs to focus on developing mission-critical capabilities ahead of international acquisitions. Amidst concerns about the value-creating credentials of EMNEs' up-market acquisitions, including their typical *hands-off* partnering approach, and the uncertain global economic order, our paper proffers absorption-type integration approach and *Rugmanian* intra-regional acquisitions, respectively, as a credible alternative and probable safer harbour for newer MNEs. A propositional checklist is additionally presented for future research.

KEY WORDS: Post-acquisition integration, Up-market, Intra-regional, EMNEs, African MNEs, Resource Position.

1.0 INTRODUCTION

Recent studies on the post-acquisition integration behaviour of emerging market multinational enterprises (EMNEs) have increasingly focused on strategic assets-seeking acquisitions undertaken in advanced economies, by companies from the BRICS and other frontier emerging economies, including State-owned enterprises (Birkinshaw et al., 2010; Kumar, 2009; Madhok and Keyhani, 2012; Marchand, 2015; Nayir and Vaiman, 2012; Peng, 2012; Ramamurti and Singh, 2009; Rao-Nicholson et al., 2016; Sarathy, 2013; Stucchi, 2012; Zheng et al., 2016). The rising prevalence of such up-market acquisitions - described by Madhok and Keyhani (2012, p28) as a form of strategic entrepreneurship to mitigate the "liability of emergingness" and latecomer disadvantages - reflects the dominance of EMNEs from these economies in South-North foreign direct investment (FDI) flows (Goldman Sachs, 2005; Sauvant, 2005), and the apparent importance of strategic assets and related catch-up levers to these EMNEs (Kumar, 2009; Mathews, 2002a, 2006b; Ramamurti and Singh, 2009). More recent studies have examined the effectiveness of these EMNE acquirers in integrating their newly acquired up-market entities to foster value-creation (Rao-Nicholson et al., 2016), the extent of integration or autonomy, and how this is affected by the acquiring EMNEs' absorptive capacity, among other factors (Peng, 2012; Rugman and Li, 2007).

The present study addresses this post-acquisition integration question, *albeit* within a complementary intra-regional, South-South context. It aims to stimulate understanding of the post-acquisition integration decisions of scarcely-researched nascent African MNEs that undertake mainly intra-regional acquisitions, whilst also exploring the little-researched theoretical link between such decisions and the acquirer's resource profile. The study seeks answers to questions, including what is known about the post-acquisition integration decisions of nascent African MNEs undertaking mainly intra-regional acquisitions? Which integration approach do they favour and how is this influenced by their resource and capability profiles? acquisition motives? acquired entities' institutional characteristics? What changes, if any, are observed during or between acquisitions? How does the post-acquisition behaviour of these intra-regionally focused nascent African MNEs differ from that of their counterparts from the BRICS and more advanced economies?

This study's focus is severally justified on a number of grounds, notably its potential to broaden the literature on the post-acquisition integration approaches of the afore-mentioned EMNEs with complementary insights from intra-regionally-focused and non-strategic asset-seeking nascent African MNEs. Whilst the need to understand EMNEs' up-market acquisitions is fully appreciated (Birkinshaw et al., 2010; Nayir and Vaiman, 2012), it is arguable that the task of redressing the *de facto* exclusion of nascent African MNEs' integration behaviour from current literature discourse demands greater urgency. This observed neglect is remiss given recent statistics that intra-African cross-border Mergers and Acquisitions (M&A) grew nearly twenty fold, from just US$130 million in 2013 to US$2.4 billion in 2014 (UNCTAD, 2015). South African MNEs, understandably, are a leading contributor to these intra-African investments (Verhoef, 2016), but they are far from alone. Pan-African groups from Nigeria, Togo, and Morocco, for example, have undertaken several acquisitions in the financial services sector across the continent. Indeed, UNCTAD's (2015) recent identification of over 500 African services multinationals and the quantum leap in Africa's overall OFDI stock, from US$38.9 billion in 2000 to US$213.5 billion in 2014, bode particularly well for intra-African direct investments, including M&A. Furthermore, the study's theoretical interest in how the acquirer's resource position influences post-acquisition integration approach reflects the need to add to the scant body of literature on this important question, which tends to be conceptual (e.g. Kale and Singh, 2012), narrow (e.g. Liu and Woywode [2015], Marchand [2015] on absorptive capacity and experiential knowledge respectively), or differently focused (e.g. Capron et al. {1998} and Anand et al. [1999] on post-acquisition integration performance rather than approach).

The present study contributes by uncovering nascent African MNEs' preference for control-enabling, absorption-type integration approaches, in contrast to their EMNE counterparts that typically favour more collaborative, partnering-type approaches in pursuit of up-market strategic assets. More importantly, it makes a crucial theoretical connection between the acquirers' resource position and their choice of post-acquisition integration approaches, attributing MNEs with stronger resource and capability profiles with greater inclination toward absorption-type approaches and their less equipped counterparts with a contrary pull toward partnering-type approaches. Furthermore, this research contributes to the debate, or more precisely, *Rugmanian* advocacy on the need for prioritising intra-regional expansion (Rugman and Li, 2007), by offering fresh exploratory evidence that associates institutional similarity with absorption-type integration and higher levels of formal control of acquired entities. Additionally, the study's African context served to surface insights on ways in which the post-acquisition integration behaviour of nascent African MNEs' differs from, and aligns with, that of their better established emerging market and advanced economy counterparts. More broadly, this study's context offers an important platform to address calls for greater understanding of EMNEs (Gammeltoft et al., 2010), including smaller MNEs (Eden, 2016), whilst also assessing previous views (e.g. Kedia et al., 2012; Mathews, 2002a) that the unique characteristics of emerging markets may cause newer MNEs, including Africa's nascent MNEs, to behave differently from traditional MNEs or even resource-rich EMNEs (Ibeh et al., 2017).

The remainder of this paper is organised as follows. Section two presents a review of the literature pertaining to the focal issues raised by the present study and outlines relevant research questions. The case study approach adopted for this study is next explicated. This is followed by the presentation, analysis and discussion of the study evidence, capped off with a propositional inventory for future relevant research. The final section summarises the findings and discusses managerial, policy and future research implications.

2.0 LITERATURE REVIEW AND RESEARCH QUESTIONS

Much of the scholarly discussion on firm involvement in FDI, including M&As, is arguably rooted in the resource based theory, which attributes cross-border value creation or capture to the possession of, or access to, advantage-creating resource bundles and capabilities transfer (Barney, 1991; Peng, 2001; Penrose, 1959; Teece et al., 1997; Wernerfelt, 1991). Resource asymmetry, specifically the capacity to exploit "O1" advantages or firm-specific assets, has been at the heart of explanations for the FDI activities of traditional MNEs from advanced economies (Aliber, 1970; Caves, 1971; Dunning, 1977, 1993; Hymer, 1960). Resource leveraging or augmentation, asset exploration, or strategic assets' search, on the other hand, is advocated by the now seminal Linkage-Leverage-Learning (LLL) framework (Mathews (2002a, 2006b) and other sources as underpinning the rising engagement of EMNEs from the BRICS and other frontier emerging economies in up-market FDI activities, including M&As (Buckley et al., 2007; Caiazza, 2016; Goldstein, 2008; Liu and Tian, 2008; Narula, 2010; Mathews, 2006a; Parente et al., 2013; Pietrobelli et al., 2010; Rui and Yip, 2008; Schüler-Zhou and Schüller, 2009). The range of resource-augmenting, capability-enhancing strategic assets typically pursued by these EMNEs, particularly as they move into more complex and higher value-added activities, include knowledge, experience, catch-up technological learning, reverse know-how transfer, managerial learning, intellectual property/patents, networks, brands, reputation or prestige, and international standing (Amighini et al., 2010; Aulakh 2007; Borini et al., 2012; Citigroup, 2005; Chen et al., 2012; Gaffney et al., 2014; Goldstein, 2006, 2007; Gupta and Govindarajan, 2000; Kale and Singh, 2012; Luo and Tung, 2007; Mathews, 2002a, 2002b, 2006a, 2006b; Mayrhofer and Very, 2013; Moon and Roehl, 2001; Pietrobelli et al., 2010; Zeng and Williamson, 2003; UNCTAD, 2005).

The above resource leveraging focus also appears to underpin EMNEs' approach to integrating acquired up-market entities – a notoriously difficult challenge for all cross-border acquirers (Aybar and Ficici, 2009; Hoskisson et al., 2013; Peng, 2012), with concomitant task and human integration processes (Birkinshaw et al., 2000; Rao-Nicholson et al., 2016). Before furthering this discussion on how relative resource position may affect post-acquisition integration approaches, it seems necessary to briefly explain the latter's conceptual foundations. Haspeslagh and Jemison's (1991) typology of integration modes, rooted in structural contingency and design theory (Thompson, 1967), is widely viewed as the seminal contribution on this topic area (Angwin and Meadows, 2015; Zaheer et al., 2013). Their framework is built around a spectrum stretching from strategic interdependence (favours the integration of organisational structures, functional activities, systems and cultures of the acquiring and acquired firms) to organizational autonomy (favours allowing autonomy and discretionary decision-making for the acquired firm to minimize disrupting the value creation process). The above dimensions enabled Haspeslagh and Jemison (1991) to devise a number of post-acquisition integration approaches, including *preservation* (the acquirer favours low strategic interdependence and allows high autonomy to maintain the target's sources of benefit; the acquired entity's strategies and organization are maintained and changes restricted to an absolute minimum); *absorption* (the acquirer pursues high strategic interdependence and low autonomy for the acquired entity resulting in consolidation of organization, operations, and culture; the acquired entity's strategies and practices are quickly aligned with the acquirer's); and *symbiotic* acquisitions (the acquirer pursues both high strategic interdependence and high organizational autonomy to facilitate co-existence and multi-faceted interactions as inter-firm boundaries dissolve) - see Angwin and Meadows (2015) and Gomes et al. (2013) for a critique and extension of Haspeslagh and Jamison's (1991) typology and discussion of alternative frameworks [1], including overlaps [2]. Given the hegemony of Haspeslagh and Jemison's (1991) framework, it is no surprise that Kale and Singh (2012) leveraged it in developing a typology of post-acquisition integration modes for EMNEs, only replacing "symbiosis" with "partnering'; the latter, according to Kale and Singh (2012, p559), entails a high level of organizational autonomy for acquired entities, a selective coordination of activities, few replacements of the acquired entity's resources (management team, brands), a gradual integration pace and varying integration approach as the acquirer gains in experience.

Returning to the earlier discussion of how acquirers' relative resource position influences their post-acquisition integration approach, the literature suggests that traditional MNEs, with their well-known 'IO' advantages, firm-specific assets and asset exploitation focus, tend to favour the absorption and preservation integration modes (see, for example, Child et al. 2001; Quah and Young, 2005). On the other hand, EMNEs seeking strategic assets via up-market acquisitions generally seem to prefer a partnering approach, that entails retaining the structures and systems of acquired entities in order to optimally leverage associated learning. Other often noted reasons include the perceived benefits of retaining established brand identity, not upsetting existing operations, and obviating integration costs or failures potentially arising from cultural, institutional and resource differences (Kale and Singh, 2012). Peng (2012, p110), for example, found support for this collaborative, "high road" integration approach among Chinese MNEs, so did Liu and Woywode (2013, p471), based on their study of a Chinese EMNE's German acquisitions. By most accounts (Kale and Singh, 2012; Liu and Woywode, 2013; Marchand, 2015), the observed recourse to a partnering approach reflects a recognition of EMNEs' typically limited or weak absorptive capacity (regarding technology/R&D, experience, knowledge, managerial, marketing, and system integration and related capabilities) as well as the need to obviate ineffective and sub-optimal resource exchange, synergies, and value/knowledge assimilation that may result from "heavy-handed" integration of up-market acquisitions - as exemplified *inter alia* by the China's TCL-France's Thomson failed integration case (Rugman and Li, 2007).

Researchers further suggest that partnering approach may evolve over time under certain situations (Kumar, 2009; Kale and Singh, 2012). For example, the acquirer may deploy it essentially as an interim measure to quell anxieties, build trust and reassure the target entity, and then subsequently adopt an absorption approach once possible obstacles have been removed and synergies identified. Chinese MNEs, according to Williamson and Raman (2013, p275), appear to have adopted this so-called "double handspring" approach, that is, their initial wave of government-mandated upmarket acquisitions had little impact on acquired entities as they generally sought to bring back pertinent strategic assets for domestic use, but this changed to a more interventionist approach, at the second stage, after operations in China had strengthened (Yueh, 2012). Such increase in acquisition experience over time, argue Kale and Singh (2012), may lead EMNEs to modify their partnering approach and become more interventionist either in the course of a single integration or during another one. More recent studies have found support for Kale and Singh's (2012) arguments above. For example, Marchand's study of four French entities acquired by EMNEs similarly found support for a partnering approach, but also experience-linked variations in integration approaches. This author noted that EMNEs already experienced in up-market acquisitions may directly adopt a more interventionist absorptive-type approach and that partnering integration can be either intensified or abandoned, depending on the results of initial activity coordination (Marchand, 2015).

From an institutional theory perspective, it has been suggested that cultural and institutional differences between the acquirer and the acquired entity's national environments (Shimizu et al., 2004) may adversely impact post-acquisition integration outcomes (Gubbi et al., 2010; Quah and Young, 2004; Shimizu et al., 2004). This informs the widespread advocacy for a regional focus to EMNEs' international expansion, including M&As. Benefits attributed to such intra-regional expansion include fewer institutional barriers and resource demands (Demirbag et al., 2010; Kalotay and Sulstarova, 2010; Rugman and Li, 2007; Rugman and Verbeke, 2008; Yaprak and Karademir, 2011); enhanced EMNEs' readiness for competition in other challenging contexts (Contractor, 2013; Cuervo-Carzurra and Genc, 2008); lower transaction/integration costs; easier transferability of EMNE's resources; lower knowledge gaps relative to acquired entities; less differences in managerial practices, leadership styles, and *human side* integration factors; and greater familiarity with the developing world's operating environments vis-à-vis EMNEs' advanced economy counterparts (Birkinshaw et al., 2000; Peng, 2012; Rao-Nicholson et al. 2016; Wright et al., 2005). As Weber et al. (2009) argued, drawing on Haspeslagh and Jemison's (1991) original work, cultural similarity tends to influence integration mode choice as well as favour higher levels of formal control of acquired entities. Based on their respective analysis of acquisitions of German firms by

Chinese MNEs, an European firm by a Brazilian MNE and an established European firm by an Indian MNE, Liu and Woywode (2013), Marchand (2015), and Madhok and Keyhani (2012) averred that EMNEs are likely to adopt an absorption integration mode at lower levels of cultural differences, whilst preferring the preservation, "light-touch" and soft integration approaches where significant cultural dissimilarities exist between the acquirer and the acquired entity. The foregoing supports Shimizu et al. (2004) argument that the nationalities of the acquiring and acquired firms affect preference for types of integration processes and control systems, as well as Datta's (1991) view that perceived low levels of organisational incompatibilities may encourage the adoption of the absorption mode.

The foregoing mounting knowledge base on post-acquisition integration behaviour of up-market EMNE acquirers is much welcome (Birkinshaw et al., 2010; Nayir and Vaiman, 2012), but it also exposes the paucity of research regarding the integration behaviour of newer MNEs undertaking mainly intra-regional, South-South acquisitions. A growing stream of work within the EMNE literature has, indeed, called for further research on the post-acquisition behaviour of EMNEs expanding intra-regionally (Hoskisson, et al., 2013; Rugman and Li, 2007; Yarpak and Karademir, 2011). Nascent African MNEs, the empirical interest of the present study, represent one such category that urgently requires scholarly attention, particularly given indications that their post-acquisition integration behaviour may be markedly divergent from their wider EMNE counterparts'. Indeed, limited evidence from South African MNEs' expanding into other African markets suggests a tendency to acquire entities over which they have resource superiority and can exploit their firm-specific assets, typically through market-seeking FDI (Vorheof, 2016). It would be interesting, therefore, to additionally explore how the resource position of nascent African MNEs vis-a-vis their mainly intra-regional acquisition targets might affect their choice of post-acquisition integration approach.

The foregoing discussion raises the following research questions:

What do we know about the post-acquisition integration decisions of nascent African MNEs? Which integration approach do they favour and how is this influenced by their resource and capability profiles? acquisition motives and acquired entities' institutional characteristics?

Which changes, if any, are observed in their post-acquisition integration process during or between acquisitions?

How does the post-acquisition behaviour of these intra-regionally focused nascent African MNEs differ from that of their counterparts from the BRICS and more advanced economies?

3.0 STUDY CONTEXT AND METHODOLOGY

3.1 Context

The present study involved financial service groups from Africa, a region comprising fifty-five
countries [3], which has in recent times witnessed sustained GDP growth (averaged 5 per cent during 2001-2014 and 3.6 per cent in 2015, despite the collapse of commodity prices and the Ebola crisis - AfDB, 2016; IMF, 2015b). To minimise the effects of variations in economic development levels and financial systems across Africa (Beck and Cull, 2013), the investigated firms were drawn from the West African sub-region, which is a more cohesive

context than the continent, as suggested by shared membership of the Economic Community of West African States (ECOWAS), shared access to major stock exchanges for cross-border listings, and appreciable level of income convergence, particularly within the West African Economic and Monetary Union zone (AfDB, 2016). The latest Institutional Profile database, an earlier version of which was employed by Gomes et al. (2015), further reinforces the above picture of an institutionally-cohesive sub-region. This is indicated by preponderantly convergent ratings on important institutional variables, including the development of the middle classes and living standards; the level of trade liberalisation, participation in regional integration and WTO membership; the level of transparency of economic policy, listed companies, Central Bank's independence, and functioning of banking, financial and accounting systems; the prevalence of basic freedoms (electoral, association, religious, press, access to information); the existence of an impartial justice system and legally protected property, economic, social, civil and political rights; the functioning and legitimacy of political and representative institutions; access to labour markets and vocational training and protection against discrimination; and the ease of starting a business and setting up a foreign subsidiary (Institutional Profile database, 2016).

The study's focus on financial service firms reflects the sector's status as a major source of Africa's OFDI and nascent multinationals (BCG, 2010; Ibeh, 2009, 2013; Nartey, 2015; Ngwu et al., 2014), a new generation of innovative and ambitious African champions and one of the continent's brightest prospects, with an extensive and unexploited growth potential (KPMG 2013). Buoyed by a growing middle class and consumer base, particularly in its major economies (notably Nigeria, South Africa, Egypt and Algeria), rising real GDP per capita, and vast 'unbanked' and increasingly urbanized population (AfDB, 2016; KPMG, 2013), the sector, especially its retail banking segment, is developing at pace and is projected to contribute 19 per cent of the continent's GDP by 2020 (KPMG, 2013). Many challenges, nevertheless, exist, including rising competition within the West African banking landscape, driven by the growing presence of subsidiaries of major global banks and pan African banks (IMF 2015b). For example, Nigeria, one of Africa's largest economies (Angwin et al., 2016; Gomes et al., 2012), is a key battleground, so is Ghana, which has seen an influx of foreign investing banks attracted by opportunities anticipated from its new oil economy. The relative small size of several of the sub-region's economies appears not to deter intra-African investments in these countries. As Rolfe et al. (2015) suggest, market size is not a significant factor in the location model of African direct investors; they appear to welcome the relatively mild competition in such smaller markets and to view them not on individual or stand-alone basis, but as part of larger and integrated sub-regional markets.

Recent statistics, indeed, suggest that intra-African cross-border M&As grew nearly twenty fold, from just US$130 million in 2013 to US$2.4 billion in 2014 (UNCTAD, 2015). The figures for 2015 reflect another surge to $15 billion, fuelled *inter alia* by a number of large intra-African M&As in the telecommunications and financial sectors (Beninati, 2016). South African MNEs, understandably, are a leading contributor to these intra-African investments (Ajai, 2015; Klein and Wocke, 2007; Luiz et al., 2015; Verhoef, 2016), but they are far from alone. Pan-African groups from Nigeria, Togo, and Morocco, for example, have undertaken several acquisitions in the financial services sector across the continent (Infomineo, 2013), with Kenyan investors also becoming increasingly important (Ngugi, 2016).

Regarding pertinent challenges, although barriers to entry into retail banking across Africa have been reduced by significant macroeconomic reforms, financial liberalization and institutional, structural, policy and regulatory upgrades (AfDB, 2016; African Business, 2011; Agbloyor et al., 2012; Beck and Cull, 2013; Ernst and Young, 2012; KPMG, 2013), costs of cross-border expansion are still compounded by lack of information-sharing and regulatory harmonization and differing levels of adoption of Basel III among African economies (Euromoney, 2015, IMF, 2015a). As AfDB (2016) notes, Africa, despite recent trade liberalisation, still has high tariff and non-tariff barriers, regulatory and structural impediments and fragmented financial markets that hinder foreign investment (AFDB, 2016). The bifurcation of the West African banking landscape into Anglophone and Francophone systems (the latter share a common currency, an Economic and Monetary Zone, UEMOA, and a common regulator, Central Bank of West Africa States) is also unhelpful. Other notable challenges include the absence of policy framework for outward FDI; restrictions on capital outflows and profit remittance; specification of minimum capital threshold for foreign investment; requirement for local listing of some of the investing bank's shares to ensure local participation (EIU, 2013); physical and legal impediments to regional integration, including inadequate infrastructure, non-harmonization of custom procedures and investment regimes and minimal implementation of policies and protocols for fostering intra-African investments agreed by Africa's many regional and sub-regional bodies, such as ECOWAS, East African Community (EAC), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), and the pan-African Parliament (Ibeh, 2013; Ibeh et al., 2017).

3.2 Methodology

Data pertaining to the earlier outlined research questions were obtained using a qualitative case study approach, a well-established research strategy for addressing 'why' and 'how' questions, whose potential benefits, notably data richness, depth and quality, typically compensate for such known shortcomings as limited representativeness and generalisability (Miles and Hubermann, 1994; Yin, 2003). The approach also responds to repeated calls for more qualitative designs in international business research (Ghauri, 2004), redresses the severely limited extant knowledge on African MNEs, and has been employed successfully in studying emerging multinationals from other regions (e.g. Bartlett and Ghoshal, 2000; Del Sol and Kogan, 2004; Parada et al., 2009; Salas-Porrass, 1998; Sim and Pandian, 2003; Zhang, 2003). To ensure good case research protocols and minimise associated weaknesses, the following procedural steps were implemented.

First, reflecting the best practice literature, a multinational enterprise (MNE) – the study's unit of analysis – was defined as an enterprise that comprises entities in more than one country and operates under a system of decision-making permitting coherent policies and a common strategy (UNCTAD, 2008). The entry threshold was, however, tightened by focusing only on enterprises that have undertaken foreign direct investment (FDI) and own or control value-adding activities in at least two countries outside their home market. Though not without limitations, this operational definition is deemed sufficient for the exploratory nature of the present study.

Second, the study was focused on a pair of financial services groups from West Africa that have undertaken acquisitions in several African markets and are routinely included among the world's top 500 banks by the Financial Times' Banker Magazine. These MNEs could also be 'matched' on several potentially significant metrics, including revenue base, total assets, tier 1 capital, profitability, customer base, and industry accolades – see Tables 2a and 2b. The choice of comparably-sized MNEs operating in the same industry in the same region served to 'control' for possible industry effects, and "hold many factors constant" (Buck et al., 2000, p286). In Yin's (2003) terms, this amounts to 'theoretical replication logic'. The multiple case approach adopted ensures that findings cannot be dismissed as resulting from one idiosyncratic setting (Miles and Hubermann, 1994).

Third, taking advantage of the flexibility of the case approach, data from multiple sources, primary and secondary, was used (Yin, 2003). Qualitative face-to-face interviews served as the primary data collection technique (Yeung, 1995), since the study sought to develop "a genuine understanding of the world views of members of a social setting" (Bryman and Bell, 2007, p477). Specifically, taking the key informant approach (Philips, 1981), the Regional Business Development Manager and Regional Manager, South-South, of the two selected financial service firms were interviewed to understand their respective companies' approach to post-acquisition integration. The interviews, which lasted for ninety minutes on average, were based around a topic guide informed by the literature, with questions probing how the acquired entities' structure and activities, including HRM, marketing and branding, are managed and developed. There were also questions on indicators of resources and capabilities, acquisition motives, and acquired entities' institutional environments. The two interviews respectively occurred in January and April 2016, in Port Harcourt, South East Nigeria, and were conducted in English language, which is the business language in the study context. They were also recorded and later transcribed. Pertinent secondary data was drawn from multiple sources, including annual reports, internal documents, corporate websites, press articles from local and international news and media outlets, and reports by international institutions. Extensive desk-based research enabled us to develop case stories and chronological timelines of major acquisitions undertaken by the case firms and allowed us to corroborate the narratives and accuracy of events mentioned in the interviews, while in-depth examination of secondary sources, including annual reports, offered not only access to rich, detailed and longitudinal information on post-acquisition integration behaviour of the case study firms presented in several tables, but also helpful quotes from senior managers on the explored themes. The above triangulation or integration of multiple sources and data types enabled us to generate the fabled patchwork or Christmas tree of evidence, in the best tradition of case study research (Yin, 2003). It also lessened respondent bias and increased validity and reliability of our evidence base (Ghauri and Gronhaug, 2002; Gomes et al, 2011).

Fourth, the data generated were subjected to content analysis, a valid and widely employed method of developing an objective and systematic description of the manifest content of qualitative and archival data (Aronoff, 1975; Bartunek et al., 1993; Holsti, 1968; Sydserff and Weetman, 2002), which entails transcribing, organising and categorising the interview data into relevant themes (Sinkovics et al., 2008) based on earlier-stated research questions. The particular form of content analysis adopted was the meaning-oriented analysis, and it involved focusing on the underlying themes in the observed data, matching appropriate content with the pre-formulated research questions, and interpreting the findings accordingly (Aronoff, 1975; Sydserff and Weetman, 2002). This meaning-oriented analysis is more amenable to an issue-by-issue presentation approach as it allows for a judicious use of exact quotes from the study firms to address the explored research questions (Miles and Hubermann, 1994; Yin, 2003).

More specifically, insights on the post-acquisition integration behaviour of nascent African MNEs were gained by mapping pertinent material on the case firms' post-acquisition decisions against Kale and Singh's (2012) typology of EMNEs' integration modes, derived from Haspeslagh and Jemison (1991). As these authors suggest, the optional integration modes - absorption, preservation and partnering - can be operationalised and identified by examining how the acquirer treats the acquired entity along five dimensions, specifically *structure* (structural relationship with the acquired entities), *activity* (extent of coordination of core and supporting activities), *management team* (extent of replacement or retention of management team and other resources), *autonomy* (level of organizational autonomy), and *integration speed* (speed of integration and evolution of governance and decision making). The present study adopts the above operational dimensions, complementing them as necessary with Marchand's (2015) more detailed indicators. Also, consistent with recent relevant work on EMNEs (e.g. Kale and Singh, 2012; Marchand, 2015), the above integration modes are streamlined into partnering and absorption-type approaches - see Table 1 for a summary of the typical differences.

Insert Table 1 about here

Although the above dichotomous approach does not sufficiently capture the complexity of post-acquisition integration contexts, or the calls for newer, innovative and contingency-based integration styles (Angwin and Meadows, 2015; Gerbner, 2004; Gomes et al., 2013), it is arguably the case that such increasingly nuanced integration approaches are less likely to be observed in Africa's relatively embryonic cross-border M&A contexts. The preponderant recourse to binary post-acquisition integration options, including absorption or partnering, 'light touch' or 'heavy handed', 'high road' or 'low road', in EMNEs' post-acquisition integration studies (Kale and Singh, 2012; Marchand, 2015), appears to support the above reasoning. It must be emphasised, however, that these dyadic options are viewed not as 'pure play', rigid, distinct categories, but as malleable labels for facilitating understanding and giving meaning to case data (Liu and Woywode, 2013; Marchand, 2015; Zaheer et al. 2013). Indeed, the terms 'absorption-type' and 'partnering-type' approaches are adopted in this study to reinforce and signal the malleability of these approaches to accommodating overlapping, analogous or contiguous integration styles. The 'absorption-type' label encompasses Nahavandi and Malekzadeh (1988) and Schweiger et al. (1993) 'assimilation', while the 'partnering-type' label approximates Haspeslagh and Jemison's (1991) 'symbiosis' and Mirvis and Marks' (2001) 'best of both'.

Finally, both intra- and cross-case analyses (Eisenhardt, 1989) were undertaken in the present study.

4.0 ANALYSIS AND FINDINGS

4.1 Brief Profiles of the Study Subjects

As mentioned in the preceding section, the MNEs analysed here are two African financial service groups, hereinafter referred to as Company A and Company B. Brief intra-case analysis of each of these study subjects is presented below (see also Tables 2a and 2b).

Company A, with an asset base of US$24 billion and Tier 1 capital of US$3 billion, was established in 1985 by private and institutional investors from several African countries. It employed 20,331 staff in 1250 branches across 36 African and 4 non-African countries, and generated revenue of US$2.3 billion in 2014, a 46 per cent increase over the previous year and a near quadrupling of its 2008 figures. Profit before tax also rose by 135 per cent to

US$520 million in 2014 – see Table 2a for the contributions of the company's major geographic clusters. The incepting vision, according to one of the founders and former chair, was for a home grown regional financial institution to foster collaboration between the French and English speaking West African countries as well as promote trade, financial and economic integration and development within the region. This original regional vision later evolved into a pan-African one, propelled mainly by the company's second Chief Executive Officer, who saw an *African opportunity* and went after this target ahead of competitors. Ranked Number 1 by assets in seven African markets and top 3 in fourteen others, and listed in three West African Stock Exchanges, Company A has expanded mainly through majority stake acquisitions, which enable it to pursue its preferred integration approach.

Insert Table 2a about here

Insert Table 2b about here

Company B, founded in 1894, is reportedly the most diversified financial service group in West Africa, with interests in commercial and investment banking, asset management, insurance and other financial services. It employed, in 2014, 10,464 staff in 862 business locations across 12 countries, including eight African and four non-African markets. Company B's revenue for 2014 was US$2.64 billion [4], a 21.3 per cent increase from the previous year, with 8.8 per cent of this coming from international subsidiaries. Profit before tax for the same period was US$511 million. Listed in the Nigerian Stock Exchange and London Stock Exchange (for Global Depositary receipts' trading), Company B has won several prestigious awards and global rankings. Its acquisition of Anglo-African Bank in 1912 was reportedly the first ever M&A recorded in this region (Anonymous, 2014a), and Company B appears to have renewed this tradition with a raft of more recent majority stake acquisitions of banks in other African countries.

The paper now turns to *cross-case analyses* of the main research questions posed in the present study, specifically *what do we know about the post-acquisition integration behaviour of nascent African MNEs? Which integration approaches are observed? How are these decisions influenced by the acquirer's resource position? acquisition motives? acquired entities' institutional environment? Any changes in the observed integration approaches during or between acquisitions?*

4.2 Post-acquisition Integration Approaches

To address the first question on the study firms' post-acquisition integration behaviour, the operational indicators previously outlined in Table 1 were examined. Case data pertaining to these indicators are now presented (see Tables 3a and 3b) and analysed. In order to enhance the flow of the analysis, the material is organised under two sub-headings, specifically:

(i) Indicators of structural, organisational, human and identity integration
(ii) Indicators of activity/task integration and speed of integration

Insert Table 3a about here
Insert Table 3b about here

4.2.1 Indicators of Structural, Organizational, Human and Identity Integration

Analysis of the indicative data in Tables 3a and 3b on the post-acquisition integration behaviour of Company A and B, respectively, suggests a preference by both study firms for *structurally integrating or absorbing acquired entities* rather than allowing their separate existence. To illustrate, Company A's acquisitions of Kenya's mortgage lender, EABS, in 2008, and Mozambique's Banco Procredit in 2014 were followed by "systems roll out" and "integration of systems, people and clients" respectively, while Company B indicated their focus on seeing newly acquired entities "transition from independent and autonomous operations into an integral part" of the parent organisation. The study companies respectively commented as follows:

> …(We) adopted a buy-and-build strategy in Mozambique, acquiring an established business, Banco Procredit, in June of last year. This is primarily a retail operation with 67,000 customers and 14 branches, but also with an extensive SME clientele. The integration of systems, people and clients is now well advanced, giving Mozambican customers access to our entire suite of products (Anonymous, 2014b, p22).
>
> Over the 12 months to the end of December 2015, we continued to consolidate our sub-Saharan Africa footprint, completing our core integration project across most of the business outlets on our continental network. Specifically, we piloted the Global Account Management (GAM) scheme, to integrate our multinational businesses across our geographic footprint (Anonymous, 2015b, p21).

The implied preference for low organisational autonomy for acquired entities is reinforced by the observed reporting relationships and levels of contact between the parent organizations and acquired entities, the reorganisations reported within these entities as well as changes in their management teams and identities. The Company A's interviewee, for example, commented as follows in regard to reporting relationships:

> …the management team in the affiliate report to the management team in the group and the group oversees affiliates. The group coordinates the affiliates…The subsidiary Boards of Directors are also guided by the Governance Charter and principles of the group, which is the majority shareholder in all the subsidiaries.

Reorganisations within entities acquired by Company A were observed to take different forms, including the overhaul of acquired affiliates' branch network (this increased from 18 to 27 in Kenya and 9 to 11 in Zimbabwe, with further plans to transform a third of Kenyan outlets into digital channels in 2017); significant investment boost (the stake increased from 75 to 100 per cent in Kenya, with additional acquisitions made in Kenya and Burkina Faso; a complementary banking license was further secured in Zimbabwe); and the upgrading of the acquired entities' role within the parent organisation (the Kenyan entity became the headquarters of one of the parent's restructured four clusters, while the Ghanaian business got the nod as the regional data processing hub). Also, although Company B seemingly allowed operational 'independence' for the acquired West African entities during what it referred to as the 'autonomous phase', the *reality of* 'parental' guidance, the imperative of achieving specified integration milestones and the regular and ongoing parent-subsidiary contacts these entail suggest otherwise. Illustrative quotes from this company's West African and DRC acquisitions are respectively presented as follows:

> The Board focused in the year under review on institutionalising an enduring

organisational structure at those subsidiaries, fashioned around the (parent's) model. Under the monitoring of the Bank's International Banking Group and the Integration Project Team, a number of approvals were given to replicate and formalise the operational structures of these subsidiaries, as a precursor to greater integration and synergy with the Group (Anonymous, 2014a, p89).

> The organisation structure has been modified with strategic business units created to cater for the banking needs of its segmented market. In its first year of full integration into the XX Group, BIC carried out structural changes to its service delivery systems and operating structure to better service its customers and tap into business opportunities in the Congolese economy (Anonymous, 2012a, p51).

It further emerged that both study companies seemed to view management team changes and brand name harmonisation as default post-acquisition steps to enable acquired entities to more clearly integrate, align and project shared identity with their new parents. Notable examples of acquired entities renamed by Company A include Chad's *Banque Internationale Pour l'Afrique au (BIAT)*, Loita Bank of Malawi, EABS of Kenya, Oceanic Bank of Nigeria, Trust Bank Ghana and Zimbabwe's Premier Finance Group, while Company B similarly renamed its DRC and West African acquisitions. The latter company notes thus: "the integration of the five West African subsidiaries (is) being concluded in areas of structure, *name change, rebranding* and branch upgrades" (our italics). Observed instances of management team changes include Company A's seconding of a new CEO to EABS Kenya and restructuring and reconstituting the Boards of the Oceanic Bank of Nigeria and TTB of Ghana respectively. This company's interviewed manager underlined a focus on achieving "greater staff cross-pollination", thus:

> We will transfer people who have been groomed on performance achievement to that location so that with them being XX bank staff already from the mother bank, they will be there to actually have ethics and cultures of XX bank there, then their brothers or colleagues from the host country so while learning something from them, they will also learn some other things from the other side and at the end of it there will be a cohesion in what they do so each of the groups will benefit in the overall interest of the bank. To select the people, they send to overseas branches they have advertised internally and interested persons will apply and from the pool of applications received they will choose…

Taken together, the evidence analysed above on the indicators of structural, organizational, human and identity integration suggests both study companies' orientation towards absorbing acquired entities. The raft of integration-promoting examples presented, including interventions in organizational mechanisms, management teams, and brand names, underscore an instinct to structurally integrate, immerse and absorb acquired entities, or achieve what Haspeslagh and Jemison (1991) referred to as 'strategic interdependence'. One probable explanation for the observed preference for absorption-type integration could be the apparent relatedness or similarity of the study firms' businesses (essentially banking) to those of their acquired entities. Such related acquisitions, according to previous research (Datta and Grant, 1990; Zaheer et al., 2013) tend to favour absorption-type integration. Dissimilar or complementary acquisitions, on the other hand, may warrant a less interventionist post-acquisition approach. Also worth highlighting is the sense in which the observed absorption-type integration resonates with the dominantly hierarchical (Hofstede, 2001) and paternalistic

(Jackson et al., 2008) nature of power relations in Africa's interpersonal and organisational contexts (Hofstede, 2001).

4.2.2 Indicators of Activity/Task Integration and Speed of Integration

Case data equally reveals a bias towards efficiency-promoting and synergistic coordination of the acquired firms' value chain activities. Company A, for example, rolled out standardised customer service packages targeted at multi-country B2B and SME segments to acquired entities in Ghana and Nigeria, among others (Anonymous, 2015b, p32). It also promoted efficiencies through rationalising real estate portfolio and branch network, replacing the latter with greater digital presence (Anonymous, 2014c). Company B, which identifies one of its key strategic objectives as the "full integration" of acquired "subsidiaries under the same banking platform" (Anonymous, 2014a, p91), similarly changed the operating model of the acquired DRC entity to better align with the Group's more customer-centric aspirations. It also reportedly drove task integration across its five West African acquisitions, notably harmonising processes and systems and realising synergies, sharing services, including data centres, standardising product offerings, coordinating staffing, and recruitment and training, and diffusing best practice (Anonymous, 2014a). The following quotes from the respective study companies are illustrative:

> We are driving efficiencies within both our retail and wholesale businesses and are seeing the benefits of operational synergies from our major acquisitions in Nigeria and Ghana (Anonymous, 2013, p18).
>
> We are also focused on extracting revenue opportunities through product innovation and extension, aligning the Group's corporate governance standards and optimising the processes and policies as well as the core banking applications. The five West African subsidiaries…are now being integrated into the XX structure to capture the desired value that informed the acquisitions (Anonymous, 2014a, p52).

Evidence also point to the study firms' extension of new management processes, training sessions as well as skills and technologies to acquired entities. These, from Company A's perspective, include group-wide management processes to unlock synergies, efficiencies and "network advantages"; group-led product and service innovation activities; and group-wide management training, business development and advisory services, technology infrastructure and online banking platform with enhanced customer service capabilities. Company B similarly introduced new management processes to the acquired DRC entity, and group governance and performance management systems, financial platforms, and matrix reporting/structure to the West African entities (Anonymous, 2014a). The following quote from the latter company is instructive:

> …to ensure that BIC is up to speed with the best practice in its service delivery system, competences are being transferred via secondment of staff from the parent to BIC, and training of BIC staff in XX… To ensure that staff members are goal driven and to have an incentive system that measures performance and help inculcate a performance culture, a performance management system was introduced. The performance management system was modelled after that of the parent bank, but adapted to BIC reality, while reward and recognition schemes are being developed (Anonymous, 2012, p51).

Regarding the speed of integration, case data points to a deliberate integration pace, as exemplified by Company A's scheduling of the "full integration of the businesses of the acquired Oceanic Bank of Nigeria over a three-year period" (Anonymous, 2012b) and B's earlier noted three-phased post-acquisition integration process. More specifically, the latter company's transition from an autonomous or independent integration phase to an assimilated or full integration phase suggests a progression from a less to more interventionist absorption approach during the course of its integration of the five West African entities.

The foregoing analysis on task integration and integration speed underscores the study firms' heightened focus on capturing value via enhanced coordinative capacity, and reinforces the prevailing picture of pro-absorption integration. Whilst it is unclear whether these task integration aspects were preceded by human integration as the literature suggests (Birkinshaw et al., 2000), the study firms' preference for absorption-type integration approach seems unchallenged, not even by the observed deliberate integration pace or Company B's multi-phase process. A contrary finding would be wrong given the absence of evidence of a transition from a 'light touch' partnering approach, at limited levels of relevant experience, and subsequent evolution, following increased experience and knowledge of foreign acquisitions and integration, to a more interventionist integration approach over successive acquisition rounds (Buckley et al., 2014; Kale and Singh, 2012; Kumar, 2009; Marchand, 2015). The afore-mentioned lack of evidence of substantive evolution might suggest that the examined MNEs are sticking with what works, particularly as they seem not to have encountered any major acquisition or integration failure. Alternatively, it can be viewed as a question mark on these MNEs' reflexivity or further illustration of the earlier-noted fledgling state of cross-border M&A integration across sub-Saharan Africa.

4.3 Influences on Post-Acquisition Integration Decisions

The analysis now turns to the next major question of how the study firms' post-acquisition decisions are influenced by their resource position, acquisition motives, and acquired entities' institutional environments.

4.3.1 Acquirer's resource position and post-acquisition integration approach

The minimal previous research on this topic area appears to attribute EMNEs' preference for post-acquisition partnering integration approach to their weaker absorptive capacity and limited experience and knowledge vis-à-vis upmarket acquisition targets, suggesting that these firms are likely to adopt more interventionist absorption approach with stronger firm-specific assets and capabilities, including prior experience and knowledge of foreign acquisitions and integration (Kale and Singh, 2012; Liu and Woywode, 2013; Marchand, 2015). To assess this suggested link, the focal MNEs' resource and capability indicators were analysed and related to their observed post-acquisition integration decisions.

As can be seen from the profile data presented at the beginning of this analysis section and summarised in Tables 2a and 2b, the present study firms appear to be well established players with considerable firm-specific assets and organisational capabilities. More specifically, both routinely rank among the Financial Times Banker Magazine's world 500 top banks, regularly win prestigious industry awards, and employ thousands of staff across several countries. Company A, notably, has presence in 40 country markets, ranks No 1 by assets in seven African markets and top 3 in fourteen others, and is, in the words of the interviewed manager, "…the dominant bank in Africa, [with] the largest branch network across the continent." This company's acquisition experience and integration knowledge is indicated by its significant record of majority stake acquisitions of existing African banks (see Table 4a). Company B's acquisition record is also substantial even if less extensive than A's, but as the interviewed manager noted, "(they) started over 120 years ago and have moved forward from being a local bank here to establishing presence in many African countries." Although less is known about the acquired entities, their typically modest balance sheet indicates a markedly weaker resource profile (e.g. A's Central African Republic acquisition had a balance sheet of $54 million) and acquisition cost (e.g. A's Burkina Faso and Kenyan entities entailed investment outlays of $19.77 million and $12 million respectively). This reflects previous research evidence from South African MNEs acquiring intra-regionally (Verheof, 2016).

The foregoing analysis indicates the strengths and superiority of the study firms over their intra-regional acquired entities, and suggests the probable influence of these indicative firm-specific advantages, including organisational knowledge, reputation and appreciable intra-African acquisition experience, on their preference for more interventionist absorption-type integration approach. This bolsters the scant literature on this topic area, notably Kale and Singh's (2012) conceptual attribution of more "heavy-handed" absorption-type integration approach to EMNEs with increasing stock of experiential and knowledge assets, whilst also resonating with the resource-based theory (Barney, 1991; Wernerfelt, 1984). Unlike EMNEs, notably Chinese or Indian MNEs, who tend to be little known in their new up-market contexts and whose absorptive capacity relative to acquisition targets is often perceived as suspect, the examined African MNEs appear to be well established *major players* within their intra-regional context. They, therefore, do not need, as do EMNEs, to retain acquired entities as separate entities to be leveraged, through osmosis, to boost their own profile in new markets.

4.3.2 Acquisition motives and post-acquisition integration approaches

Previous research suggests that asset exploration-focused and strategic asset-seeking EMNEs tend to favour partnering-type integration in up-market acquisitions (Kale and Singh, 2012; Marchand, 2015), while asset exploitation-focused MNEs, typically traditional ones, preponderantly pursue market- and efficiency-seeking motives through absorption-type integration. The latter approximates Howell's (1970) argument that acquisitions motivated by marketing and manufacturing (or scale economies and synergies) reasons should entail partial and full integration of the target respectively (see also Datta, 1991). This suggested influence was explored by analysing the present study's data on acquisition motives and relating these to observed post-acquisition integration decisions.

It emerged that the acquisition activities of the focal African MNEs were motivated by their perceived need to gain expeditious access to opportunities in African markets and to achieve competitiveness-enhancing efficiency gains in the process. Company A, for example, highlighted the company's "strategic goal of increasing market share", further noting that "the acquisition will create a leading financial services institution with strong market share in all metrics and a powerful distribution network (Anonymous, 2011). Company B's West African and DRC acquisitions also appeared to have been driven by the opportunity to enter multiple markets and extend their bouquet of products and services to these markets (Anonymous, 2014b, p17). The interviewed manager commented respectively in regard to both acquisitions:

(The) “transaction provides an immediate and strong platform for regional market entry through a brownfield transaction…”

The bank we took over in Congo…has one of the highest number of customers. Because you cannot beat them without customers …you see them as a threat… so the strategy we used there is actually an acquisition so that we will have the base of somebody that is already on ground, then modify the strength of that organization like in this case, customer strength, then add service delivery and product offering to it to get to where we are.

Both companies severally underlined the efficiency-seeking dimension of their acquisition moves, by highlighting their commitment to leveraging African footprints for operational excellence and efficiency gains, and increasingly deploying integrative mechanisms and technology platforms to achieve economies of scale and capture value “through seamless integration of newly acquired subsidiaries”.

The foregoing analysis suggests the prevalence of market and efficiency-seeking motivations, which may explain the study firms’ preference for absorption-type integration approach, typically associated with strategic control, swifter resource integration and expeditious value capture. Such an interventionist approach may have enabled Company B, for example, to achieve the reported “consolidation of acquired subsidiaries’ earnings, whilst also deploying its group-wide innovation project to craft a new growth path, break new grounds, open new frontiers and unearth newer significant revenue streams” (Anonymous, 2014b, p16).

4.3.3 Acquired entities’ institutional characteristics and post-acquisition integration approaches

Previous research associates cultural similarity with higher levels of formal control of acquired entities, and suggests that EMNEs are likely to adopt an absorption integration mode at lower levels of cultural differences, whilst preferring the preservation and “light-touch” integration partnering approaches where significant cultural dissimilarities exist between the acquirer and the acquired entity (Liu and Woywode, 2013; Madhok and Keyhani, 2012; Marchand, 2015).

The present study’s data appears to support the former viewpoint. As can be seen from Tables 4a and 4b, both study firms acquired entities based in other sub-Saharan African countries with broadly similar institutional characteristics (Institutional Profile Database, 2016) and have, as suggested by extant literature (Liu and Woywode, 2013), Madhok and Keyhani, 2012; Marchand, 2015), embraced absorption type post-acquisition integration approaches.

Insert Table 4a about here

Insert Table 4b about here

The additional evidence that these absorption-type approaches, rather than a partnering or preservation integration mode, were adopted for entities acquired from Western MNEs divesting from African countries (specifically Mozambique, Ghana, Guinea, Sierra Leone, Gambia and Senegal) raises an interesting question of whether an up-market acquisition is defined by the parent’s national origin or the acquired entity’s geographical location. If these acquisitions are considered up-market transactions, the ‘heavy-handed’ absorption-type approach observed would be contrary to the settled view in the above reviewed EMNE literature (Kale and Singh, 2012; Liu and Woywode, 2013; Marchand, 2015; Rao-Nicholson et al., 2016). Such a view would, however, be mistaken since up-market acquisitions should rightly refer to transactions targeted at more advanced markets.

4.4 Propositions

Taken together, the analysis undertaken in this section suggests a preference for absorption-type post-acquisition integration approach among nascent African MNEs and shows these firms’ integration decisions to be influenced by their resource position vis-a-vis acquisition targets, acquisition motives and the relatedness of their institutional environment to the acquisition targets’. The analysis further suggests that Africa’s nascent acquirers typically target entities with lower resource and capability profiles, broadly similar institutional characteristics, and primarily acquire for market- and efficiency-seeking purposes. The limited evidence base of the present study underscores the need to subject the above tentative findings to more robust research and testing, and the propositions (Box 1), below, are advanced to assist in this regard. These propositions are appropriately developed and discussed in the latter part of Section 5.

Insert Box 1 about here

5.0 SUMMARY, DISCUSSION AND IMPLICATIONS

This study has drawn on case study evidence to explore the post-acquisition integration decisions of rarely-researched, intra-regionally focused nascent African MNEs, including the theoretical link between such decisions and the acquirer’s resource profile. The study contributes to this post-acquisition integration literature in a number of notable ways. First, it uncovers nascent African MNEs’ preference for control-enabling, absorption-type integration approaches, in contrast to their EMNE counterparts that typically favour more collaborative, partnering-type approaches in their pursuit of up-market strategic assets. Second, it makes an important theoretical connection between acquirers’ resource position and their choice of post-acquisition integration approach, aligning MNEs with stronger resource and capability profiles with greater inclination toward absorption-type integration and their less equipped counterparts with a contrary pull toward partnering-type approaches. Third, the study contributes to the debate, or more precisely, advocacy for prioritising intra-regional expansion (Rugman and Li, 2007), by offering fresh evidence that associates institutional similarity with the adoption of absorption-type integration approaches. Additionally, the present study’s intra-regional focus complements recent research on the post-acquisition integration behaviour of EMNEs undertaking strategic asset-seeking, up-market acquisitions, and addresses Rugman and Li’s (2007) call for more attention to the post-acquisition behaviour of intra-regionally-focused EMNEs. Finally, the empirical context served to surface insights on ways in which the integration behaviour of nascent African MNEs’ differs from, and aligns with, that of their better established emerging market and advanced economy counterparts.

Analysis evidence points to the study firms’ preference for absorption-type integration approach, which finds expression across a range of dimensions - structural, organizational, human, identity and task-related. Sample indicators include the study firms' pursuit of strategic interdependence rather than separation of acquired entities, reorganisations and ongoing contacts with these entities, changes to management teams, brand identity and governance protocols, and drive for synergies and efficiencies via coordination of value chain activities. Evidence also indicates a deliberate integration pace and limited evolution in integration behaviour, whilst also suggesting the influence of the study firms' resource and capability profile, acquisition motives and acquired entities' institutional environments on post-acquisition integration decisions.

The foregoing summary findings, though tentative, raise a number of important discussion points as well as invite reflections on the propositions outlined at the end of the preceding section for future research on the post-acquisition integration behaviour of nascent African MNEs (see Box 1). These summary findings and associated propositions are now sequentially discussed.

First, the observed preference for absorption-type integration approach appears to reflect the study firms' emphasis on strategic control of acquired entities and predilection for achieving goals through "control" rather than "influence" (Kale and Singh, 2012, p563), a picture reinforced by the typically high to total equity positions taken in all the acquired entities. This need to have strategic control resonates with the dominantly hierarchical and paternalistic nature of power relations across Africa's organisational contexts (Hofstede, 2001; Jackson et al., 2008) and bolsters the first proposition from the present study, specifically: *Nascent African MNEs will adopt an absorption-type integration approach in managing their intra-regional acquisitions.* Future research should assess this proposition. Future work should also examine the proposition that *nascent African MNEs may favour absorption-type approach on some dimensions of the post-acquisition process and not others*. Although the present study's evidence does not offer support in this regard, this paper is persuaded by arguments from previous research that post-acquisition integration decisions are typically subject to different competing needs and contingencies (Angwin and Meadows, 2015; Zaheer et al., 2013), and that acquirers may adopt varying approaches for different aspects of the post-acquisition process (Angwin et al., 2016; Angwin and Meadows, 2015; Gomes et al., 2013).

Second, the finding on the importance of the study firms' stronger resource bundles and capabilities on their preference for absorption-type integration approach resonates with the resource-based theory. Given their status as *major players* within their intra-regional context, the examined African MNEs seem less susceptible to the absorptive capacity and reputational shortcomings implicated for the inability of EMNEs to absorb acquired entities (Peng, 2012; Rugman and Li, 2007), or their recourse to partnering-type integration (Kale and Singh, 2012; Marchand, 2015). The foregoing provides the rationale for the third proposition from the present study, specifically *Nascent African MNEs with a stronger resource and capability profile than their intra-regional acquisition targets will adopt an absorption-type integration approach*. Again, future research should assess this proposition.

Third, the finding that the study firms' preferred absorption-type approach was influenced by their market- and efficiency-seeking acquisition motives reflects previous research. As earlier reviewed literature suggests, such asset exploitation-oriented motives, typically associated with traditional MNEs, are often pursued through absorption-type integration approaches (Howell, 1970), which may offer swifter resource integration and expeditious value capture. Future research should also assess the relevant proposition, specifically: *Nascent African MNEs with primarily market- or efficiency-seeking acquisition motives will adopt an* *absorption-type integration approach.* This reflects the view that strategic asset-seeking motives and related asset exploration or resource leveraging aims, typically pursued via partnering-type approaches, are less likely to be prevalent in the intra-African acquisition context, that is, until entities with potentially significant strategic assets from relatively advanced African economies such as South Africa and Egypt begin to really emerge as acquisition targets in intra-African transactions.

Fourth, institutional, including cultural, factors offer an additional persuasive explanation for the observed absorption-type integration approach. As earlier reviewed literature suggests, cultural similarity between both parties to an acquisition tends to favour higher levels of formal control of acquired entities (Shimizu et al., 2004; Weber et al., 2009) and adoption of an absorption-type integration mode (Datta, 1991; Liu and Woywode, 2013; Marchand, 2015; Madhok and Keyhani, 2012). Thus, by acquiring intra-regionally, the present study firms seemed to have significantly narrowed the potential gaps in knowledge and managerial styles and practices between them and the acquired entities, a view broadly consistent with Rugman and Li (2007) and Rugman and Verbeke's (2008) arguments that expansion to geographically and institutionally proximate regional countries tends to be less fraught, institutionally and resource-wise. The foregoing informs the fifth proposition of the present study, specifically: *Nascent African MNEs will adopt an absorption-type integration approach when they acquire entities from countries with broad institutional similarities*. Although not explicitly suggested by present study's evidence, it is additionally posited that *as nascent African MNEs progress into wider South-South and South-North acquisitions, they will demonstrate greater complexity in their choice of integration approaches,* and would base their decisions on a wider range of contingency factors, including relatedness, complementarity (Angwin et al., 2016; Datta and Grant, 1990; Gomes et al., 2013; Zaheer et al., 2013) and country-of-origin perceptions in particular markets.

Fifth, regarding possible evolution in post-acquisition integration behaviour based on passage of time and acquirer's integration experience, case data, specifically Company B's planned transitional phases, suggests an evolutionary intent during the course of that particular integration process. However, it is unclear from the totality of case evidence that such an approach was actually taken, or that any of the study firms started, as previous research suggests, with 'light-touch', partnership approach at limited levels of relevant experience and then evolved, with increased experience and knowledge of foreign acquisitions and integration, to a more interventionist integration approach during successive rounds of acquisitions (Buckley et. al., 2014; Kale and Singh, 2012; Kumar, 2009; Marchand, 2015). It is intuitively appealing, nonetheless, to expect nascent African MNEs to demonstrate the kind of evolutionary behaviour suggested above. This and the previously acknowledged influence of experiential and knowledge capabilities on post-acquisition integration behaviour recommend a sixth proposition, specifically: *Nascent African MNEs' approach to post-acquisition integration will evolve with increasing foreign acquisition experience*. Future research in this topic area should assess this proposition as well as shed more light on the similarly unclarified question of the post-acquisition integration speed of nascent African MNEs. A potentially interesting angle to take regarding the latter, given the earlier discussed importance of acquisition motives on integration behaviour, is to examine the proposition that *nascent African MNEs will vary their integration speed depending on their primary motivations for undertaking acquisitions.*

Finally, a number of interesting insights would seem to have emerged based on the present study's comparative evaluation of intra-regionally focused nascent African MNEs, South-

North EMNE acquirers and North-South, North-North traditional MNEs - see Table 5. Notably, the apparent importance of resource and capability position in explaining post-acquisition integration choices among all the above categories of MNEs reinforces the centrality of resource-based insights to the present study. While relative resource superiority seems to steer nascent African MNEs towards control-availing absorption-type approaches in their intra-regional, South-South acquisitions, observed limitations in absorptive capacity and related capabilities coupled with the need to bridge these through asset exploration and resource leveraging are thought to explain EMNEs' recourse to partnering-type approaches. For traditional MNEs typically associated with both North-South and North-North acquisitions, the story entails both exploiting their firm-specific assets and other capabilities, as well as exploring or leveraging assets embedded in acquisition targets in order to plug observed gaps or complement existing strengths. The extant literature, understandably, proffers such mixed exploitation-exploration focus and related interdependence-autonomy combinations as the best practice in post-acquisition integration. Nascent African MNEs, specifically those examined in the present study, would seem not to have attained this level of complexity yet. Neither have their more established EMNE counterparts, though the latter have progressed further along the best practice path. As nascent African MNEs evolve beyond their current embryonic cross-border acquisition stage, it is envisaged that more nuanced and creative post-acquisition integration behaviour would increasingly be observed.

Insert Table 5 about here

5.1 Managerial and Policy Implications

Against the backdrop of widely reported failures and integration disasters emanating from the hands-off, light-touch integration approach preponderantly associated with EMNEs' upmarket, strategic asset seeking acquisitions (Peng, 2012; Rao-Nicholson et al., 2016; Rugman and Li, 2007; Rui and Yip, 2008), there is an increasingly persuasive argument that intra-regional acquisitions, and the higher control, absorption-type integration approach they typically entail, represents a persuasive alternative to the recent cavalcade of costly acquisitions and integration debacles – China's TCL, Lenovo and Nanjing respective acquisitions of Thomson (France), IBM's PC division (USA) and Fiat (Italy) are high-profile examples. This echoes Rugman and Li (2007) and Rugman and Verbeke's (2008) widely canvassed notion that expansion to geographically and institutionally proximate countries tends to be less institutionally challenging and resource demanding. Although the present study, like Marchand (2015), has not really focused on the post-acquisition performance question, anecdotal evidence suggests fewer integration issues and better outcomes than are reported for the afore-mentioned EMNEs.

A robust re-evaluation of emerging MNEs' engagement in institutionally, culturally and psychically distant up-market acquisitions is, thus, urgently needed to re-clarify and reaffirm their value-creating credentials. Whilst the underlying motivation and theoretical underpinning for these up-market acquisitions – respectively strategic asset quest and linkage-leverage-learning focus (Mathews, 2002a, 2006b) - are not really in doubt, questions are increasingly raised about whether EMNEs are actually gaining value from these acquisitions, via their typically hands-off, light-touch integration approach (Rao-Nicholson et. al., 2016). This raises a more fundamental, future-relevant, question of how newer generations of MNEs, not excluding nascent African MNEs, might get the best out of up-market acquisitions, since these are likely to remain important from a catch-up, strategic-asset leveraging viewpoint for a long time to come.

Would they? Perhaps not so sure, given that recent global developments, notably Brexit, the emergence of an avowedly protectionist US administration and the US withdrawal from the Transatlantic Trade and Investment Partnership (TTIP), are calling into question the wisdom of taking the continuation of up-market, strategic asset seeking acquisitions for granted, at least in their current form. Policy makers at global, regional and national levels, thus, have a monumental task on their hands to try and rein in and curtail the threatened disruption of the world economic order and stave off the inevitable tit-for-tat that could be triggered by adversely disruptive protectionist policies. Amidst such uncertainty in the global economic order, equivalent and down-market intra-regional acquisitions arguably offer a safer harbour.

Finally, irrespective of the calibre or geography of the acquisition target, newer MNEs, including EMNEs and nascent African MNEs, must ensure that they, at the minimum, have developed threshold capabilities and absorptive capacity prior to undertaking major international acquisitions. Equipping themselves with such mission-critical capabilities and firm-specific advantages is likely to provide a more appropriate and sure-footed basis for post-acquisition decision-making regarding integration approaches, whilst also minimising the prospects of a recurrence of the post-acquisition integration horror stories that pervade the literature [5]. Nascent African MNEs, in particular, must grow beyond the initial excitement of joining their global counterparts in non-organic, cross-border expansion, to a heightened strategic focus on amassing the requisite capabilities for delivering effective acquisition and integration processes. Unlike their EMNE counterparts, some backed by governments or Sovereign Wealth Funds, African MNEs cannot afford expensive mishaps or integration *Neverland*. They therefore need to prioritise effective post-acquisition integration, starting with best-in-class due diligence ahead of every deal, including researching, pre-screening and pre-qualifying acquisition targets, and following through with excellent after-care, irrespective of the chosen integration mode (see also Angwin et al., 2016; Gomes et al., 2012; Gomes et al., 2013). Such due diligence must not be reserved only for up-market acquisitions, but also rigorously extended to intra-regional acquisitions. The latter should be a critical part of an organisation-wide mind-set to guard against falling into the *homogeneity trap*, which entails viewing intra-regional environments as institutionally and culturally homogenous rather than *relatively similar*.

5.2 Limitations and Future Research

As previously acknowledged, the present study is limited by its thin empirical base, including limited number of interviews and interviewees – a consequence of the exceptional challenge of undertaking field work in Africa. Better access to the case companies, their corporate headquarters and key informants from the focal MNEs and their acquired entities coupled with a more robust interview instrument might have been further helpful. More data points, for example, might have helped mitigate the seeming lack of nuance in the profile of case study firms. Our indicative findings should thus be viewed in the light of these limitations. A more substantive research effort is, thus, needed to further explicate the issues investigated and findings reported. The research propositions presented at the end of the analysis section, and discussed in this concluding section, offer a good starting point for such future work. Researchers are urged to vigorously take up the challenge.

NOTES

[1] Alternative post-acquisition integration strategies include Nahavandi and Malekzadeh's (1988) organisation culture focused typology: "Separation", "Assimilation", "Integration", and "Deculturation"; Siehl and Smith's (1990) interpersonal relations and conflict focused framework: "Pillage and Plunder" or "asset stripping", "One Night Stand", "Courtship/Just Friends" and "Love and Marriage"; Mirvis and Marks' (2001) extension of Haspeslagh and Jemison's (1991) to accommodate "Transformation", "Reverse Takeover" and "Best of Both"; and another extension by Angwin and Meadows (2015) to encompass "Intensive care" and "Reorientation". Howell (1970) also offered three strategies.

[2] The overlap among the above typologies should be noted. For example, Haspeslagh and Jemison's (1991) "Absorption" strategy appears similar to Nahavandi and Malekzadeh (1988) and Schweiger et al. (1993) "Assimilation", Siehl and Smith's (1990) "Pillage and Plunder", and Mirvis and Marks' (2001) "Absorption" styles. Haspeslagh and Jemison's (1991) "Preservation" strategy echoes Nahavandi and Malekzadeh's (1988) "Separation", Siehl and Smith's (1990) "Courtship/Just Friends", and Mirvis and Marks' (2001) "Preservation" styles. Finally, Haspeslagh and Jemison's (1991) "Symbiotic" strategy can be likened to the "Integration" style identified by Nahavandi and Malekzadeh (1988), Siehl and Smith's (1990) "Love and Marriage", and Mirvis and Marks' (2001) "Transformation" styles. Haspeslagh and Jemison's (1991) "Symbiotic" category also reflects Mirvis and Marks' (2001) "Best of Both", Schweiger et al. (1993) "Novation" style and aspects of Ellis and Lamont (2004) "Transformation" style.

[3] Africa's fifty-five countries include the English-speaking Nigeria, Gambia, Ghana, Liberia, Sierra Leone; and the French-speaking Benin Republic, Burkina Faso, Cape Verde, Cote d'Ivoire, Guinea, Guinea-Bissau, Mali, Niger, Senegal, Togo and Sao Tome and Principe (West Africa); Angola, Botswana, Lesotho, Madagascar, Malawi, Mayotte, Mozambique, Namibia, Zambia, Zimbabwe, South Africa, Swaziland (Southern Africa); Cameroun, Central African Republic, Chad, Comoros, Congo DR, Congo Brazzaville, Equatorial Guinea, Gabon, Zaire (Central Africa); Burundi, Djibouti, Eritrea, Ethiopia, Kenya, Mauritius, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, Uganda (East Africa); Algeria, Egypt, Libya, Mauritania, Morocco, Tunisia (North Africa Arab countries).

[4] The Nigerian Naira exchange rate as at Dec 31, 2014 was N1 to USD.0055.

[5] For example, it has been suggested that the departure of most of Thomson's international managerial talent shortly after its acquisition by TCL, and before TCL's Chinese executives had gained sufficient learning, led to a quadruple turnover of CEOs in the first four post acquisition years, and significantly contributed to post-acquisition turmoil. Similar lack of sufficient learning also apparently stymied Lenovo's aim of leveraging its acquisition of IBM's PC division for global market leadership.

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Table 1: Differences in post-acquisition approaches: absorption and partnership

	Absorption	Partnership
Structure	Acquiring entity absorbs the acquired entity	Acquired entity remains separate
Management team	Replaced	Remains
Organizational Autonomy	None or very restricted - regular contacts with the acquired entity, reorganization and possible name change	Almost total
Activity	Integration of core and supporting activities – R&D, production, distribution, marketing or sales, internationalization, new management forms, tools or processes, training, and transfers of skills and technology	Selective coordination of some activities
Integration speed	Fast - pace of change, evolution of governance and decision-making	Slow

Source: Kale and Singh (2012); Marchand (2015, p35)

Table 2a: Company A’s Profile

Industry	Financial Services
Established	1985
Employees (2014)	20,331
Physical Network (2014)	1,250+ branches and 2,690 ATMs
Performance Indicators/ Metrics (2014)	Earnings US$2.3bn Total Assets US$24.2bn Profit before Tax US$520m Tier 1 Capital US$3bn Customers 11m
International Performance Indicators (2014)	Earnings and profits by clusters: Nigeria: US$989m & US$224m; Francophone West Africa: US$472m & US$141m; Rest of West Africa: US$382m & US$176m; Central Africa: US$199m & US$57m; East Africa: US$85m and US$1m; Southern Africa: US$102m & US$16m
Accolades (selected)	Retail Bank of the Year (Global Retail Banking Awards) African Banker of the year (CEO) (Banker Magazine)

Source: Collated from various sources

Table 2b: Company B's Profile

Industry	Financial Services
Established	1894
Employees (2014)	10,464
Physical Network (2014)	862 business locations and 2,597 ATMs
Performance Indicators/ Metrics (2014)	Earnings US$2.6bn Total Assets US$23.65bn Profit before Tax US$520m Tier 1 Capital US$2.072bn Customers 9.7m
International Performance Indicators (2014)	Percentage growth in selected subsidiaries: Ghana: 342.6% & 253% (earnings and profits); Democratic Rep. of Congo: 16% & 21% (earnings & total assets); Gambia: 13.3% and 12.6% (total assets and customers' deposits).
Accolades (selected)	Best Bank brand (Banker Magazine) Most Innovative Bank (EMEA Finance)

Source: Collated from various sources

Table 3a: Indicators of Company A's post-acquisition Integration Approach

Structural, Organizational, Human and Identity-related Indicators	
Indicator	Relevant Evidence
Structural Integration or Separation of the Acquired Entity	• Unity Bank of Nigeria was fully integrated; • Implemented a systems roll out post-acquisition of EABS, Kenya; • Oceanic Bank of Nigeria was restructured as a prelude to full integration; • Commenced the integration of systems, people and clients in Mozambique; • Acquired entity customer accounts were harmonised and integrated into the parent's system, e.g. Oceanic Bank of Nigeria;
Organizational Autonomy (regularity of contacts; re-organization within the entity; possible name change)	• The acquired entities' management report to the parent company's management team, which oversees the overseas affiliates; • EABS Kenya saw an increase in stake, further acquisition (of an investment firm), branch network expansion and later streamlining, and rationalised real estate portfolio; • Premier Finance Zimbabwe swapped its Merchant Banking license with a Commercial Banking license and increased its branch network; • The acquired entity in Burkina Faso later acquired a micro finance firm, SOFIPE; • Acquired entities are typically rebranded, e.g. in Zimbabwe, Malawi, Kenya, Ghana, Mozambique, and Burkina Faso;
Management Team Changes	• Acquired entities' management teams are typically changed soon after acquisition, e.g. a new CEO was appointed for EABS Kenya post-acquisition and only a fraction of staff was retained; this entity was also recently sent a new CEO from the Ghana business. • A new local Board was constituted for TTB Ghana post-acquisition;
Indicators of Activity/task Integration and Speed of Integration	
Activities (Changes or coordination in R&D, production, distribution, sales or marketing, internationalization; management forms, tools or processes; training sessions; transfers of skills and technology)	• Parent company's technology infrastructure and online banking platform, with their multi-country cash management solutions and enhanced customer service capabilities, were rolled out to acquired entities; • Standardised customer service packages, including 'Premier Banking', 'Advantage Banking', 'Direct Banking', 'The Network Advantage', and SME Club services were extended to acquired entities in Ghana and Nigeria; • Group-wide management processes aimed at unlocking synergies, fostering efficiencies and leveraging continent-wide "network advantage" were extended to acquired entities; • Group-wide management training, business development and advisory services were made available to acquired entities; • The parent's HQ-based Academy and US$45m staff training and leadership development budget was opened up to acquired entities' staff; • Acquired entities' staff (e.g. in Mozambique) become part of parent's contractually stipulated international mobility scheme aimed at talent development and leadership readiness, operational effectiveness, and global competitiveness; • Outcomes from group-led product and service innovation and technology infrastructure are generally rolled out to acquired entities;
Speed of Change/ Evolution of Governance and Decision-Making	• The reported three-year schedule for a full integration of the acquired Oceanic Bank of Nigeria suggests a less-than-brisk pace; • The integration process for this entity and TTB Ghana, both acquired in 2011, was still ongoing at the end of 2012, thus reinforcing the above perception; • The Kenyan acquired entity, EABS, evolved into the headquarters of one of the parent's four newly restructured clusters, Central East, and South Africa; • The Ghanaian acquired entity, TTB, evolved to become the group-wide hub for processing data and transactions.

Table 3b: Indicators of Company B's post-acquisition Integration Approach

Structural, Organizational, Human and Identity-related Indicators	
Indicator	Relevant Evidence
Structural Integration or Separation of the Acquired Entity	• The acquired West African entities went through an interim integration programme, followed by a detailed integration plan over three phases - autonomous, associated and assimilated; • Newly acquired entities "transition from independent and autonomous operations into an integral part" of the parent organisation; • Acquired entities' processes and systems (including financial platform) were harmonised with the parent's during the autonomous stage; • Matrix reporting/structure was implemented at the so-called Assimilated stage;
Organizational Autonomy (regularity of contacts; re-organization within the entity; possible name change)	• Acquired entity in DRC reported directly to the parent's International Banking Group, whilst operating as an independent business unit under parental 'guidance'; • Modified the organisation structure, created SBUs, carried out other structural changes to service delivery systems to better service its new DRC customers; • Acquired West African entities' risk and finance functions were strengthened and approvals given to replicate and formalise operational structures; • The interim integration programme for the five West African acquisitions entailed a cross functional steering committee undertaking general monitoring, diagnostic review of these entities, and producing a detailed integration plan; • The harmonisation of the acquired entities' name with the parent's brand was undertaken, e.g. in DRC, Ghana, Guinea, Gambia, Sierra Leone and Senegal;
Management Team Changes	• The parent organisation seconded senior management staff to the acquired DRC entity; • The company's focus on achieving 'greater staff cross-pollination' was highlighted by the interviewed manager and noted as a key milestone for the acquired West African entities during the so-called associated stage;
Indicators of Activity/task Integration and Speed of Integration	
Activities (Changes or coordination in R&D, production, distribution, sales or marketing, internationalization; management forms, tools or processes; training sessions; transfers of skills and technology)	• Acquired entities were brought under the parent's banking platform to facilitate integration and improve brand synergy; • Standardised business processes, product offerings, shared services, including data centres, and coordinated staffing and recruitment, were extended to the acquired West African entities; • Group-wide international network, business expertise and diversified synergies were reportedly leveraged to offer innovative, convenient and secure banking services to customers of acquired entities; • The operating model of the acquired DRC entity was changed and a performance management system modelled after the parent was introduced; • The parent's corporate governance standards and performance management system were extended to the acquired West African entities during the initial integration phase. The associated and assimilation phases witnessed additional roll out of parent's processes, systems and financial platform and matrix reporting/structure; • Parent-organised training was offered to the staff of the acquired DRC entity; • Group-wide management training was extended to acquired West African entities
Speed of Change/ Evolution of Governance and Decision-Making	• The three phase integration plan, including the interim programme, for the integration of the acquired West African entities spans over a three-year period, which suggests also a less-than-brisk pace; • The integration process of the DRC entity acquired in 2011 is still ongoing, which reinforces the above; • Newly acquired entities "transition from independent and autonomous operations into an integral part" of the parent organisation

Table 4a: Recent Acquisitions Undertaken by Company A

Date	Target	Stake	Observed Integration Mode
2006	Unity Bank, Nigeria	100%	Absorption
2006	*Banque Internationale Pour l'Afrique au (BIAT), Tchad*	60% controlling stake	Absorption
2007	*Banque Internationale Pour La Centrafrique*, Central African Republic	72% controlling stake	Absorption
2007	Bank of Commerce, Rwanda	90% controlling stake	Absorption
2008	Loita Bank, Malawi	73% controlling stake	Absorption
2008	*Banque Agricole Et Commerciale Du Burkina*, Burkina Faso	90% controlling stake	Absorption
2008	East African Building Society, Kenya	75% controlling stake	Absorption
2011	Premier Finance Group, Zimbabwe	Majority stake	Absorption
2011	Oceanic Bank, Nigeria	100%	Absorption
2011	Trust Bank Limited, Ghana	100% stake	Absorption
2013	Iroko Securities Limited, Kenya	Controlling stake	Absorption
2014	SOFIPE Micro Finance, Burkina Faso	100% (increased from 85%)	Absorption
2014	*Banco Procredit*, Mozambique	96% stake	Absorption

Source: Collated from various sources.

Table 4b: Recent Acquisitions Undertaken by Company B

Date	Target	Stake	Observed Integration Mode
2011	*Banque Internationale de Crédit*, Democratic Republic of Congo	75% stake	Absorption
2013	ICB Financial Group Holdings, Guinea	100%	Absorption
2013	ICB Financial Group Holdings, Gambia	100%	Absorption
2013	ICB Financial Group Holdings, Sierra Leone	100%	Absorption
2013	ICB Financial Group Holdings, Ghana	100%	Absorption
2014	ICB Financial Group Holdings, Senegal	100%	Absorption

Source: Collated from various sources.

Box 1: A Propositional Inventory for Future Research on Post-Acquisition Integration Behaviour

P1: Nascent African MNEs will adopt absorption-type post-acquisition integration approach in their intra-regional acquisitions;

P2: Nascent African MNEs will favour absorption-type integration approach on some dimensions of the post acquisitions process and not others –

P2a: structural
P2b: organizational
P2c: human
P2d: task
P2e: identity

P3: Nascent African MNEs with a stronger resource and capability profile than their intra-regional acquisition targets will adopt an absorption-type post-acquisition integration approach;

P4: Nascent African MNEs with mainly market- or efficiency-seeking acquisition motives will adopt an absorption-type post-acquisition integration approach;

P5: Nascent African MNEs that acquire entities from countries with broad institutional similarities will adopt an absorption-type integration approach;

P6: Nascent African MNEs will demonstrate greater complexity in their post-acquisition integration approaches as they progress to wider South-South and South-North acquisitions;

P7: Nascent African MNEs' post-acquisition integration speed will vary based on their primary motives for undertaking the acquisitions;

P8: Nascent African MNEs' approach to post-acquisition integration will evolve with increasing foreign acquisition experience.

Table 5: Nascent African (*South-South*) MNEs' Post-Acquisition Integration Behaviour compared with Insights from *South-North* (other EMNEs), *North-North* and *North-South* (Traditional) MNEs

	Nascent African MNEs (South-South)	South-North (Other EMNEs)	North-South (Traditional MNEs)	North-North (Traditional MNEs)
Integration Approach	Typically prefer the interventionist absorption-type approaches	Favour light-touch partnering approach allowing acquired entities to maintain significant autonomy at least initially	More likely to adopt control-availing absorption-type approaches, but may be curtailed by host governments	Tend to present more varied and complex integration approaches
Integration Dimensions	Appear to favour integration across all dimensions – structural, organizational, human, task and identity-related	May allow some aspects to remain separate whilst integrating others	May allow some aspects to remain separate whilst integrating others	May allow some aspects to remain separate whilst integrating others
Resource and capability profile and integration approach	Relatively superior profile vis-à-vis intra-regional acquired entities seems to drive preference for absorption-type integration approaches	Relatively weak profile (limited absorptive capacity, standing and experience) vis-à-vis up-market entities seem to inform partnering-type integration approaches	Stronger firm-specific assets and capabilities vis-à-vis acquired 'Southern' entities typically favour more interventionist absorption-type integration approaches	Broadly comparable profile, but the acquirer's resource gaps or target's perceived complementary assets may warrant a preservation, symbiotic or partnering-type integration
Acquisition motives and integration approach	Mainly market and efficiency seeking motives appear to underpin preference for absorption-type approaches	Essentially strategic asset-seeking seem to inform partnering-type integration approaches	Predominantly market and efficiency seeking, but also resource/strategic asset seeking; these influence the choice of integration approach	Predominantly market and efficiency seeking, but also resource/strategic asset seeking; these influence the choice of integration approach
Acquired entities' institutional environment and integration approach	Broad institutional similarities with intra-regional acquired entities seem to underpin preferred absorption-type approaches	Institutional dissimilarities and organisational incompatibilities with up-market acquired entities seem to underpin recourse to	Although institutionally different from acquired 'Southern' entities, more interventionist absorption-type, gradually-paced	Broadly comparable institutional and organisational environments, but greater complexity typically requires varying

		partnering-type approaches	approaches may be favoured by the acquirer's typically stronger profiles	integration approaches
Evolution in post-acquisition integration behaviour	Limited evidence of evolution in post-acquisition integration behaviour	Some evidence of evolution from light-touch partnering approach to more interventionist approaches with increased experience and knowledge	May evolve from less to more integration dimensions, go the opposite direction or offer other variations based on contingencies	May present more varied and complex evolutionary patterns in their integration behaviour

Appendix 1: Interview Guide

Understanding Emerging Multinational Enterprises (MNEs) from Africa

Dear Participant,

Thank you for agreeing to be part of the present research project, which **aims** to improve understanding of emerging multinational enterprises (MNEs) from Africa. A related aim is to influence strategic and policy thinking in ways that would favourably impact the continuing growth and sustainable development of African MNEs.

Participation in this interview is completely voluntary and you may end your involvement at any time as well as withdraw any data or information you may have already provided up until it is used in the final report and articles. Rest assured that all information collected during the course of this study will be anonymised and treated as confidential.

Please contact me at XXX if you have any questions.

Lead Researcher

Interview Questions

Tell me a little about your company's foreign direct investment activities? Why the initial decision to invest abroad? What motives influenced this initial decision? What about subsequent foreign investment operations?

Your company appears to have invested in Countries X, Y, and Z. Why these particular countries? How was the decision to enter specific markets arrived at? Which other countries is your company considering or planning to invest in in the future? Why?

Your company appears to have employed X or Y method in entering Country X.
Why and how was that decision on investment method made? What informed the level of investment made or stake taken?

How does your company manage its international acquisitions and subsidiaries? Please reflect on how the structure and activities of acquired entities, including HRM practices, reporting and communication lines, marketing and branding, and other aspects, are managed and developed.

Contact Information

If you would like a summary copy of the findings, please provide your details below.

Company Name	
Job title	
Email	
Telephone	