

# THE IMPACT OF CEO AND DEAL CHARACTERISTICS ON M&A DURATION: A QUANTILE REGRESSION EVIDENCE FROM AN EMERGING MARKET

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## ABSTRACT

*This paper examines the impact of chief executive officer (CEO) and deal characteristics on mergers and acquisitions (M&A) duration in Malaysia. Univariate analysis and quantile regression (QR) are performed on 556 completed M&As transactions undertaken by Malaysian public firms from 2001 to 2019. In line with the upper echelons theory, which states that organizational outcomes can be predicted by looking at the characteristics of top-level executives, the findings from QR show that CEO characteristics significantly affect acquisition duration. This effect is conditional on the duration quantiles for CEO tenure and CEO duality but non-conditional for foreign CEO. Specifically, the findings reveal that the degree of influence by CEO characteristics gets stronger when the transactions are longer and complicated. CEO tenure can decrease M&A duration when a transaction falls in longer duration quantile. M&A transactions tend to take a longer duration when there is CEO duality. Foreign CEOs show more ability to execute transactions in a short duration compared to local CEOs. Deal characteristics such as deal size, merger transaction, hiring a financial advisor and conducting multiple acquisitions are main factors that prolong duration. The findings of this study may benefit policymakers, managers, and investors who involve directly and indirectly in an M&A process.*

**Keywords:** CEO characteristics, deal characteristics, M&As duration, Malaysia, quantile regression