Economic Horizons, May - August 2022, Volume 24, Number 2, 199 - 211
UDC: 33 ISSN: 1450-863 X

Review paper
UDC: 005.336.4:336.71(53)
doi:10.5937/ekonhor2202211D

MANAGERIAL TACIT KNOWLEDGE TRANSFER: A POTENTIAL OUTCOME OF CROSS-BORDER MERGERS AND ACQUISITIONS IN THE GCC BANKING SECTOR

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This conceptual paper explores the potential relationship between a manager's contribution in sealing cross-border Merger and Acquisition (M&A) deals, on the one hand, and tacit knowledge transfer, on the other. The paper's basic premise posits that those managers are likely to be exposed to significant tacit knowledge flows as they participate in negotiating, making, and monitoring M&A transactions. The two M&A dimensions taken into account in the conceptual model given in this paper pertain to the number and value of M&A transactions coordinated or accomplished by the manager. Furthermore, there are several moderating factors said to influence the central assumption between the number/value of M&As and the extent of tacit knowledge transfer, i.e. the frequency of face-to-face meetings, the manager's cultural intelligence, the manager's international experience and the number of the languages spoken by the manager. The examination of the research propositions underlying the suggested research model is believed to have a particular importance for the banking sector in the Gulf countries wherein the M&A activity is ubiquitous.

Keywords: cross-border merger and acquisition, tacit knowledge transfer, GCC, banking sector

JEL Classification: F23, G34, M160

INTRODUCTION

Mergers and acquisitions (M&As) play a key role in today's world economy as it represents a rapid alternative for companies to expand their business operations and gain new markets locally or abroad (Savović, 2016). Cross-border acquisitions represent the primary mode of entry especially into developed countries (Herger & McCorriston, 2016). Cross-border M&As are done in the pursuit of different sorts of motives and goals. They may be done to overcome barriers to entry into foreign markets, to smooth learning processes and to create value (Shimizu,

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Hitt, Vaidyanath & Pisano, 2004). V. Tripathi and A. Lamba (2015) listed the top-ranked motives that drive cross-border M&As among Indian companies, namely improving the value chain activities, reducing manufacturing and labor costs, market leadership (i.e. the economies of scale, vertical integration, increasing a market share), gaining strategic resources from the target, and synergistic gains allowing fast entry into new markets. Several banks used M&As to achieve the significant business transformations that positively affected their competitiveness (Shakoor, Nawaz, Zulqarnain Asab & Khan, 2014; Ansari, Bilal, Khan & Tahir, 2021). Yet, it decreased shareholder wealth and banks' financial performance (Kayani, Javed, Majeed & Shaukat, 2013). To our knowledge, no study has focused on M&A implications for individual knowledge gains, especially so for bank managers.

The contemporary global business environment is based on the paradigm that views knowledge as an important commodity. In this paradigm, knowledge acquisition costs are considered as an important investment (Dženopoljac, Kwiatek, Dženopoljac & Bontis, 2021). Merger-and-acquisition strategies appear to be crucial for knowledge flows. During the last two decades, scholarship work has been showing mitigated results when the outcomes of acquisitions are concerned (Savović, 2016). Topping that, the study of M&As outcomes has largely been predominated by financial aspects in terms of the stock market reactions and company valuations. Nonetheless, intangible outcomes could also be derived from M&As (Hassan, Ghauri & Mayrhofer, 2018). For instance, M&As are usually driven by transferring vital business knowledge motives (Ranucci & Souder, 2015; Miśkiewicz, 2017). This holds true, specifically so in the case of technological acquisitions, which may serve as an important strategic tool for open innovation and the enhancement of the innovative capacity between the acquiring company and the acquired company. Furthermore, the ability of an acquiring company to embrace and transfer knowledge from the target company significantly affects its ability to develop sustainable competitive advantage (Savovic, Zlatanovic & Nikolic, 2021). Harnessing the linkages between M&As and knowledge management is likely to support the creation of competitive advantages for a combined entity (Kongpichayanond, 2009). The evidence of the M&A activity in the banking sector shows that the structural integration of human resource management practices between the target and the acquirer represents an opportunity for an effective knowledge transfer to occur - although this integration would go through a conflictual phase in the beginning (Gomes, Angwin, Peter & Mellahi, 2012). In this sense, this conceptual research study is aimed at arguing for the potential effects of cross-border M&As on managerial tacit knowledge transfer across acquiring and acquired firms. More specifically, this conceptual manuscript argues for M&As as a potential channel of tacit knowledge gains for the managers involved in the negotiation and completion of those transactions.

Although a large part of cross-border acquisitions still flows from developed countries (Herger & McCorriston, 2016), there is a surge in the number of the cross-border M&As originating from emerging economies (Khan, Rao-Nicholson, Akhtar & He, 2021). For instance, banks from Nigeria, Pakistan and Saudi Arabia have been quite active in doing M&As (Gomes *et al*, 2012; Al-Qudaiby & Khan, 2013; Ansari *et al*, 2021). Companies from emerging economies have actively been involved in cross-border M&As during the last few decades (Ma, Zhu & Cai, 2016). Asset-seeking acquisitions have become predominant among the companies coming from emerging economies investing in more developed countries, particularly so for the reason of the two motives - (a) gaining more capabilities that will strengthen the existing product portfolio (resource deepening) and/or (b) extending to the new business areas that may be distant from the current knowledge base (the resource extension) (Gubbi & Elango, 2016). B. Al-Qudaiby and M. R. Khan (2013), analyzed different cross-border mergers done by Saudi banks and their results indicated that those transactions had partly been aimed at acquiring specialist knowledge and the target bank's knowledge of the market.

In this regard, this paper particularly focuses on exploring the relationship between cross-border M&As and managerial tacit knowledge transfer in the

Gulf Cooperation Council (GCC) banks. Companies from emerging economies have increased their international expansion through acquisitions abroad as this international market entry mode enables them to overcome the impediments implied by the home-country institutional image. Those M&As are facilitated by the cumulation of inward international experience through cooperation with foreign firms and the selection of target markets with similar institutional environments (He and Zhang, 2018). The substantive reforms of financial liberalization and deregulation took place in the GCC countries in pursuit of a decreased dependence on oil and gas reserves (Elfeituri and Vergos, 2019). Multiple consolidation activities were completed in the GCC banking sector, particularly through cross-border M&As, those deals having been encouraged by the public authorities in response to the mounting fears of the incapacity of the financial institutions to meet the growing challenges caused by financial liberalization. As a matter of fact, the banking sector in the GCC region was characterized by the small size of its tenants. As a result, several GCC commercial banks opted for cross-border activities outside the GCC region (Gattoufi, Al-Muharrami & Shamas, 2014). The largest number of the M&As undertaken by the GCC banks were horizontal mergers and acquisitions (Gattoufi *et al*, 2014). That being said, the M&As done by the GCC banks deserve to be investigated with respect to their potential to enhance the acquisition of tacit knowledge by the managers in charge of the negotiation, conclusion and integration of those transactions. In the previous studies, the role of tacit knowledge in M&As were discussed from different perspectives. For example, R. A. Ranucci and D. Souder (2015) explored how tacit knowledge affected M&A implementation effectiveness.

The present manuscript is a conceptual paper aiming to provide a theoretical model underpinned by the research propositions derived from the contemporary relevant literature. The current paper utilizes the common types of research design in conceptual articles. The first type is theory synthesis, which intends to attain conceptual integration between theories. Then, theory adaptation is used in order to revise the current body of the literature and apply those to the M&A field. Finally, the model type of research design that strives for building a conceptual framework which will be able to foresee the nature of the relationships between different concepts is also applied herein (Jaakkola, 2020). The paper is organized as follows: a literature review on cross-border M&As is provided in the next section; the third section draws the conceptual model and details the underlying research propositions; ultimately, the conclusion highlights the main theoretical contributions made by the manuscript and outlines the future steps planned in the empirical phase of the present study.

LITERATURE REVIEW: THE OUTCOMES OF CROSS-BORDER M&AS

Cross-border M&As are defined as "those involving an acquirer firm and a target firm whose headquarters are located in different home countries" (Shimizu *et al*, 2004, 309). Several factors contributed to the growth of cross-border mergers and acquisitions, such as technological developments, globalization, the consolidation of industries, and privatization (Shimizu *et al*, 2004). Most cross-border acquisitions are achieved within the related sectors, whether through horizontal or vertical integration (Datta & Puia, 1995). The horizontal cross-border acquisitions achieved within an identical industry with no supply-chain bonds increase with the market size of both acquiring and target firms of the home country. The labor cost advantages, however, seem to encourage vertical acquisitions, wherein the acquirer and the target are related through the supply chain. The conglomerate acquisitions that do not involve either horizontal or vertical forms of acquisition are driven by the financial motives that revolve around purchasing undervalued companies (Herger & McCorriston, 2016).

The literature shows inconsistent results regarding post-acquisition effects (Savović, 2016). Some research studies focused on human aspects, such as human resource planning, training, and downsizing, in a fashion similar to that of K. Shimizu *et al* (2004). Other studies measured shareholders' wealth effects in order to assess the performance outcomes of cross-border M&As (Datta & Puia, 1995; Eun, Kolodny & Scheraga, 1996; Gubbi & Elango, 2016; Ma *et al*, 2016; Wu, Yang, Yang & Lei, 2016). This method is referred to as the *event study* methodology. It assesses excess returns to shareholders around the day the acquisition is publicly announced. In this sense, excess returns are the difference between the realized return and the expected return, which in turn portrays the investors' evaluation of the impact of the cross-border acquisition on the acquiring firm. However, it was argued that the investors' evaluation of acquisition returns was not necessarily accurate, since managers might have different views of the long-term outcomes expected from the target's complementary assets (Datta & Puia, 1995).

S. Gattoufi *et al* (2014) used the operating performance approach, which consists of comparing performance ratios before and after an M&A transaction using accounting data. Their study also included the financial ratios related to cost reduction and a profit increase. The other approaches were also applied in measuring the impact of M&As. P. Morosini, S. Shane and H. Singh (1998) chose a two-year time span to assess the outcomes of cross-border acquisitions. They claim that the overall performance of M&As, as well as the results of the integration processes, crystallize after two years.

Consistent with internalization theory, cross-border M&As create value through the synergistic utilization of the target firm's intangible assets (Eun *et al*, 1996). Nonetheless, the performance outcomes of an M&A differ according to the motive pursued: deepening[1] or extending[2] resources. While resource-deepening yields positive effects on shareholder value, the performance outcomes of the resource-extension acquisitions made by the Indian firms in highly industrialized countries are marginal. The two conditions that positively moderate the results of this form of acquisition are the possession of the assimilative capacity (associated with higher research and development investment and export intensity) and the parent company's significant experience in doing M&As (Gubbi & Elango, 2016). Another study identified several factors affecting M&A results for acquirers, namely prior experience in using this entry mode, the percentage of the state ownership, and the size of the acquiring firm (Ma *et al*, 2016). In terms of the state ownership, another research study (Abidi, Antoun, Habibniya & Dzenopoljac, 2018) pointed to an interesting conclusion that relates to decisions on implementing cross-border acquisitions in the region of the Middle East and Northern Africa (MENA). The authors found that the firm size and its performance had a positive effect on the decision to expand within the MENA region, whereas the state ownership had an overall negative influence on this decision, meaning that the companies with a higher percentage of the state ownership were more reluctant to undertake a cross-border M&A in the first place.

P. Morosini *et al* (1998) demonstrated the fact that the national culture distance had a positive effect on the cross-border acquisition performance of the consolidated firm in terms of sales growth. The authors explained that effect by the fact that cross-border acquisitions allowed companies to tap into the organizational routines and practices which were bound to specific national cultures. Asset-seeking acquisitions exert a positive effect on the performance of Chinese firms. Cross-border M&As generate positive abnormal shareholder returns for Chinese acquirers. Because of their incapacity to enhance capability-building in China, assets-seeking M&As particularly in the West allow Chinese firms to gain complementary competencies. Those firms are not in pursuit of operational synergies or cost-reduction objectives. They seek the development of promising business endeavors and the acquisition of innovation capabilities to position themselves as prominent actors within their respective sectors. Wealth effects are positively influenced by research and development intensity and the acquirer's experience in doing outbound M&As. Also, a positive wealth effect is greater in the host countries recognized as more innovative and more developed business environments - R&D investment, intellectual property protection and product complexity (Wu *et al*, 2016).

Another stream of studies shows that cross-border M&As may yield adverse effects on the acquirer performance. Cross-border M&As have a negative effect on value creation for acquiring firms' shareholders in the short run (Ma *et al*, 2016). US cross-border acquisitions did not create a positive wealth effect for shareholders. On the contrary, the cumulative excess returns that represented the deviation between realized and expected returns were negative. However, the shareholder wealth of the US acquiring firms tends to increase when the cultural distance with the target firm's country was shorter (Datta & Puia, 1995). Furthermore, the acquirer growth rate, the asset size and the ownership concentration exert a negative effect on shareholder returns, which is indicative of the fact that investors hold negative perceptions of the M&As done by growing companies in addition to those that are excessively large or concentrated in the hands of only few shareholders (Wu *et al*, 2016).

S. Gattoufi *et al* (2014) included seven ratios in order to analyze cross-border M&A effects, those ratios including a bank's profitability, solvency, efficiency, lending intensity and risk profile. On the one hand, the biggest number of the acquiring firms registered a lower-risk profile after the merger and lesser efficiency. The capitalization ratio decreased for all the acquiring banks. On the other hand, all the acquiring banks improved their loan loss provisions and lending capacity ratios. The return-on-equity ratio that measured M&A profitability improved for two out of three acquiring banks (Gattoufi *et al*, 2014). In their qualitative study built upon the analysis of the cross-border M&A done by the three large Brazilian firms, G. Mazon, F. Moreira-da-Silva, M. P. Ferreira and F. R. Serra (2017) concluded that the main motive observed was more related to the exploitation of the home-country-based capabilities into new foreign markets. Those companies were presumably less concerned about the exploration of new resources and capabilities from the M&A host countries.

RESEARCH MODEL AND PROPOSITIONS

In today's highly competitive business environment, M&As are increasingly being driven by strategic, rather than financial growth motives. Since knowledge is depicted as the most valuable strategic resource for contemporary organizations, knowledge management has become a central matter in M&As (Viskari, 2020). Although the knowledge transfer issue is extensively discussed in the literature (Ranft, 2006; Viskari, 2020; Xi, Wang & Zhu, 2020; Zhou, Fey & Yildiz, 2020), previous studies explored this topic from the point of view of the organizations involved. Therefore, less is said about M&A payoffs at the managerial level in terms of tacit knowledge gains. As a matter of fact, internal individual processes, such as intuition, personal skills, and abilities embody an individual's tacit knowledge. The latter is difficult to encode and transfer as explicit knowledge (Haldin-Herrgard, 2000). The main assumption of this manuscript is that cross-border M&As imply a significant amount of personal interaction between managers in acquiring firms and those in target/acquired firms. Hence it is likely that tacit knowledge sharing will be reinforced.

"Knowledge transfer and sharing in general is concerned with the effectiveness of knowledge management, which aims at organizing the generation of new knowledge and the transfer of the existing knowledge in a company. The goal of knowledge transfer is bringing together intellectual resources and making them available across the organization" (Dženopoljac, Alasadi, Zaim & Bontis, 2018, 3). Knowledge transfer is a decisive determinant of post-acquisition successful integration (Zhou *et al*, 2020). The evidence collected among a total of 51 American and Canadian banks shows that post-acquisition integration processes are conducive to the accumulation of tacit knowledge (Zollo, 1998). The research study shows that transferring managerial knowledge is challenging, especially so when this is the tacit knowledge bound to a specific cultural context (Park, 2010; Zhou & Huang, 2014). While managerial knowledge represents the routines and know-how necessary for smooth operation and the achievement of tasks (Park, 2010), tacit knowledge refers to the unarticulated and nonverbalized knowledge that stems from one's intuition (Polanyi, 1967). In more simple words, M. Polanyi (1967) portrays this construct as "we know more than we can tell." Tacit knowledge is the type of unwritten and noncodified knowledge learnt through personal observation, experience, and collaborative work (Nonaka & Takeuchi, 1995; Nonaka, Toyama & Nagata, 2000).

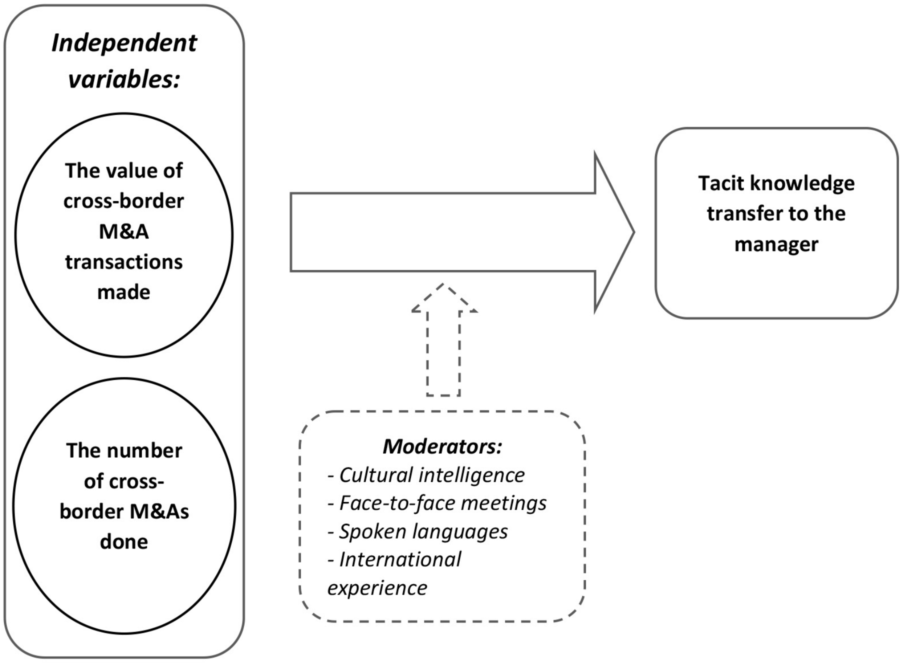

Figure 1 The research model

Source: Authors

According to Y. Zhou *et al* (2020), knowledge transfer depends on the recipient's absorptive capacity, which calls for the adoption of specific HRM practices. T. S. Cavusgil, R. J. Calantone and Y. Zhao (2003) demonstrated the fact that tacit knowledge transfer between managers and between technicians working for collaborating firms had a positive influence on a firm's innovation performance. They explained their results by the difficulty of transferring and deploying tacit knowledge beyond organizational boundaries. Therefore, the authors assumed that type of knowledge to be rare and inimitable by competitors. Indeed, I. Nonaka (1994) claims that tacit knowledge is context-bound. With regard to M&As in the banking sector, tacit knowledge transfer depends on the homogeneity of the past experiences of both entities (Zollo, 1998).

As illustrated above, previous studies largely discussed the knowledge-related issue in cross-border M&As from the point of view of knowledge integration/transfer between the acquiring firm and the acquired firm (Ranft, 2006; Viskari, 2020; Xi *et al*, 2020; Zhou *et al*, 2020). The knowledge integration capability mediates the influence of organizational unlearning on knowledge transfer in cross-border M&As (Xi *et al*, 2020). Also, effective knowledge transfer builds upon the existence of the social integration dynamics underpinned by the employees voluntarily striving to "accept, locate and apply" knowledge from the newly acquired entity (Viskari, 2020).

Hence, our first and central research proposition will focus on exploring the extent to which cross-border M&As help managers derive significant gains in terms of tacit knowledge. The idea here pertains to studying the effects of M&As in terms of the lifetime quantity of deals and the overall achieved deal value.

Research proposition 1: The number and value of cross-border M&A transactions made increase managerial tacit knowledge transfer.

In accordance with L. A. Joia and B. Lemos (2010) finding related to the determinant role of the employee's idiosyncratic characteristics on tacit knowledge transfer with their peers, the model presented in this paper (Figure 1) argues for the four moderating variables into the core relationship between the number/value of M&As accomplished by a manager and the scope of the tacit knowledge they have gained. Those moderating variables comprise the cultural distance between the manager's national affiliation and the target's home country, face-to-face meetings, the number of the languages spoken by the manager, and their international experience.

CULTURAL INTELLIGENCE

The proposed conceptual model assumes that organizational culture could determine the intensity of tacit knowledge transfer for managers in the context of cross-border M&As. Although some research studies mainly focused on the effect of organizational culture on the quality of tacit knowledge sharing (Suppiah & Singh Sandhu, 2011), there are some other studies which revealed that the role of national culture was also paramount. For instance, D. P. Ford and Y. E. Chan (2003) claimed that linguistic and cross-cultural differences determined the direction of knowledge flows. R. Borges, M. Bernardi and R. Petrin, (2019) demonstrated the existence of significant differences in tacit knowledge sharing habits between Brazilian and Indonesian information technology workers. P. López-Sáez, J. Cruz-González, J. E. Navas-López and M. d M. Perona-Alfageme (2021) found that informal organizational integration was arguably moderated by the cross-national distance in its economic and administrative aspects. However, cultural intelligence helps expatriate managers in their knowledge transfer efforts as it is leveraged in knowledge de-codification and codification (Vlajčić, Caputo, Marzi & Dabić, 2019a). This factor is significantly crucial for the banks' managers who are constantly expected to enrich their cultural competence, notably through informal contacts (Capriglione & Casalino, 2014). A study conducted among 530 bank managers in India revealed that their cultural intelligence had a significant positive effect on their knowledge sharing behavior (Jyoti & Kour, 2015). Thus, cultural intelligence could be added as a parallel dimension along with the perception of the cultural distance. The evidence shows that cultural intelligence has a determining impact in knowledge transfer effectiveness, despite the fact that the geographic distance moderates this relationship (Vlajčić, Marzi, Caputo & Dabic, 2019b).

Research proposition 2: The manager's cultural intelligence is likely to moderate the relationship between the number/volume of cross-border M&A transactions and managerial tacit knowledge transfer.

Face-to-Face Meetings

Although tacit knowledge transfer is "desirable and difficult" in M&As within the high-tech sectors, strong communication and the retention of value-adding staff supports knowledge transfer between the acquirer and the target (Ranft, 2006). In an interfirm partnership setting, tacit knowledge transfer requires "close and frequent interactions" (Cavusgil *et al*, 2003, 7). Tacit knowledge transfer depends on opting for rich communication channels, such as personal (face-to-face) interaction. Rich communication media allow the feedback exchange and the close observation of routines and behavioral aspects, the nonverbal language being included (Haldin-Herrgard, 2000). For instance, the evidence shows that tacit knowledge transfer took place when the South Korean shipbuilder Hyundai Heavy Industries "brought" by sending expatriates abroad and using foreign managers from Scott Lithgow shipyards in Scotland (Tenold, Kang, Kim & Murphy, 2021).

In M&As done among banks, the use of rich communication channels allows the exchange of valuable information and the achievement of synergies (Ranft & Lord, 2002). Rich communication is also helpful in mitigating the effects that cultural differences may have on knowledge transfer between the negotiating parties (Gomes *et al*, 2012).

Nonetheless, it is only the information and communication technology (ICT) tools that enable user dialogue that seem to be supportive of tacit knowledge transfer (Castaneda & Toulson, 2021). This idea is consistent with what I. Nonaka, P. Byosiere, C. C. Borucki and N. Konno (1994) refer to as the socialization process. It supposes that individuals harness tacit knowledge by observing and imitating others, especially when engaged in joint activities. Here, no language is necessarily used. Overall, it is postulated that transferring tacit knowledge to the managers involved in M&A processes is likely to be stimulated when interactions are more personal and (more) frequent. Direct observations and informal communication can accelerate the speed at which tacit knowledge will be shared between individuals.

Research proposition 3: The number of face-to-face meetings conducted in pre- and post-cross-border M&A transactions is likely to moderate the relationship between the number/volume of cross-border M&A transactions and managerial tacit knowledge transfer.

Spoken Languages

Speaking a common language or referring to similar business jargon used in the workplace supports tacit knowledge transfer between individuals (Joia & Lemos, 2010). Using a common language is important for tacit knowledge externalization. People will strive to find different means in order to communicate ambiguous notions by using a figurative meaning and symbols, in which sense the difficulty of transferring tacit knowledge through language is compounded when interlocutors do not have the same profession or background (Koskinen, Pihlanto & Vanharanta, 2003). Therefore, it is assumed in this paper that, when managers have sufficient mastery of different languages, they are likely to be enabled to understand different linguistic codes, although they may be dealing with representatives from different backgrounds. Senior managers in the GCC banking sectors are expected to be either bilingual (i.e. the expatriates who speak English in addition to their mother tongue, or the nationals who speak English in addition to Arabic), or multilingual (i.e. fluent in more than two languages). Few of them would be unilingual. Thus, the more languages a manager speaks fluently, the more they are expected to capture the tacit knowledge deeply rooted in their interlocuters' experiences. Mastering languages allows individuals to understand the highly personal conceptualizations of others which are usually difficult to communicate. In a recent study by D. I. Castaneda and P. Toulson (2021), the authors endorsed a language as the main tool for tacit knowledge exchange. They further emphasized the fact that organizations should invest in their employees' language skills in order to benefit, as a tacit knowledge exchange tool. E. Vaara, J. Tienari, R. Piekkari and R. Säntti (2005) examined the case of a cross-border merger between a Finnish bank and a Swedish bank, concluding that a manager's linguistic skills represented an empowering tool in their communication during a merger. They also argued for the existence of the relationship between those linguistic skills and the manager's professional competence that leads them to benefit from the social networks built throughout the merger.

Research proposition 4: The number of the languages spoken by the manager is likely to moderate the relationship between the number/volume of cross-border M&A transactions made and managerial tacit knowledge transfer to the manager.

International Experience

Senior managers' international experience is thought to be associated with more open-mindedness and a greater capacity to integrate insights from different cultures. Thus, senior managers' international experience is seen as a catalyst enabling multinational companies to successfully carry out their international expansion into new markets (Yi, Zhang, Zhan, Yan & Chen, 2021). Indeed, internationally experienced top executives may benefit from an expanded network of connections that enables them to capture a significant knowledge of overseas markets (Li, 2018). Therefore, it is expected that international experience will assist managers in effectively identifying and absorbing the most winning managerial practices when negotiating M&A deals. M. Rickley (2021) states that international experience is likely to ease knowledge sharing in multinational corporations, which enables employees to integrate a variety of perspectives. Bankers' cumulative experience in performing a variety of tasks leads to greater productivity in the long run (Staats & Gino, 2012). In this vein, internationally experienced senior bank managers would be expected to show greater effectiveness in unlearning any core assumption gained through home-country practices in business. Consequently, they may have a greater exposure to new tacit knowledge sources when completing cross-border M&As:

Research proposition 5: A manager's international experience is likely to moderate the relationship between the number/volume of cross-border M&A transactions made and managerial tacit knowledge transfer.

Table 1 outlines all the moderating variables included in the model, with a brief discussion of their expected effect on M&As as a tacit knowledge channel for bank managers:

CONCLUSION

A research model is discussed in this research study, which will prelude future studies. The main assumption rests upon the capacity of cross-border M&As in the banking sector in the GCC to represent an opportunity for managers to achieve effective tacit knowledge transfer, which would be conditioned by several moderating factors reviewed in the foregoing research conceptualization and propositions. The present manuscript conveys theoretical contributions as the idea of managerial tacit knowledge transfer was not examined in the cross-border M&A literature. The literature review analysis of this phenomenon indicates the overriding concentration on the financial outcomes of M&As in the banking sector. Although the literature review given in this paper also reveals the presence of a significant number of the research studies that have examined the intangible outcomes of M&As, the individual managerial perspective was largely ignored. Another contribution pertains to the focus on the managerial perspective instead of solely the organizational gains broadly discussed in the relevant literature. In this regard, several individual dimensions are incorporated here, such as the cultural intelligence, interaction settings, multi-linguistic skills, and international experience.

More specifically, the conceptual model presented in this paper is an attempt to draw a preliminary overview of the important factors that could determine the extent of the tacit knowledge gained by the GCC bank managers in the context of cross-border M&As. The largest number of prior studies have predominately been focused on the interorganizational knowledge

Table 1 The model's moderating variables overview

Variable	Expected effect	Sources
Cultural intelligence	Bank managers endowed with strong cultural intelligence may be more eagerly active in deriving valuable insights from their interactions during M&A negotiations.	F. Capriglione and N. Casalino (2014) J. Jyoti and S. Kour (2015)
Face-to-face meetings	Close interactions may allow bank managers to observe and harness managerial skills in negotiations or in communication with their counterparts in M&A discussions.	A. L. Ranft and M. D. Lord (2002) E. Gomes et al, (2012)
Spoken languages	The mastery of foreign languages is likely to support bank managers' capacity to seize valuable tacit knowledge flows.	E. Vaara et al, (2005)
International experience	Cumulative experience in international settings can accelerate bank managers' capturing of tacit knowledge during cross-border M&As.	B. R. Staats and F. Gino (2012)

Source: Authors

transfer aspect with almost negligible attention paid to the individual implications for managers in terms of managerial know-how. The identification of the practical contributions of this conceptual model will depend on the results of an empirical field study upon which the research propositions will be tested/ validated. For example, if validated, the cultural and linguistic proximities between the acquiring entity and the acquired entity are likely to draw senior managers' attention to the importance of targeting specific individual traits when designating managers to lead the M&A negotiation process.

The next step will consist in developing an empirical research protocol to test the research propositions listed above. The GCC regional countries, more particularly the senior managers of the banking sector involved in the M&As performed over the last decade will be chosen as the main research area for greater data recency. Case studies are also planned in future research projects as they may allow the refinement of the aforementioned research model before conducting a larger-scale empirical study.

ENDNOTES

1 Resource Deepening Acquisitions: "Acquisitions with the goal of securing resources and capabilities that fill critical gaps in existing resource portfolios and catching up with the competition". (Gubbi & Elango, 2016, 358)

2 Resource Deepening Acquisitions: "Acquisitions with the goal of securing resources and capabilities that fill critical gaps in existing resource portfolios and catching up with the competition". (Gubbi & Elango, 2016, 358)

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Received on 5th February 2022,
after revision,
accepted for publication on 14th July 2022
Published online on 26th July 2022.

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