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INSTITUTIONAL APPROACH TO ASSESMENT OF M&A EFFECTIVENESS

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Summary. The article contains the systematization of approaches to the effectiveness of mergers and acquisitions evaluation and summarizes performance score for each of the approaches.

Institutional approach to performance evaluation is developed, which is based on the assessment of the interests of all stakeholders during corporate mergers and acquisitions.

Key words: *mergers, acquisitions, institutional approach, efficiency, evaluation.*

Today M&A activity is accompanied by ambiguous consequences of their impact on the development of most of its members and shareholders.

There are still few studies assessing the impact of the issue of mergers and acquisitions on all shareholders.

The purpose of the article is the systematization of existing scientific approaches to the assessment of mergers and acquisitions, comparative analysis, identification of evaluation indicators for each of the presented approaches, development of hierarchy of institutional efficiencies of mergers and acquisitions and the development of the institutional approach to the assessment of mergers and acquisitions.

To evaluate the efficiency in economic science multiple scientific approaches are used: resource approach, cost-efficiency, goal-oriented, institutional approach.

According to institutional approach mergers and acquisitions are considered to be effective in case they provide efficiency to each of stakeholders. The main stakeholders in the implementation process of mergers and acquisitions are its members, shareholders, the government, local authorities, contractors (suppliers, customers), banks and other institutions.

The identification of the interests of all stakeholders in mergers and acquisitions allows people to build a hierarchical pyramid of their effectiveness and adequate system of indicators for its evaluation.

The idea of building the hierarchical pyramid of efficiency is represented by logical subordination of

effectiveness of all stakeholders. In the basis of the pyramid lays assurance of the effectiveness of the consumer, taking into account that any M&A effectiveness is based on meeting effective industrial and consumer demand. This explains M&A activity in the areas with strong demand.

Effectiveness of common activity as a result of mergers and acquisitions of corporations provides efficiency of such institutions as shareholders, banks, suppliers.

For the construction of methods of evaluation of the effectiveness of mergers and acquisitions, indicators of the evaluation of interest of the person in adequate statistics of the united corporation that reflect the interests of stakeholders is systematized.

Based on efficiency pyramid and decomposition method primary indicators are defined, which change systematically reflects the interests of all stakeholders.

According to decomposition data, indicators that reflect the economic interests of all stakeholders are: assets, equity, liabilities, costs, production volume, number of employees, wages of employees.

Proposed institutional approach to the assessment of mergers and acquisitions is based on determining the effectiveness of such agreements not only for its members but for all stakeholders. Implementation of the proposed approach allows to assess the impact of mergers and acquisitions on the country's economy and could be the basis for state control over the process of their occurrence.

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