A research study investigating the effects of Merger and Acquisition on the wealth of Shareholders: Case of Heinz-Kraft Merger

Name & Affiliation

Submitted by:

[Name]

[MBA/BA, Year of Batch]

[Banner ID]

Abstract

The current study was carried out to determine the growth of the mergers and acquisitions and what is the motive behind the mergers and acquisition strategy. The major emphasis was on the impact of the mergers on the shareholder's wealth, and for that purpose, the case study of the Heinz-Kraft merger was selected. Heinz-Kraft merger is one of the biggest mergers in history, and it had made Heinz-Kraft the fifth larger food chain organization. However, the study has identified that the merger did not bring desired results. In fact, it affected the revenues to a significant extent, and the shareholder's equity declined instead of going up. The current study identified that the major reason why the organization failed is that it failed to build financial, operational, and market synergy, which led the organization towards failure.

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1. Chapter 1 Introduction to the Study

The current section provides a clear introduction about the merger and acquisitions in the contemporary world. The section aims to focus on the global, national, local factors with the emphasis on the merger and acquisition of Heinz and Kraft. The study also aims to analyze the contemporary issues related to the merger and acquisition in order to determine the challenges that are highly likely to be faced by Heinz and Kraft.

1.1 Background of the Study

Businesses in the contemporary world are growing at a significant pace. The conviction of the industry dominators to acquire the small or big competitive organizations is by far the best strategy that enables an organization to reduce the market competition by acquiring competing entities (Greve and Man Zhang, 2017). Moreover, the merger and acquisition strategic orientation also facilitate the organizations to increase the profit margin so that it could sustain for the long run in the market. Despite its generative nature and different collateral benefits, there are different issues that must be taken into considerations as the cumbersome nature of the issues is highly likely to determine the success or failure of the merger. One of the biggest tenors for the organizations in the debate of mergers and acquisitions is how it facilitates the growth of the organization in the minimum resource consumption and how the stakeholder's equity could be increased (Hitt et al., 2012). In the contemporary world where the economies of scale are the gateway and the unique selling point of the organizations to attract a wider customer base, the investment of heavy resources is by far the biggest challenge which could lead toward acrimonious results if not dealt with due attention and ultimately put stakeholder's equity at stake. Heretofore the globalization and increased hassle to obtain the maximum market share, the context of merger and acquisitions was domestic. But the unstoppable growth of globalization has conditioned leapfrogging business sectors and has enabled in them a sense of growth orientation which is highly likely to evolute further in the future. In the contemporary world, big global giants have made an entrance into the scene of mergers and acquisitions where the acquisition of AT&T and Discovery, Nestle and The Bountiful Company, AstraZeneca and Alexion Pharmaceuticals, and Amazon and MGM serve as the prime example that the radical shift in businesses development strategies is undoubtedly evolving and the global organizations are becoming more inclined towards the mergers and acquisitions (Intellizence, 2021). So, it can be stated that the process of merger and acquisition is not perfunctory; therefore, the organizations must focus on preemptive measures to cater to certain and uncertain challenges and ultimately increase the shareholder's wealth.

Another prominent issue that organizations face is compliance with the local arrays of do's and do not's, which holds a significant impression and highly influences the profitability of the acquiring organization. The concept of local norms in the business concept is of utmost importance, and it is pivotal for the organization to carry out quibbling measures before carrying out the systematic process of acquisition and merger (Thomas, 2010). Before understanding the contemporary problem of varying consumer interests, it is important to hold a vital understanding of how business activities are carried out in a global environment. Despite the unstoppable growth of globalization and the world facing normative transitions, the local cultures are not fully globalized, and the locals of the country still hold their cultural orientation as an important factor. Thereby, operating in a global country and not sacrificing the host country's norms could be the biggest factor that might lead the organization towards failure. So, in light of the information above, it can be interpreted that catering up to mergers and acquisitions in the global problem in the contemporary business world, which is why meeting the local code of life is also important. Over the last decade, many studies have been done to mitigate the modern challenges and to increase profitability (Gold et al., 2018). However, the everblooming business sectors and substantial growth of mergers and acquisitions demand updated insights into the problem at hand. Therefore, in the current study, the case of Heinz and Kraft will be used as a case study to critically analyze the problems associated with mergers and acquisitions in the contemporary business world.

Heinz is an American organization that operates specifically in the food processing sector. The organization tends to have a variety of products, including ketchup, mustard, BBQ sauce, vinegar, and mayonnaise (Heinz, 2021). The organization was founded by Henry J Heinz in around 1970, and since then, the organization is producing high-quality processed food products to meet the needs of customers. On the other hand, Kraft Food is also an American-based organization with headquarters in Chicago. Kraft Food contains baking products, beverages, creams, ketchup, salads, and desserts. Kraft food was acquired by Heinz under the Heinz-Kraft merger in 2015, which is the area to be analyzed in the current study (Lucas, 2019). Mergers and acquisitions in the contemporary world are one of the most important factors that affect the shareholder's wealth explicitly. Therefore, having a diversified strategy at the arsenal to increase the shareholder's equity is by far the biggest challenge. The current study uses the Heinz-Kraft merger as the case study, and the area to be analyzed here will be the impact of the merger on shareholder's wealth generation. The study aims to analyze the motive behind the acquisition, the idea acceptance by the shareholders, market capitalization, and the impact of this planning on the shareholder's wealth.

1.2 Statement of the Problem

The world is changing at a significant pace, and the business world across the globe is leapfrogging. As highlighted in the section above that big organization such as AT&T and Amazon have made an appearance in the global mergers and acquisitions scenes, which depicts the importance of how mergers and acquisitions have become important in the contemporary business world (Feslioglou, 2019). Moreover, figure 1 below put under the spotlight a symbolic inclination towards mergers and acquisitions, and it highlights that the mergers and contributions in the contemporary business world account for approximately $5000 billion (Clapp, 2017). In light of the growing statistics, the increase in shareholders' wealth can be gauged, and it can be stated that the importance of mergers and acquisitions in the modern world is pivotal. In 2015, the Heinz-Kraft merger took place, where Heinz acquired 51% of the share and acquired a dominating organization (Clapp, 2017). The merger between the two countries had made Heinz-Kraft the fifth-biggest food chain in the country, which attracted the management of both countries, and the decision of inking the agreement took place. Both of the organizations focused on making as rational decisions as possible. However, the organizations were unaware of the professional hazards that the merger might contain, and the organizations ended up falling apart. The question in that regard is what we can learn from the failures? And how can the organizations improve in the future? To do so, it is of utmost importance to analyze the issue from a diversified perspective so that the agreements between the two organizations could ashur in high profitability. And the current study aims to analyze its strategic impact on Heinz, answering specific questions about how the strategic orientation of the organization has facilitated the stakeholders in both the long and short run. The study will be of significant value for the shareholders, management, investors, and industrialists because the study contains information about the key issues that could take place in the process of mergers and acquisitions. By taking into consideration the issues, calculated and rational decisions could be made, and any ambiguities could be avoided.

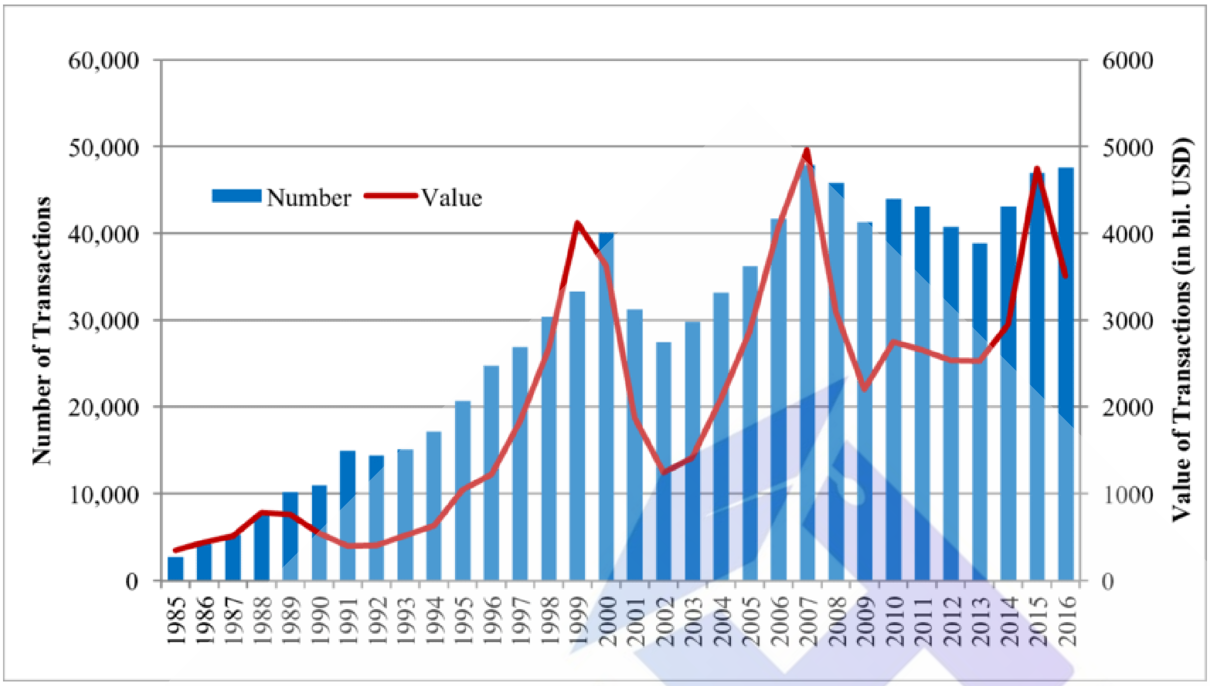

Figure 1Growth in Number of Mergers and Acquisitions till 2016

Source: (Clapp, 2017)

1.3 Purpose of the Study

The objectives of the current study are to determine the impact of Heinz-Kraft mergers on the stakeholder's wealth, analysis of the strategic outcomes of the acquisition, depicting the organization's revenue stats after the acquisition, and understanding the key lessons learned by this acquisition. The reason behind studying these objectives is to understand how the merger and acquisition strategies are played out in the broad spectrum and how it holds a significant impact on organization's profitability. By studying these factors, the reader will be able to determine the key concept of mergers and acquisitions and how it props up the stakeholder's equity. The explicit focus on stakeholder's decision-making process also uncovers the key perspectives of stakeholders to apace the organic growth of their equity.

1.4 Nature of the Study

The nature of the study is exploratory where the case study method of Heinz-Kraft merger has been utilised. Following questions have been focused.

- What are the motives behind the M&A event and the rationale why they went into such corporate activity?
- What is the existence of the abnormality of the price and share as the announcement of the M&A event? How do the investors accept the idea of merger and acquisition?

- Analysis of abnormality on the market capitalization and volumes traded on the stock market a month before and a month after the M&A and how to look into the results of the
- companies' actions on the stock market?
- What is the impact of these takeovers on shareholders' wealth? And how does this affect the shareholders' wealth?
- What are the lessons learned by the company as a result of the merger and acquisition?

1.5 Definitions

Mergers: A systematic process carried out by organisations that includes operations and financial synchronization where both organizations are accountable for sharing profit and loss and fulfill the duties according to the merger deed.

Acquisition: A process when one organisation totally obtains another organization for the purpose of carrying out the business.

1.6 Assumptions

The impact of mergers and acquisition on the shareholder's wealth is high. It can lead the investment to an upper level and also decrease it with the same potential. Therefore, organizations must carry out strategies effectively to cater to the issues.

1.7 Scope and Delimitation

In the current study, the merger of Heinz-Kraft has been explicitly focused and the shareholder's wealth has been given utmost importance. The current study was carried out to analyse the impact of the mergers on the organisation's profitability, and the current study focuses on different dimensions including financial stability, synergy, operations, employees, investment and investors.

1.8 Scope of the Research

In the current study, the acquisition between the Heinz-Kraft is the independent factor, and the impact on stakeholder's wealth and organizational growth is the dependent factor. The current study aims to analyze how the merger and acquisition have affected the stakeholder's equity and whether the impact on the equity has been positive or negative. The main respondents in the current study are the management of the organization and stakeholders involved in the process. The above section briefly sheds light on how important it has become to cater to the growing problems in the contemporary business world. Organizations around the world are using diversified strategies to grow and to take over the market. As a result, a substantial hegemony has taken place within the business world, and every organization is striving to gain the maximum market share by beating the competitors.

In doing so, the organizations tend to face a lot of loggerheads that affect the profitability of the organizations, and instead of going forward, the organizations end up getting backward. The merger of Heinz and Kraft serves as the prime example that shows how the calculated strategies could potentially lead the organization towards failure. Therefore, it is evident to analyze the area and the diversified impact it holds on different stakeholders. So, the current study aims to analyze the problem from a diversified perspective.

1.9 Limitations of the Study

Especially in the age of technological advancement where the world is adapting very swiftly, the ease of carrying out the research has facilitated the researchers across the globe to carry out the research at a broad as well as small scale. Researchers across the world prioritize critical and large-scale research to get exclusive insights on the key issues, background, solutions, and way forward. However, small-scale researches also provide key insights about the issues, and it also provides the key gateway that could be used to cater to the problem. There are several limitations of the study that must be highlighted in order to pave the way for future developments in the current area of study. The scale of the current study is small, which means the organization's profitability and the increase in shareholder's wealth cannot be rationalized effectively and efficiently in the current study. Moreover, the accurate and exact information with reference to the wealth of shareholders propping up is also a limiting factor, as the information about this tends to be confidential, and it is not possible to get and add the information within the study.

1.10 Significance of the Study

The study will be of significant value for the shareholders, organization's management, entrepreneurs, and investors. The study aims to put under the spotlight the ultimate impact of mergers and acquisitions. In doing so, different areas that are affected by mergers will be analyzed. The aforementioned stakeholder group will be benefited from the study as it will help rationalize the decision of mergers and acquisitions. The stakeholder group will possess a diversified understanding of the ways that a merger could increase or decrease the organization's profitability, long-term vs. short-term approach, and increase in dividends. In the contemporary business world, dramatic changes in the strategic orientation of businesses have been observed. The interests of the consumers are on the verge of constant evolution, and meeting the ever-changing consumer needs is the biggest challenge that could obstruct smooth revenue generation (Piližota, 2012). Ultimately, it tends to hold an impact on stakeholder's wealth, which could be the biggest loggerhead. Therefore, it is pivotal for the organizations to take into considerations diversified maneuvers to keep the stakeholder's wealth blooming.

1.11 Summary and Transition

However, the impact of these strategies, if not carried out effectively and efficiently, could be lethal, and it could affect the organization in both the long and the short run. The case study-based analysis on how mergers and acquisitions hold a diversified impact on the organization's profitability and shareholder's wealth lack researcher's attention even in the modern age. Therefore, the current study has taken a case study-based approach to cater to the problems. Based on the results of the current study, different aspects could be rationalized. This will help the decisions makers of the organization, stakeholders, and potential audience inclined towards the merger in a way that will help the audience understanding different points. Hence, increasing the rationality and the speculations on the basis of this information could become more validated and reliable than carrying out one's own analysis and making one's own decision on the basis of the analysis.

Chapter 2 Literature Review

The literature review is one of the most important parts of the studies as it sheds light on the existing research and uncovers the proximity of the already existing research. In this age of technological advancement, where technology has plunged grim changes in society, and people are becoming heavily inclined towards technology, research is one area that has been facilitated by technology (Burns, 2011). The secondary research has gotten very strong, striding its convenience and rationality. So, the purpose of this chapter is to analyze the already existing studies in order to 1) determine what findings are already available, 2) to get a hold of the areas to be analyzed in the current study. By focusing on the results obtained by the previous studies, the current study will be able to advance in nature and strive to ensure new results and findings that provide instructive guidelines on the factors that could decrease the factors affecting the profitability and set the profit margins apace.

The independent variable in the current study, as highlighted above, is the merger of Heinz-Kraft, and the stakeholder's wealth maximization is the dependent variable of the current study that holds a strong connection with the merger. The simplest definition of mergers and acquisitions was provided by Coyle (2000), wherein the book *Mergers and Acquisitions. Global Professional Publish*, the author, stated that merger and acquisition is simply the process of one organization taking over another organization. The definition by Coyle (2000) depicts that the sole purpose of mergers and acquisitions is to increase the profitability where one organization takes over another. Another definition of mergers and acquisitions was provided by the Corporate Finance Institute (n.d.), where the institute defined merger and acquisition as the corporate transaction where one organization purchases whole or a portion of another company's shares or assets. The definition provided by the Corporate Finance Institute (n.d.) put under the spotlights a different type of merger and acquisition. The definition highlights that it is not necessary for the organization to acquire another organization as a whole. Instead, a small or big portion of the organization can also be taken over by companies. There is a small difference between mergers and acquisitions, although it is categorized in one domain.

Table 1: Mergers and Acquisitions

Mergers	**Acquisitions**
Merging two organizations that become one	One organization acquiring another organization
A mutual decision between the owners/shareholders of two organizations	Acquisitions can be hostile in nature
Time and resource-consuming where the organization has to go through the legal structure	A rather easy strategy, although legal paperwork is still necessary
Mergers are diluted, and leaders have to share profit and loss	Acquisitions are not diluted, although there can be more than one owner

Table one above highlights major differences between the mergers and acquisitions, distinguish between how there is the key difference that leads toward a major change. Merging two organizations that become one is the core definition of mergers. On the contrary, acquisitions are not the merging of two organizations. Instead, it is a process where one organization acquires another organization taken full control over the operations, customers, and market. Secondly, the merger is the mutual decision of two parties where both agree to share the profit and loss at a certain percentage (Kayed, 2012). While on the other hand, acquisitions can be hostile in nature, which means it can be an unwanted scenario where the circumstances could force acquisitions, and it is not important for both parties to be happily agreed on it. One prime example of such circumstances could be the high ratio of debt. Thirdly, mergers are time-consuming, where both parties have to set certain percentages of profit, loss, and other investments. On the contrary, acquisitions are rather easy where one organization takes over the operations of another organization.

2.1 Theoretical Foundation

Mergers and acquisitions have gotten wide acceptance over the last decade, and there are many organizations that are making use of this strategy, as highlighted above. Similarly, the area has become a major focal point, and researchers across the globe have provided different theoretical explanations on how the organizations could make the perfect of using the strategies (Weber, 2012). Many theoretical approaches have been proposed that uncovers different points to be considered. The current section aims to cover the theoretical analysis provided by the authors to understand the concept of mergers and acquisitions critically and how it enables the stakeholder's wealth to increase. Following is the theoretical analysis on the independent variable, i.e., the merger of Heinz-Kraft:

2.1.1 Increased Synergy

The concept of synergy in the following debate focuses on the central idea of mergers and acquisitions, i.e., to increase profitability. The sole motive behind merging or acquiring an organization is to increase the profitability, market share and get a hold of the customer base that the organization has, as defined by Oduro and Agyei (2013). Central to the entire discipline of increasing shareholder's equity, the concept of mergers and acquisitions holds an essential position, and it directly props up or declines the shareholder's equity. Therefore, the philosophers have divided the concept of mergers and acquisitions into following goal-driven sub-activities that make it convenient for the organizations to determine the success or failure of the merger. The theoretical synergy approach could be utilized to measure the success or failure of the mergers and acquisitions conveniently (Fiorentino and Garzella, 2015). One drawback of this strategy is that it does not focus on the monetary gains-loss of the organization, but it focuses on a rather operations-driven approach. However, the reason behind incorporating this approach in the study is that the factors it focuses on are generative and are useful for organizations. So, the following is the analysis of the approach with reference to the Heinz-Kraft merger:

2.2.1.1 Operational Synergy (Economies of Scales):

When two organizations combine with one another, it forms a synergetic bond whose ultimate goal is to bring financial gains within the organization. According to the findings of Dutordoir et al. (2014), operations play an important role in increasing the success or failure factors of the organization. Even if the strategic planning of the organization is well-effective and growth-oriented – the failure of operations could lead the whole merger and acquisition process to a total failure. This is why it is of utmost importance to analyze the operations synergy to ensure a radical profitability surge. In the case of the Heinz-Kraft merger, the operations of both the companies merged, and the ultimate goal of the organization behind the acquisition were to acquire maximum profits (Creswell and Yaffe-Bellany. 2019). However, the organization was unable to achieve maximum profits and the lion's share of the market, which will be studied in the upcoming sections. The cost of operations grew to a significant extent, and the revenues of the organization declined. Economies of scale refer to the concept of providing maximum value to customers at a very economical price. This is achieved when the organization attains operations effectiveness. The additional costs from different activities, including operations, are reduced, and the resources that are saved are invested in increasing the value of the money. In the case of the Heinz-Kraft merger, the organization failed to attain operations synergy, which resulted in the failure of the merger (Yahoo Finance, 2021).

2.2.1.2 Financial Synergy

Financial dominance is one of the most important characteristics that enable an organization to dominate the market. Financial independence in the business world is achieved when the organization has an extensive market and the customers of the organization are loyal to the brand. From the side of management, the organization thrives on providing maximum value in a limited amount to retain the customers. However, the Heinz-Kraft merger failed to obtain the maximum market share and customer inclination (Engel, 2015). Yahoo Finance is one of the most authentic sources of financial information, and the organization put significant attention on analyzing the financial failure of the Heinz-Kraft merger. According to Yahoo Finance (2021), it is evident that the merger of the companies was a failure, as highlighted in figure 2. The picture below contains five years' stats after the merger, i.e., in 2015 where both countries inked the agreement (Yahoo Finance, 2021). The pursuit of both organizations to earn substantial revenues failed, and the agreement of merger between the two organizations fanned the flames of failure.

Figure 2 Financial Decline

Source: (Yahoo Finance, 2021)

Mergers and acquisitions are always considered a good activity in the business world, and there are very few researchers that criticize the fact that the organisaiton should opt for mergers and acquisition strategy. However, Rahman and Lambkin (2015) provided a rather distinctive perspective of the mergers and acquisition strategy. Rahman and Lambkin (2015) criticized the rationality of the approach, and in the study, the author explained that how mergers and acquisitions are value-destroying strategies that the organizations use. The author, by utilizing the free cash flow theory, explains that organizations have excessive cash with them (Al-Zararee and Al-Azzawi, 2014). In mergers and acquisitions, organizations tend to find the opportunity for heavy investment. The money is then invested with the sole purpose of increasing the financial wealth. The core idea of the criticism is that the organizations do not evaluate the true synergy in the operations, and without having ample knowledge of how things are going to be played out after the merger, the mergers cannot survive – and ultimately, it results in the failure. (Weston et al., 2010) The author in the study failed to build upon the idea of how the critique is rational as it also lacks empirical analysis. However, the critique synchronizes in the current debate, and the irrational knowledge and understanding of the operations after the merger could be the prime reason why the merger failed.

2.1.2 Efficiency Theory

Efficiency is also another theory that highlights the concept behind the merger and acquisition. According to the efficiency theory, the process of merger and acquisition takes place when an organization is unable to generate enough revenues and is running below the optimal level (Ravnscraft and Scherer, 2011). In that regard, the best-suited strategy for the organization could be to either acquire or merge with a dominating or a comparatively stable organisaiton to thrive in the market. When this happens, the market share of the organization is expected to bounce ahead because of the financial and operational synergy explained above. With respect to the efficiency theory, it can be interpreted that the coalition between the two organizations was not fruitful. A proper understanding of the efficiency theory also explains the merger and acquisition behavior of the organizations. According to the findings of Weston et al. (2004), different organizations tend to be possessed distinctive characteristics that include strengths and weaknesses. The goal of the merger and acquisition is that to engage in a systematic process of covering up the strength and weaknesses. When the strengths and weaknesses are covered effectively and efficiently, financial inflow is achieved as the operations of the organization enhance. On the contrary, the inefficient variant of the theory explains the failure from the side of management and information control. This perspective explains the irrational proximity to the process of merger and acquisition, which leads to failure (Kwoka and Pollitt, 2010). This tends to be the case in the underlying analysis of the Heinz-Kraft merger and its impact on shareholder's wealth. And it is evident that the management fails to effectively and efficiently analyze the strategic orientation, which resulted in the failure, and stakeholder's equity declined heavily.

2.1.3 Market Power Theory

It has been emphasized in the current study that the business world across the globe is becoming more diversified and cumbersome. According to Cooney (2010), the businesses are leapfrogging, and entrepreneurs see this as an opportunity to strengthen their foothold in the markets. Thereby, a huge inclination towards the merger and acquisitions have been observed. Before explaining the market power theory, it is pivotal to understand the motive behind the merger and acquisition and how it facilitates the organization.

2.2.3.1 The Short-Term View

The short term-view of mergers and acquisitions is bound to rationalize capital investment and capital gains. If an organization spends approximately $3 billion to take over an organization, then the capital gains in return should go beyond the investment. If not, then the investment of the organization is categorized as futile, and it is labeled as the failure of the merger and acquisition. However, Hankir et al. (2011) highlights that this approach forgoes the long-term perspective and relies solely on capital investment and the return on investment. The specific factors orientation is the major reason why this approach is fast becoming obsolete. But the short-term view of the problems is rather poignant and as it fails to measure the operational and financial curbs but puts significant emphasis on the short-term gains. So, in light of the short-term view, the Heinz-Kraft merger was a perfect failure.

2.2.3.2 The Long-Term Orientation

The long-term approach, on the other hand, is not revolting, and it rationalizes everything from a diversified perspective. It does not focus on the temporary gains and losses but strives to overhaul the sustainable return on investment. The long-term approach does not entirely overlook the imminence of the short-term gains and losses, but it rather considers these temporary gains and losses as a part of the ultimate return (Ashenfelter et al., 2014). It focuses on sustainability and to what extent the investment of the organization was effective and efficient. History has witnessed many mergers where one organization took over another organization, and it results in substantial monetary accomplishments. The acquisition of Opus Capital Market Consultants, which was a US-based mortgage domain organisaiton by Wipro, serves as a best-suited example. The acquisition took place back in 2015, and as Creswell and Yaffe-Bellany (2019) put under the spotlight that the acquisition was worth more than $74 million. However, the motive behind the acquisition was to gain from the constantly growing cash stockpiles. This merger increased the stakeholder's equity to a significant extent, where the author slightly disagrees with the organization's acquisition with the thought that the mergers and acquisitions are considered better for the capital allocation and not for the immediate buybacks.

So, this long and short-term orientation explains the motive behind the mergers and acquisitions, and it also explains the rationality of both these approaches in analyzing the capital gains. The analysis above highlights that strategic orientation towards the ultimate market power. The acquisition of Opus Capital Market Consultants serves as the prime example of how Wipro acquired the organization to achieve ultimate market sovereignty (Leepsa and Mishra, 2016). By understanding this concept, it can be interpreted that one of the prime goals of the merger and acquisition is to ensure the ultimate market capturing.

2.1.4 Theory of Bounded Rationality

The theory of bounded rationality plays an important role in explaining the behavior of decision-making. The reason for incorporating the theory of bounded rationality is to understand the management's decision-making and why the strategic orientation of the Heinz-Kraft merger failed to bring the desired results, and it resulted in the direct and a significant revenue decline. A stakeholder's wealth is termed to be one of the biggest factors that are considered by the organizations whilst making organization-related decisions (Spiegler, 2011). The reason for focusing on the stakeholder's interests (wealth maximization) is to keep a healthy inflow of investments. As stated by Gherghina et al. (2020), apart from the profit margins gained from the market, the investment in the organization also plays a noteworthy role in increasing the growth process. The investment is further used to increase the customer value, which ultimately has an impact on the stakeholder's wealth and profit margins of the organization. The theory of bounded rationality in this regard is put under the spotlights decision-making issues. According to the theory of bounded rationality Bendor (, 2010), in the process of decision making, managers/decision-makers tend to be bound with their limited knowledge. Although the decisions that are made by the managers are well-thought and informed, it can be defined as the managers/decision-makers make a decision within the limit of their abilities to perceive the information about all the alternatives. Therefore, limited knowledge drives the decision-making process within an organization. In the case of the Heinz-Kraft merger, the organization made an informed decision, and two industrial giants merged together to dominate the market. However, the results that were obtained with the merger were rather different than what was expected, and instead of setting the growth apace, the organization declined its profit margins. A Brazil-based renowned 3G organization, Capital, and Warren E Buffet sold its stakes in the organization worth more than 24 million (Lucas, 2019). The tech giant labels it as the biggest misstep as The New York Times adds that the acquisitions and mergers over the last decade by Heinz have been successful, and huge stockpiles of cash have been generated. The dominating growth and perfect mergers and acquisitions by the organisaiton was the major selling point that the organization sold to its investors and generated a significant amount of cash. However, the latest merger was a big failure which has put investors under cognitive dissonance, and investors are withdrawing their shares from the organization. Jim Peter, a former Kraft executive, puts it that the problem tends to be with Kraft's products (Creswell and Yaffe-Bellany, 2019). The executive believes that the product of Kraft does not have the same appeal as it used to back in the day. So, this could be one of the biggest reasons for the failure, which might have led the agreement between the two countries to the wrong path, and the results evidently explain that the merger was a total failure.

2.2 Literature Review

Agency theory in mergers and acquisitions sheds light on self-interests and wealth maximization. The theory was proposed in 1973 by Stephen Ross and Barry Mitnick, and the key concept of the theory is that the coalition between the two organizations must be in the interests of both parties (Corporate Financial Institute, n.d.). The agency theory labels one party as an agent and another as the principal. The theory further adds that the relationship between the two parties must be governed properly so that the daily transactions of the principal could be carried out without the actual conflict of interests. The theory emphasized that the concerns of agents (stakeholders) must be given significant attention when working collectively.

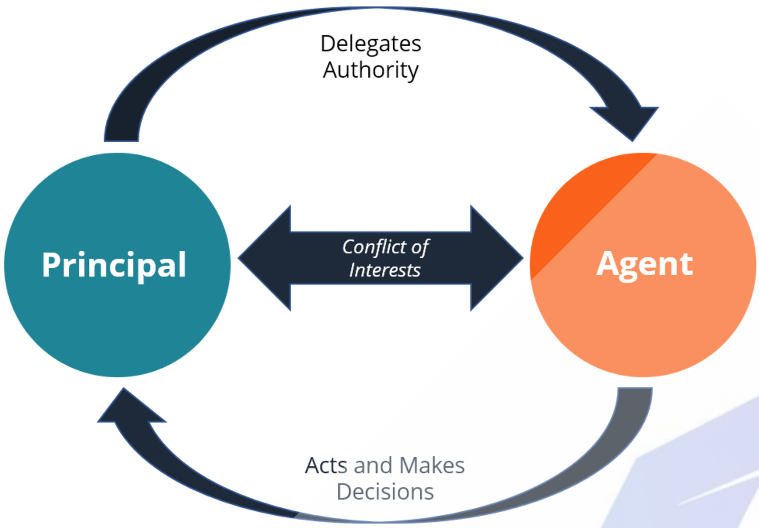

Figure 3 Agency Theory

(Corporate Financial Institute, n.d.)

The current section aims to critically analyze the theoretical underpinning to evaluate what went wrong and what are factors should have been considered by the organisaiton prior to inking the agreement of the Heinz-Kraft merger.

Table 1: Critical Analysis of Theoretical Underpinning Concerning Heinz-Kraft Merger

Theoretical Approaches	**Author**	**Area of Argument**	**Strategic Orientation of Heinz-Kraft Merger**	**Key Insights & Impact on Shareholder's Equity**
Increased Synergy	(Fiorentino and Garzella, 2015).	One of the biggest purposes behind acquiring or merging with an organization is to increase operations and financial synergy. When an organization successfully synergizes with another	In February, after the merger between the two organizations, Heinz-Kraft merger enlisted that the organisaiton has received a letter from the Security and Exchange Commissions concerning the	The synergy between the organization did not turn out well and affected the organisaiton to a significant extent. Warren Buffet's 3G trimmed the stakes by approximately more than 8%, bringing the ownership to

		organization, then the chances of heavy cash inflows grow heavily.	futile internal accounting control. As a result, the dividend took a major blow declined to more than 35%, approximately $15% billion.	almost 21%. This represents that the shareholder's equity took a major blow, and the synergy between the organizations was affected heavily.
Efficiency Theory	(Engel 2015).	Efficiency theory was added in the current study to understand the motive behind the mergers and acquisitions. The theory also explains the mindset whilst making the decisions. According to the theory of Efficiency in mergers and acquisitions, the decision takes place when the organization fails to generate ample revenues. So, either it acquires or gets acquired by	The orientation of both of the organizations was to increase the revenue margins. Engel (2015) added key insights into the merger. The Business Insider explains that the merger made Heinz-Kraft the fifth-biggest food chain in the country. The combined companies' sales at that time revolved close to $30 billion per annum. According to the official press release by the organization, each	The market value of Kraft foods after the merger grew by approximately 15%. The merger of two companies was effective to the best of the organization's knowledge (Engel, 2015). The companies after the merger were expected to have more than seven $1 billion brands and less than five brands between $500-1 million. According to the efficiency theory, the merger between the two companies was effective as it

		another organization.	shareholder of Kraft was expected to gain a dividend of approximately more than 16%. Moreover, 49% of the shares were also held by Kraft shareholders. As highlighted in figure 3 below, Kraft's market value after the merger grew by approximately more than 15%.	would have generated significant revenue. However, the results were rather different as significant revenue decline was faced.
Market Power Theory	(Ahern, 2012)	Market power theory explains the organization's long-term and short-term orientation. In the Heinz-Kraft merger context, the theory states that the revenues of the organization would have facilitated both the organization in the short and long run.	Kraft's dividends were expected to grow by more than 15%, while on the other hand, the sales of Heinz were also expected to grow radically. Heinz-Kraft became the fifth-biggest food brand but was unable to generate revenues (Creswell and Yaffe-Bellany, 2019).	At first, significant revenues were obtained by both of the organizations. But the gains were temporary, which did not sustain. After the short and kindled profit margins, the market took a symbolic hit. The profit margins declined and never arose at the same pace again.

Theory of Bounded Rationality	(Spiegler, 2010).	The theory of bounded rationality explains that managers make decisions within the limit of their ability to perceive information about all the alternatives.	Business Insiders (2015) and Yahoo Finance (2021) provided key insights into how the organization projected the revenues to grow drastically. However, the results that were achieved by the organization were different.	A substantial decline was faced by the merger.

Figure 4 Kraft Foods Growth Stats After Merger:

(Source: Yahoo Finance, 2015)

The stakeholder theory was proposed by Edward Freeman in 1984, where a diversified perspective was given to the organization management and ethics in business. The theory does not only focus on the shareholder's equity but states that the organization must be able to facilitate both its shareholders as well as the stakeholders (Cambridge, 2018); (Freeman et al., 1999). The merger and acquisitions mean to be facilitating every single party as that is the core purpose of the coalition. According to the theory, when the shareholder's wealth is maximized at the cost of high-value products for customers or raw material futility, the merger is bound to fail. Thereby, the collective value must be generated for all of the parties in order to ensure smooth growth.

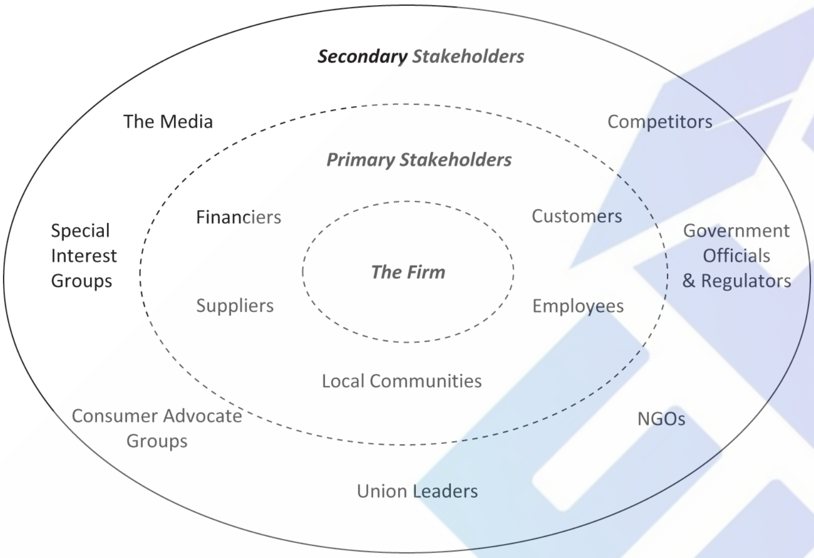

Figure 5 Stakeholder Theory

(Cambridge, 2018)

The stakeholder theory understood the contemporary issues in the late nineties and tried to address the impact of changing governance strategies on the employees. As highlighted by Gordon (2021), the theory still fits effectively and efficiently in contemporary business problems. The theory puts under the spotlight the concerns of the stakeholders. In the contemporary world, where the interests of organizations as well as customers are changing, the impact on the stakeholders' interests tends to be high. So, the theory highlights that the strategic orientation and rules and regulations crafted by the organization to mitigate contemporary problems must not put the stakeholder's interests at stake. Instead, significant attention must be given to the stagnant stakeholder's interests.

In 1995, authors realized that just like contemporary issues, the interests of stakeholders also vary. Thereby, Donaldson and Preston tried to categorize the interests of stakeholders in three different dimensions, i.e., normative, instrumental, and descriptive interests. The normative stakeholder's category represents that the stakeholders are the end means of financial freedom because stakeholders focus on intrinsic gains, and they do not merit the interests of other stakeholders (Donaldson and Preston, 1995). The descriptive model, on the other hand, states that the company holds different stakeholder groups within it, and therefore, a balanced and most suited stakeholders' management model is important for the organization to succeed. The instrumental approach serves as the gateway in the stakeholder theory by Donaldson and Preston. The category connects the stakeholder with sub-operations of the organization (Financing, Marketing, Strategic Building) and states that stakeholders' interests are important for the organization as it leads towards a positive bottom line.

The normative theory focuses on normative commitments and moral values. The sole emphasis of the theory tends to be on the stakeholder's interests and the high moral values. The theory states that the management of the organization must no violate any moral values to gain maximum revenues (Timmis, 2015). Apart from that, significant attention must be given to the stakeholder's interests. The theory also focuses on the ethics and shackles of the management of the organization to focus explicitly on the management ethos in the process of catering up to the stakeholder's interests.

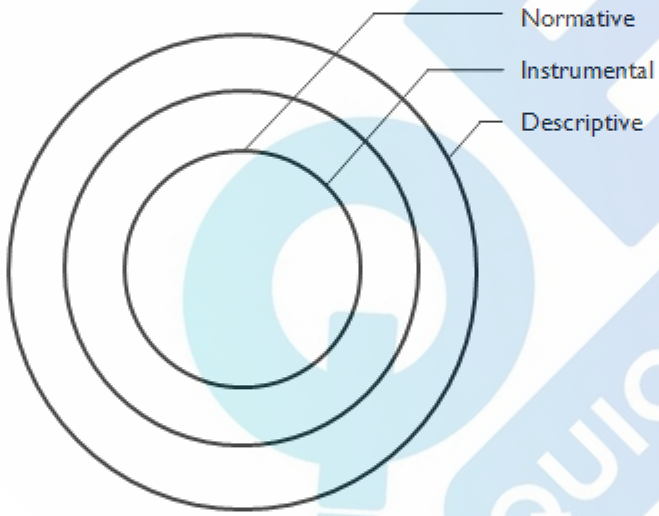

Figure 6 Normative Theory

(Timmis, 2015)

The modern emphasis of the stakeholder's theory is explicitly on capitalism. The capitalistic view evaluates the gains and losses in terms of the monetary gains or losses. The theory stresses the importance of the effective relationship between the internal stakeholders, external stakeholders, and the management polity of the organization (Stakeholder Theory, 2021). The modern view of the stakeholder theory is that the organization must generate capitalistic gains for the stakeholders so that the synergy between the organization and the stakeholder increases, and the organization could achieve benefits in both the long and the short run.

In the current study, the independent variable is the merger and acquisition of organizations, and the dependent variable is the shareholder's wealth increase and the organization's profitability. The customer orientation and involvement in the whole process hold key consideration, and it is important to understand the behavior of customers as it is the main increase driver. A study by Rani et al. (2015) analyzed the relationship between the shareholder's wealth increases and customer response to mergers and acquisitions. After critically analyzing different mergers and acquisitions lately, the study came to the conclusion that the majority of the customers react positively to the mergers and acquisitions. In fact, their orientation towards the product increases radically, and the chances are that the mergers and acquisitions might create a market hype. The merger of Heinz and Kraft was also a hot potato at the time of the merger, which created significant market hype. The study by Li (2016) states that the consumer orientation towards mergers and acquisitions is relatively high. However, the profitability in that regard differs to a significant extent. The stock return behavior has been found to be excessive when an international firm acquiring the national firm, and the cross-border acquisitions create a significant hype. This factor explains the consumer behavior that consumers are more prone to see cross-border mergers and acquisitions and are more inclined towards it. National/domestic mergers do not hold as much value as international mergers in the eyes of customers.

Another study by Kiesel et al. (2017) provides a rather different opinion. The study critically analyzed the mergers of around two decades, where approximately 826 transactions were observed. The study highlighted that the post-merger services/products of the organizations differed to a significant extent. Prior to the merger, the products had generated significant stockpiles of cash. However, the post-merger returns differed heavily, and a poignant decline in some cases was observed. This insight from the findings of Kiesel et al. (2017) provides a rather radical view and brings into notice the importance of synergy. In the theoretical underpinning section, it was analyzed that the organizations take into consideration different synergies that will facilitate the organization and will prop up the profit margins and dividends. However, the critical quibbling by Kiesel et al. (2017) highlights that the organizations fail to build the anticipated synergy, which leads toward failure. So, it is evident that synergy is important in mergers and acquisitions. If the product, operations, and employee synergy in the merger process are not created effectively and efficiently, then the chances of merger and acquisition fail to increase radically. The findings of Chowdhury (2012) support the findings of Kiesel et al. (2017) and states that the synergy between the two organizations is of utmost importance to meet or exceed the needs of customers. If the synergy fails, then the chances of the merger fail to grow heavily.

Following are the previous studies carried out on the mergers and acquisitions:

Authors	**Title**	**Introduction & Background**	**Research Method**	**Result Summary**	**Discussion**
Rani et al. (2015)	Impact of Mergers and Acquisitions on Shareholders' Wealth in the Short Run: An Event Study Approach	Globalization and liberalization have increased the orientation of organizations across the globe to increase strategic orientation. As a result, organizations are merging to obtain the maximum market share and to meet the needs of customers.	The study utilized the event study methodology, where the announcements of mergers and acquisitions over the last two decades were identified and later analyzed.	The results stated that the impact on the shareholder's equity tends to be significant because it creates a market hype and appeal to the driving force of customers and ultimately forces a buying behavior. However, if a synergy is not effective, then it can lead to failure.	It is important to focus on customer orientation which is why increasing the synergy and making calculated decisions is of utmost importance in mergers and acquisitions.
Kiesel et al. (2017)	The impact of mergers and	The industry is facing many challenges in	A secondary qualitative method was	The results stated that the post-merger	It is important to focus explicitly on building

	acquisitions on shareholders' wealth in the logistics service industry	the modern age, and organizations are striving to strengthen their market presence. Mergers and acquisitions serve as the gateway to increase the market share.	chosen in the current study to rationalize the findings and to identify as many sources as possible in a limited amount of time.	performance of the maximum of the organizations differs. The short-term gains achieved by the organization are significant. However, the profitability might be influenced in the longer run.	effective products/services for the customers even after the merger. Failing to cope up with consumer needs might increase the profitability and shareholder's wealth for the short run, but at some point, the revenues will be stagnant, and profitability will be reduced.
Li (2016)	A study on the impact of mergers & acquisitions on shareholders' wealth and efficiency	In the contemporary world, every sector, including banking, manufacturing, production, and services, is taking a diversified approach of mergers and acquisitions to	The methodology chosen in the current study was a secondary method to rationalize the findings of different sectors to increase the empirical analysis on how the merger	There is a positive relationship between the merger and acquisition and shareholder wealth maximization. Different industries take into consideration the impact of	It is of utmost importance for the upper management to be highly skilled and diversified in order to ensure a smooth growth orientation. If the management fails to mitigate the resources, then the chances of profitability to

		maximize growth.	and acquisition affect the shareholder's wealth.	mergers and acquisitions and thereby try to maintain a balance between the customer gains and offerings. Thereby increasing the wealth and margins of shareholders.	decline to grow higher.
Chowdhury (2012)	The Impact of Merger on Shareholders' Wealth	A merger could be defined as the combining of two organizations with the purpose of increasing profitability. In the modern age, it has grown drastically as the organizations are merging	The primary data collection and analysis was chosen where more than 30 companies were selected that were recently merged. The information was collected from these organizations, and then later, different tests were carried	After the T-Test, it was analyzed that the organizations gain significant revenues after the merger, and it is often profitable for the organizations if the merger is carried out effectively.	If not dealt with care, this is highly likely to result in negative results and might lead to failure.

		more and more.	out to analyze the findings.		

The mergers and acquisitions, as highlighted throughout the study, have increased over the last decade, and almost every organization is striving to capture a substantial market share. To capture the market share, one strategy used by the organizations is the merger acquisition. Thereby, a symbolic uplift in mergers and acquisitions has been observed, and the trend is highly likely to grow in the future. So, the growth of mergers and acquisitions has caught the attention of many philosophers across the world, and the studies posted on the issue have grown drastically (Doytch and Cakan, 2011). Figure 7 below shows the theoretical framework of the current study where it sheds light on the different theories drawn from the literature review. A maximum of the authors has emphasized the factor of synergy to a significant extent. The sole motive of mergers and acquisitions is to earn substantial revenues and to increase the wealth of shareholders. The organization cannot do it if substantial emphasis is not given to building synergy. Thereby, it is of utmost importance for the organization to build a perfect synergy to obtain maximum market share. Another underlying concept that has taken quite a boost over the last decade is the economies of scale. Economies of scale are the process of providing maximum value to the customers in exchange for adequate monetary rewards. When the organization provides very high-quality products in exchange for limited cash flow, then the chances of the customers being highly satisfied with the organization grow at a significant pace. Yi (2014) highlighted that in the contemporary world, where the organizations are using different strategies to have maximum customers by their side, value creation is actually what stands out. When the organization creates maximum value for the customers in exchange for little investment, then the chances of the product value to meet or exceed customer value grows to a significant extent. So, the economies of scale are one factor that is of utmost importance in the debate of maximum customer satisfaction and the ultimatum of maximum profitability for the organization as well as the shareholders.

Similarly, the theory of maximum market power directly connects with synergy. There is a reciprocal relationship between the two variables, i.e., the effective synergy and maximum market capture. To understand the relationship between two factors, it is pivotal to understand the importance of synergy and what outcome it entails. The current study has explicitly focused on highlighting the importance of synergy over and over. The current section, on the other hand, sheds light on the outcome that effective synergy entails. There are five outcomes that the merger and acquisition are highly likely to achieve if the synergy between the two organizations is effective, 1) maximum cash inflows, 2) high customer satisfaction, 3) stakeholder wealth generation, 4) maximum market share, 5) sustainable growth of the organization. So, when the factor of synergy is fulfilled, the opportunities for the organization take the symbolic leap. Because the tentacles of the mergers and acquisitions on the side of the organizations are substantial, organizations focus explicitly on mergers and acquisitions. The direct link between the synergy and market power theory is established as to when the organization's synergy is effective, then the market gains grow ultimately, and a substantial impact on the profitability is achieved. These two theories put under the spotlight management decision-making criteria and the factors that serve the core value in the process of merger and acquisition decision making. Therefore, the two theories have been given significant importance by researchers across the globe. Similarly, the current study has utilized the theories effectively and efficiently, and the theories serve the core purpose in the analysis of how mergers and acquisitions increase shareholder wealth.

Figure 7 Theoretical Framework

The conceptual framework of the research sheds light explicitly on the independent and dependent variables of the research. It is important to analyze these points as it enables the researcher to distinguish the impact of one factor over another. Mergers and acquisitions activity in the current study is the independent variable, whereas the dependent variable is the shareholder's wealth. This can be defined as the two-dimensional framework where the impact of different factors and subfactors is analyzed. The conceptual framework below sheds light on the variables and the outcomes that these variables are highly likely to attain. As highlighted in figure 8 below in the mergers and acquisitions, it is of utmost importance to have economies of scale, synergy, and high-value creation. The concept of the independent variable is rather simple to understand. Organizations in the modern age use different strategies to gain the maximum market share, and mergers and acquisition strategies are one of them (Doytch and

Cakan, 2011). Whilst using these strategies, the goal of the organization is to gain maximum revenues and generate maximum wealth for the shareholders so that the investments within the organization could increase. Therefore, the mergers and acquisition strategies take place. After the strategy takes place, there is one thing that the organization must attain, and that thing is the synergy between the operations and the finance (Dutordoir et al., 2014). Once this synergy is achieved, the profitability increase, the value for the customers is maximized and ultimately, the profitability increase. So, as it is evident that there is a direct link between the independent variable and the sub-variables, when these points are achieved, the independent variable, i.e., the shareholder's wealth maximization, is ultimately achieved. So evidently, there is a direct link between the independent and dependent variables, as also highlighted in the conceptual framework below.

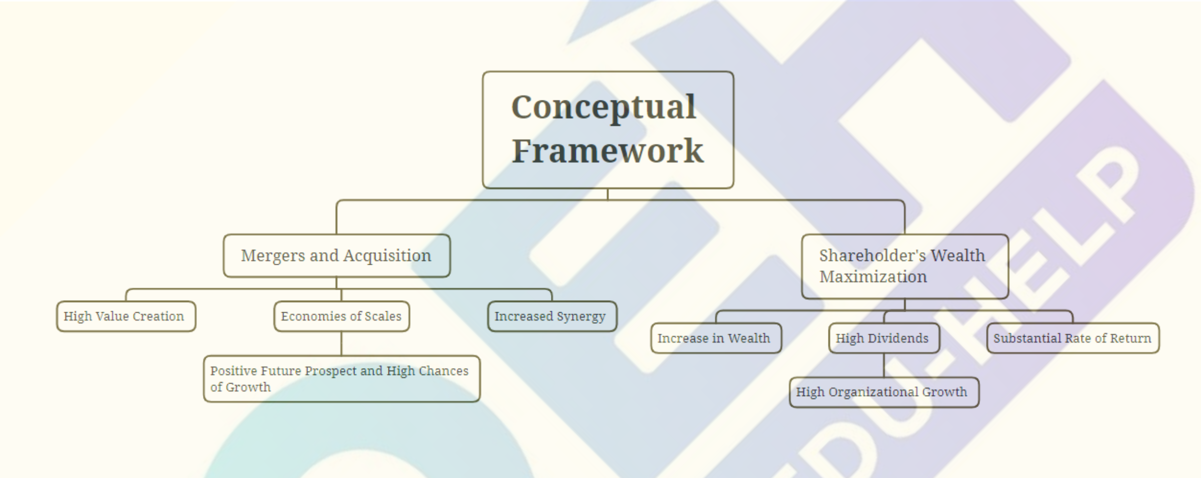

Figure 8 Conceptual Framework

2.8 Summary and Conclusion

The current section identified that the mergers and acquisition strategies have become of sheer importance in the contemporary business world and organizations tend to be highly inclined towards the merger and acquisition strategies. However, with this rapid evolution and growing trends towards the mergers and acquisitions the failure rate of the strategic orientation is also leapfrogging, and organizations have found themselves in a position to lose it all. In the literature review it was identified that the organizations are becoming heavily inclined towards the merger and acquisition, but financial failures are growing at a significant pace. The reason why the mergers and acquisitions are failing to a symbolic degree is the reason that the organizations are failing to build the effective synergy. The literature gives substantial emphasis on the synergy building and it is of utter importance for the organization to focus on the financial synergy. In the case of Heinz-Kraft merger, the organization failed to build the financial and operations synergy which led the organization towards the failure.

The literature review also identified that the organization give significant emphasis on the strategic formulation process. Under the guidance of Warren Buffet who is considered to be one of the most invested financial investor, the organization developed the strategy to merge with the Kraft. The calculations in the books were expected to grow by approximately more than 15%. The 15% increase in dividends would have accompanied a substantial growth of the shareholder's wealth and results would have brough significant revenues. However, the merger resulted to be unprecedent and it landed a major blow on the investment. Instead of going up, the financial synergy decreased to a significant extent.

Chapter 3 Research Method

Research methodology in research plays an important role. The research methodology section is of utmost importance because if the methodology is not selected effectively and efficiently, then the chances of the research producing invalid results grow to a significant extent. Kumar (2018) added critical insights into the issue and stated that the methodology is an integral part of the research, which is why it should be selected with great care. The essentials of selecting a perfect methodology include synchronization with the research topic, validity, and reliability orientation of the methodology. If the methodology fails to connect with the overall topic, then the chances of failure increase. On the other hand, external factors also affect the methodology. The Covid-19 pandemic serves as the prime example which has affected the primary methodology approach. It is vital in primary research to have a face-to-face interaction with the interviewee or respondent. Since governments across the globe are using social distancing maneuvers to tackle the issue of unstoppable issue of the Covid-19, therefore, it is important to take into consideration different factors in order to carry out valid and reliable research.

Research methods, both primary and secondary methods, have been utilized. Similarly, the primary and secondary data collection approaches serve different purposes. It is somewhat easy for the researcher to carry out secondary information in a limited amount of time (Hox and Boejie, 2005). However, the primary information at the time of the Covid-19 crisis is quite challenging and cumbersome. But a diversified strategy has been chosen in the current study, and the researcher focused on carrying out telephonic interviews so that the smooth flow of the information could not be obstructed, and the SOPs implemented by the government are not ignored.

3.1 Research Design and Rationale

The research design is the case study-based approach where the Heinz-Kraft merger was chosen. The reason for choosing this approach is to analyze the impact of different factors on one specific organization. Besides, the failure of the Heinz-Kraft merger caught worldwide attention, and many findings have been proposed on the decision-making failure and how the organization has ended at the current juncture. It further analyzes the decision-making process of the organization, and what was the planning of the organization to cater to the maximum target market. In the analysis section, both systematic literature review and thematic analysis have been used because the study aims to find as valid and reliable information as possible.

3.2 Methodology

The honeycomb research method is the six-tier research method that explicitly focuses on the six essential dimensions of the research methodology. As highlighted above that research methodology is of utmost importance, and if not selected carefully, the chances of the research producing invalid results grow to a significant extent (Kumar, 2018). The reason behind using the honeycomb research method is the interconnectivity and effective mechanism that result in the effective methodology. Following is the chosen structure of the methodology.

3.1.1 Research Philosophy

In the current study, the chosen research philosophy is the interpretivism approach because the data collected in the current study need to be interpreted in order to provide rational insights on how mergers and acquisitions increase shareholders' wealth with reference to the chosen case study of the Heinz-Kraft merger. Interpretivism research philosophy serves well when the connotation of the information requires proper explanation (Thanh and Thanh, 2015). The study has not avoided the factual information and the potential impact on the profitability; thereby, the positivism approach has also been incorporated in the current study. The reason for using the mixture of both positivism and interpretivism strategy is to get critical, valid, and reliable insights on how mergers and acquisitions affect the organization's wealth and shareholder's value increase (Alharahsheh and Pius, 2020). Thereby, significant emphasis has been given to the depth of the study so that the diversified factors could be incorporated in the current study. An explicit focus on both the interpretivism and positivism research strategy facilitates the customers in a number of ways. First of all, the data incorporated in the current study will be healthy as it contains both fact-based and non-fact-based information. Secondly, it will help the researcher validate the findings of the current study. This is why a mixture of both strategies has been used in the current study.

3.1.2 Research Approach

Three types of research approaches generally exist in the research methodology that includes inductive, deductive, and abductive research. Both inductive and deductive approaches have different purposes, advantages, and disadvantages (Woiceshyn and Daellenbach, 2018). An inductive report tends to serve best when general conclusions are made on the basis of specific conclusions. Deductive reasoning, on the other hand, is the process where a specific scenario is backed up with different theories and approaches. The research approach chosen in the study is the inductive research strategy because it focuses on confirming the theory, which in the current scenario is the impact of mergers and acquisitions on the shareholder's wealth. Different measures have been taken to obtain diversified results in the current study. In comparison to inductive and deductive approach, abduction approach analyze and evaluate data by moving from hypothesis to data and data to hypothesis (Timmermans and Tavory, 2012). The abduction approach provides flexibility, and researchers are not bound to do inductive or deductive research purely. An inductive approach is used when the generation of the new theory is required, and when the abductive approach is needed to be carrying out when the researchers are required to build a new ideology or research or have to alter existing idea, which is evaluated by the successive collection of data. The inductive approach makes use of data to formulate theories and ideas. This type of research provides researchers to use collected data to evaluate the new topic, phenomenon, themes, and frameworks and move from specific data to generalization of the topic. This type of approach always starts from a problem statement or research question (Woiceshyn and Daellenbach, 2018). As qualitative analysis is needed to carry out, the induction approach is more suited because it starts with observations and then finding the framework of the observations and end at the generation of the theory using the format formed.

3.1.3 Research Strategy

Selection of the research strategy is of sheer importance as it enables the researcher to focus explicitly on how the research is going to be carried out in a specific context. Wrong selection of the research strategy could lead the research towards failure if not carried out in the study (Smaldino and McElreath, 2016). Therefore, the research strategy in the current study has been selected with great care. The research strategy has been the qualitative method because the current issue contains the analysis of the qualities that hold either positive or negative impacts on the shareholder's wealth. In this age of modernization, where the organizations are using diversified strategies to capture the lion's share of the market, there are many qualities that are ignored in the process. For example, the quality to synergize has been highlighted in the current study from time to time (Rani et al., 2015). It has been identified in the current study that ineffective use of the strategy could lead to failure, which is why the current study has emphasized the selection of appropriate research strategies to a significant extent. Therefore, gaining a diversified understanding of these qualities is important, and the current study explicitly focuses on the qualities. As the study analyses the values from a diversified perspective, the results will be of significant importance for all the stakeholders, industry, and investors as it provides a gateway on how different strategies must be used in an organizational concept.

3.1.4 Research Design

The research design chosen in the current study is the case study strategy. A case study strategy is beneficial in a number of ways. It not only allows the researcher to focus explicitly on the issue of a specific organization but also enables the researcher to thoroughly analyze the potential impact of the issue on the organization. Considering this nature, the case study approach tends to be one of the most appropriate approaches. The Heinz-Kraft merger has been one of the biggest mergers of history, and the merger of these two organizations resulted in the fifth-largest food chain organization (Clapp, 2017)). Thereby, it is safe to say that the merger of Heinz and Kraft was pretty significant. On the other hand, the impact of the decision and the organization's decision-making are the key points to be considered. The impact of the organization tends to be significant, and especially stakeholders' interests that have been influenced. So, the case study method provides crucial insights on how the impact on the organization has been huge, and it has affected the result. One of the biggest advantages of the case study research design is that it provides intensive insights into the problem (Swanborn, 2010). Therefore, the current study has relied on the case study method to fulfill the needs of the current study. The results obtained in the current study have been of sheer importance for the organization, stakeholders, potential investors, and the industry.

3.1.5 Data Collection

Both primary and secondary methods have been used in the current study. The concept behind utilizing both primary and secondary methods is to get a crucial and in-depth understanding of the issue that how different factors have influenced the results and ultimately affected the organization's growth. For the secondary research, a systematic literature review method was used in the current study. The reason for using the systematic literature review is to get extensive insights about the issue in a very limited time (Okoli and Schabram, 2010). The secondary research method is quite convenient and easy to be carried out. Therefore this method was chosen in the current study.

Apart from the secondary research method, the current study also relied on the primary data collection method, where the interviews were carried out to critically examine the results. Interview sessions are of utmost importance in the field of research because of different reasons. The interview data collection technique not only allows the researcher to directly interact with the audience but also allows the researcher to gain direct insights (Trainor, 2013).

Moreover, if the results that are obtained are not synchronizing in the study, then the interview questions could be changed in a manner to extract the direct information from the customers. In that regard, the interview data collection method serves as the major gateway that could be utilized to capture maximum information directly from the customers, and this is why this method was used in the current study.

3.1.6 Data Analysis Technique

Two different data analysis techniques have been used in the current study, where one is the thematic analysis of the interviews and another one is the systematic literature review. Both of these techniques hold different advantages and disadvantages. It not only enables the researcher to explicitly focus on the time convenience but also the reliability and validity of the idea. Systematic literature review enables the researcher to collect more information in a limited amount of time, while on the other hand, the thematic analysis categorizes the response of the audience (Okoli and Schabram, 2010). It analyses different themes on the basis of customer perception about something. After the themes have been identified, the information shapes a meaningful picture that focuses on the results. Although carrying out both systematic literature review and thematic analysis has been costly and time-consuming, but the results that are obtained directly connect with the current study and provide reliable and valid insights about the Heinz-Kraft merger.

3.2 Research Hypothesis

A hypothesis can be defined as the claim about particular or different characteristics of a variable. The establishment of the hypothesis is important in the research as it puts under the spotlight the research questions and aims to prove it by using different strategies. Following are the hypothesis that has been developed for the current study:

H1: The motives behind the mergers and acquisition is to earn substantial revenues and increase shareholder's wealth.

H2: Investors accept the idea of mergers and acquisitions because of the abnormality in the gains, as mergers and acquisitions increase the chances of return on investment to a significant extent.

H3: The impact of the mergers and acquisitions on the shareholder's wealth is positive, and it leads toward excessive cash inflows if carried out effectively and efficiently.

H4: The market power of the organization increases when the merger of the organization is positive and progressing.

The research focuses on analyzing and identifying the point that to what extent the developed hypothesis is correct, and if not, then what are the considerations that affect the smooth integration of these success factors. The development of a hypothesis is important because its connotation tends to be critical, and it forces the researcher to critically analyze the situation from a diversified perspective. In the study where the cause-and-effect analysis is pivotal, the development of a hypothesis serves as the gateway that not only provides a gateway but also keeps the testing aligned. Therefore, explicit attention in the current study has been given to the hypothesis development so that the analysis could be carried out critically and the ultimate goal of the current study could be achieved.

3.3 Operationalization of the Independent and Dependent Variables

Following is the operationalized table of the independent and dependent variables.

Concept	**Definition**	**Operational Component**	**Level of Measurement**
Merger & Acqusition	A systematic process of acquiring another organization or strategic business unit to increase the market share and cash inflows.	Classifying	Ordinal
Shareholder's Welath Maximization	The mergers and acquisition in an organization are carried out to increase the stakeholder's wealth and to obtain maximum market share.	Quantifying	Nominal

Chapter 4 Data Analysis, Summary of Findings, Interpretations, Conclusion and Recommendations

In the chapter, it was analyzed that the world is changing at a significant pace, and over the last decade, a substantial profusion towards mergers and acquisitions has been observed. Businesses across the world and especially in the US are focusing explicitly on boosting up the market share, where the merger and acquisition strategy serves as the perfect gameplan to capture the maximum market share. It was analyzed that the organizations such as AT&T, Amazon, and AstraZeneca have shown a radical inclination towards the merger and acquisition strategy to further capture the maximum market share (Intellizence, 2021). However, the organizations tend to lose sight of the unprecedented situations that are rendered by the mergers and acquisitions strategy and might cripple the revenue inflows and market share. The Heinz-Kraft merger was taken as an example in the current study, and it was analyzed that the merger did not acquaint desired results. The management planned effective strategies to increase the wealth as the merger would have made Heinz-Kraft the fifth-biggest food chain organization. But the results that were achieved by the merger were rather precarious and grim, which forced organizations to declutter. The section below aims to carry out both primary and secondary research to determine the cause of failure and how the impact on shareholder's equity was affected by the strategic disfunction.

4.1 Summary of the Findings

The analysis carried out in the current study sheds explicit highlights on the reasons why the organization failed. In the aforementioned section, it was analyzed that the organization did a proper strategic implementation and formulation. However, the organization failed to manage the operations. The employees at the Heinz-Kraft, as identified in the primary analysis section that the were quite aware of the mergers and acquisition strategies and expected cash inflows within an organization after this strategy. However, the results that were achieved by the organization were rather different. The first reason why the results were disappointing was the professional hazard that the organization brought upon itself. Management played an important role in leading the organization towards success. The operations after the merger were quite different, and the management failed to cater to the dramatic change of events. Another reason was that Heinz merged with an organization that had significant accounts payable, which were overlooked by Heinz in the process of strategy formulation and implementation. It increased the cash outflows, and inflows, on the other hand, declined. The interests of the customers about the organization also changed. Initially, the customers were inclined towards the merger and the cash inflows of the organization increased. However, the organization failed its market presence and expected cash flows over time. The customer loyalty with the organization was scattered, and this served as the major problem which led the organization towards failure.

Table 1 Thematic Analysis

Question	**Responses**	**Theme**

Do you think that mergers and acquisition is a good strategy for the organization to grow?	Respondent 1: I have been in the industry for more than 20 years, and I think it is a good strategy. Respondent 2: Yes, it is. Respondent 3: Yes. Respondent 4: Yes. Respondent 5: Definitely, it increases the profits. Very costly, though.	Similar Response
What are your thoughts on the Heinz-Kraft Merger?	Respondent 1: I think it was nothing better than a failure. Respondent 2: Total failure. Respondent 3: A bad idea. Respondent 4: Wrong strategy at the wrong time. Respondent 5: This shows the inability of the management to make informed and calculated decisions.	The Strategic Orientation of the Organization was Not Effective.
What was the motive behind the Heinz-Kraft merger?	Respondent 1: To be the market leader. Respondent 2: To dominate the market by earning maximum revenues. Respondent 3: To capture the lion's share of the market. Respondent 4: To increase profit, I think. Respondent 5: To increase profit and defeat competitors.	To Maximize the Wealth and Revenue Inflows
Do you think that the organization earned revenues?	Respondent 1: I really don't think so. Respondent 2: Initially, it did earn some petty revenue. Respondent 3: Definitely, it did at the beginning. Respondent 4: Yea, it did. Respondent 5: Yes, Heinz-Kraft had a pretty good start.	Contradicting. Initially, Revenues Were Gained, Which Were Later Declined.
Why do you think that the merger failed?	Respondent 1: The management was incompetent in that it could not see the factors that were affecting the organization. Respondent 2: Two lions in a cage could not fit—total management failure.	Similar Response. Management Failure.

	Respondent 3: I think that the organization failed to carry out operations effectively and efficiently. I have observed management going through some tensions over the operations, so I believe there's that. Respondent 4: It is because the management was very incompetent. They could not take the load of merger and acquisition and eventually failed. Respondent 5: The decision-making of the management was futile.	
To the best of your knowledge, what was the impact of the merger on shareholder's wealth?	Respondent 1: Definitely declined. Respondent 2: Total loss of wealth. Respondent 3: The decline obviously. Respondent 4: It had increased initially but declined eventually. Respondent 5: It did not grow up.	Significant Impact on the Organization's Revenues and Shareholders.
Over your run at the Heinz-Kraft merger, did you find any shareholder intervention?	Respondent 1: Yes, I saw that some of them were mad at something in the meetings. Respondent 2: Yes, we were continuously intervening. Respondent 3: Yes, I did. Respondent 4: Yes. Respondent 5: No, actually. Although, management got strict.	Shareholders were Not Happy About the Performance.
What would you rate the management after the Heinz-Kraft Merger?	Respondent 1: I would rate it 5. Respondent 2: It would be 3, Respondent 3: 4-5. Respondent 4: 6, I think. Respondent 5: 5.	Futile Management Performance.
Do you think management used different strategies to prevent failure?	Respondent 1: Yes, they did. The management got very strict in the last few days, trying to prop up the profit margins. Respondent 2: They did try everything they could to prevent it.	Management Tried their Best.

	Respondent 3: Yes, management wrought different strategies to ensure maximum growth. Respondent 4: The management did try their heart out. Respondent 5: Yes, they did.	
What can we learn from this failure?	Respondent 1: That it is important to do the aftermath proactively. Respondent 2: That it is important to focus on the decision-making when doing it. Respondent 3: It is of steer importance to make proactive decisions when making these big decisions. Respondent 4: The importance of management in the contemporary business world. Respondent 5: To invest with great care.	Similar Response.

4.2 Interpretation of the Findings

The primary analysis was carried out to understand what factors have caused the decline of the organization and the organization's performance throughout the merger to obtain the maximum market share. The respondents were aware of the mergers and acquisitions as the sample size that was selected for the current study included industrial professionals. Upon asking about the mergers and acquisitions, one respondent stated that:

"I have been in the industry for more than 20 years, and I think it is a good strategy."

By carrying out the analysis, it was identified that the organization did not plan the activities effectively and efficiently. Although the management was rational to the best of their abilities, the outcome of the strategies was different, and the organization could not rationalize the best option to cater to the unprecedented situations. One respondent in the interview said that:

"Shows inability of the management to make informed and calculated decisions"

The response clearly highlights that the employees of the organization were aware of the fact that the organization failed to carry the merger. Although whilst carrying out factual analysis, it is evident that the organization's strategy of merger and acquisition was effective, and it would have brought maximum revenues within the organization, and ultimately the shareholder's wealth would have increased. However, the concept of synergy has been highlighted from time to time in the current study as it is of utter importance. Two organizations, despite having a strong market presence, share, and customer base, failed miserably because the operations could not synergize. Furthermore, the current primary analysis also sheds light on the inefficiency of the management to make the synergy work. Almost every respondent that was interviewed stated that the management of the organization failed to effectively and efficiently synergize. It is management's responsibility to ensure that the operations and activities of the organization are well synergized and aligned with the organizational goals (Kwoka and Pollitt, 2010). However, the management, after the Heinz-Kraft merger, failed to put under the spotlight the hostile operations, which ultimately resulted in ineffective synergy. Ultimately, the results were replicated on a broader level, and the financial synergy of the organization took a major blow. Different respondents responded that:

"I think that the organization failed to carry out operations effectively and efficiently. I have observed management going through some tensions over the operations, so I believe there's that."

"It is because the management was very incompetent. They could not take the load of merger and acquisition and eventually failed."

So, in light of the analysis, the reason for the failed management structure could be justified, and it can be interpreted that the organization failed to manage the operations effectively and efficiently. It also puts under the spotlight the importance of management in the contemporary business strategic orientation. The organizations of the modern age are in a great hustle and bustle to take the maximum market share. On one side, their decision-making and how things are going to be played out in the market have been influenced. However, on the other side, the mechanism that is required for the organization to successfully run the operations to obtain the maximum market share is not at all firm. This also highlights the organization's failure and emphasizes the global issues that the organization focuses too much on strategic formulation and strategic implementation at the cost of effective operations, which disables the organization's growth and obstructs the smooth revenue inflows (Lin et al., 2013). Ultimately, the shareholder's equity is bound to decline in that manner which is not at all needed by the organization.

The question about shareholder wealth is important to consider as it affects the organization's growth to a symbolic degree. Therefore, in the interview sessions, respondents were asked about the impact of the mergers on the organization. The industrial professionals possess a strong clarity over the mergers and acquisition proliferation, and they were also aware of its fragmented effects on the organization. Upon asking, the respondents responded that:

"*It had increased initially but declined eventually.*

"It did not grow up."

The statements from the side of the respondent's state that employees are well aware of the impact that the merger and acquisition hold on shareholder's wealth, and it is evident that the lower-level staff in the Heinz-Kraft merger had realized that the organization is unable to take the drubbing anymore, and the impact on shareholder's wealth is reaching the extent. Some respondents had proper clarity over the Heinz-Kraft merger and how there was a market boom at first, which propped the revenues. The understanding of the employees could be justified by the point about the consumer perception and understanding. In the literature review section, it was analyzed that merger and acquisition is one strategy that captures market attention to a significant extent. Theretofore the merger, both Heinz and Kraft had a substantial market share and high customer base. The huge market orientation of these organizations invoked a sense of excitement within individuals, and it kindled their imagination of how the merger is going to be like. As a result, customers become heavily oriented towards the brand, which initially exhilarated the revenues of the organization. Notwithstanding the product quality issues and loss of loyalty with the brands, the customers seemed to be inclined towards the merger.

However, over time, the inclination and bonding with the organizations faded away, and the merger faced a monumental loss of revenues and shareholders. This highlights the degree of openness of customers towards new mergers and acquisitions. Although the Heinz-Kraft merger faced a major setback and the loss of revenues and shareholders is grim for the organization, but the customer inclination towards mergers and acquisition cannot be overlooked. Conclusively, it can be stated that the customers are prone to mergers and acquisitions in the contemporary world, but the growth of the organization is uncertain. If the organization excels in the operations and ultimate synergy (financial and operational) is achieved, then the chances of the merger to beat the competition and influence the consumer interests to grow to a significant extent. On the contrary, the operational and financial synergy curbs could lead towards major drubbing, and eventually, the organization losses its market standing.

Despite the organization's miraculous failure, the motive behind the Heinz-Kraft merger still stands out and is the most debated question. It is quite probable that the organization might have merged with Kraft to gain the maximum market share. The merger would have eliminated the organization that had the maximum market share and extensive customer base. But the question in the current debate is that why would a big organization such as Heinz go to such limits and resource consumption to gain the maximum market share? So, in the current study, the researcher aimed to rationalize the decision-making of the organization and the motive behind the merger. In the literature review section, it was analyzed that the organization put significant attention over the merger and the aftermath was well calculated. The findings by Clapp (2017) shed light on the management decision-making process and state that the organization put significant thoughts on the Heinz-Kraft merger, and the strategy was analyzed multidimensionally. The findings of Clapp (2017) add up the impression that the reason behind the Heinz-Kraft merger was not just to merely take the market share, but the intentions of the organization were to earn substantial revenues.

The interview session carried out in the current study further clarifies the intentions of the organization behind the merger and acquisition. When asked, the participants stated that the motive behind the merger and acquisition was to earn significant revenues.

"To dominate the market by earning maximum revenues."

"To capture the lion's share of the market."

The insights from the employee's end state that the strategic orientation of the organization was to earn significant revenues and not merely to overthrow the organization by simply acquiring it. What actually negated the organization from achieving this objective was the operations failure and financial synergy. The emphasis on the operations was futile, which resulted in the fraught environment, and the merger with Kraft was a cumbersome strategy that Heinz failed to carry. The lessons learned from this failure are multidimensional and put crucial insights into the issue. The insights in the current study state that it is of utter importance for the organization to focus explicitly on decision-making. If the decision-making is not carried out effectively and efficiently, then the chances of the organization failing grow at a significant pace. As the respondents in the primary analysis stated that:

"That it is important to focus on the decision making when doing it."

"It is of steer importance to make proactive decisions when making these big decisions."

The insights gained through primary analysis relocates the focus onto the two major points, i.e., the decision-making process and management of the strategic orientation. If the organization fails to give ample thought to the decision-making process, then the chances of unprecedented factors to pop up and ultimately hinder the success of the organization increase drastically, and the loggerheads in between also serve as the tentacles to pounce upon the organization's growth and ultimately stop it. Secondly, the management is a major driving factor that depicts the organization's run after the major decision taken. Even if the strategic orientation and pragmatic approach of the organization are as effective and credible as possible, the poor management of the resources could lead to monumental failure, which leads an organization towards an abyss. Thereby, the lessons learned are important, and organizations should focus explicitly on the decision-making as well as the management of the processes.

4.3 Systematic Literature Review

As highlighted in the current study, the mergers and acquisitions across the globe have taken worldwide attention, and the emphasis on the research has been leapfrogging over the last decade. The multidimensional nature of the studies carried out by different authors increases the factor of diversity and adds up the critical analysis factor that enables the researcher to get critical insights into the problem at hand at a very convenient time by using limited resources. Systematic literature review in the contemporary world is one of the most used data analysis frameworks that enable the research to use minimum resources and get maximum results. In the current study, the systematic literature review has been used to get diversified insights about the merger and why it failed. The reason for using both primary and secondary data analysis methods is to enrich the study and to analyze as rationally as possible. So the current section focuses on the systematic literature review on mergers and acquisitions.

Table 2 Systematic Literature Review

SR No	Authors	Title	Analysis	Results
1	Feslioglou (2019)	Mergers and Acquisitions: The current state of the debate.	Mergers and acquisitions are of utmost importance for organizations. However, the process is very challenging, and the organization has to keep up the struggle until the desired goal is achieved.	It is important to analyze the customer problem as it will enable the researcher to focus explicitly on the consumer needs and future problems that underly the strategic orientation of the organization

				could be avoided.
2	Abrahams (2019)	ANALYSIS OF HEINZ COMPANY'S ANALYSIS OF HEINZ COMPANY'S ACQUISITION OF KRAFT FOODS GROUP INC. GROUP INC	The impact on the organization was significant. The expected synergies did not bring fruitful results, and the organization failed to obtain the desired results.	Heinz overpaid Kraft for the merger, which substantially declined the revenues. Moreover, the customer blind spot was overlooked, and the impact on the dividend was significant. Moreover, Heinz failed to replicate effective organizational culture.
3	Kumar (2019)	The merger of Kraft and Heinz Company: Integrated Case Studies	The organization analyzed the results at the upper level, and the Heinz-Kraft merger was expected to bring significant cash flows within the organization.	One reason for failure was the high-yielding interests of Kraft. When Heinz merged with craft, the indebted organization played a significant role in affecting the

			However, the organization failed to bring expected results.	organization's cash inflows in the long and short run.
4	ICMR (2020)	The Kraft Heinz Company: A Merger Gone Wrong?	The organization substantially relied on cost-cutting strategies to cater to the economies of scale and to gain the maximum market share.	The study states that the one reason for the organization's failure is relying too much on Warren Buffet's business model. The organization focused heavily on cost-cutting strategies, and employees had to fight for their position every day. Initially, almost every stakeholder was catering up to the problem. With the passage of time, they were unable to do so, which resulted in the failure.

4.4 Interpretation of the Findings

The findings of the analysis shed light on three major points, i.e., management failure, costly mergers, and failed synergy. This depicts that the organization had poor management of the workplace operations where the interests of the employees were being overlooked at a significant pace. The management of the organization was failing explicitly to manage the operations and customer interests which is why a professional hazard took place at the organization. On the other hand, the operations and financial synergy failed when the organization came to realize that the merger with Kraft is quite costly. According to some beliefs, it is said that the Heinz-Kraft merger dramatically focused on Warren Buffet's method of economies of scale, where the cost-cutting strategies were the primary gateways. When these strategies were utilized, a dramatic change of events was observed, which further declined the profit margins of the organization. Therefore, it can be interpreted that the organization failed in three different areas, and the operations of the organization failed dramatically.

4.5 Recommendations

After critically analyzing the issue from a diversified perspective, it is recommended that the organization should focus explicitly on increasing management's capabilities. Especially in the modern age, the concerns of employees play a pivotal role in increasing or decreasing the organization's growth. When the employee's concerns are not managed effectively and efficiently, the chances of the operations failing to grow drastically, as highlighted by Mwobobia (2012). Therefore, it is of sheer importance that the organization focus explicitly on the management. According to the Salas et al. (2012), the training and development strategy is one of the biggest and probably the most effective method of training the management as well as the lower-level staff. Thereby, by using this strategy, the organization could mitigate the resources properly, and practices of the organization could be enhanced further.

Prior to the merger, it is important to train the employees so that the impact of the merger and dramatic change in the operations do not affect the employees. The organization could use Lewin's change management model that consists of three different strategies that include unfreeze, change and freeze (Kaminski, 2011). In stage one, the need for the change is analyzed, and a strategic formulation process is carried out. The resources of the organization are planned effectively and efficiently to be attracting maximum synergy. In the second step, the change is implemented, and in the third step, the operations are unfrozen (Shirey, 2013). This strategy is effective and should be used by the organization to be accepting the change.

The third recommendation that the organization should focus on is giving substantial importance to the financial synergy. To regain market trust, the organization could innovate its product line and then use a digital media marketing strategy to reach out to the wider customer base (Rahatullah, 2014). By using this strategy, the organization will be in a position to influence consumer interests, and maximum cash flows within the organization could be generated by using this strategy.

Chapter 5 Conclusion

In the current study, it was identified that in the contemporary business world, the concept of mergers and acquisition had taken a symbolic leap, and organizations across the world are becoming highly inclined towards the mergers and acquisition strategy. The motive because organizations in the contemporary world have become highly inclined towards mergers and acquisitions is its ability to generate maximum cash inflows within the organization. Basically, the purpose of the organization is to earn significant revenues as it helps the organization to focus explicitly on the strategic orientation and further strengthen the revenue stream of the organization. After doing this, organizations could sustain in the market for a longer time, which is why organizations have become inclined towards it. The motive behind investment in mergers and acquisitions is also the same, i.e., to earn significant revenues.

In the current study, the merger and acquisition strategies were analyzed from a diversified perspective. The core of the current study was the Heinz-Kraft merger that took place back in 2015. The merger would have resulted in the fifth-largest food chain organization worth billions. This is why both Heinz-Kraft invested significant revenues in the merger. However, the merger did not bring desired results for the organizations and resulted in a striking failure. In the current study, both primary and secondary data were analyzed to determine the failure and to have an explicit guideline on the key points that must be considered prior to the mergers.

The current study identified that one reason why the organization failed is a synergetic failure. In mergers and acquisitions, it is of significant importance to give utmost importance to the synergy that includes financial and operational synergy. If the merger or acquisition fails to build effective synergy, then the chances of the merger fail to grow to a significant extent. Even in the current study, the Heinz-Kraft merger failed to build perfect synergy. The primary and secondary analysis in the study identified that the employees had to be fearful about their job considering the strategies being implemented at the organization. The organization faced many professional hazards which were not employee-friendly. As a result, the employees became demotivated, and ultimately it had a significant impact on the organization's market presence and profitability. This highlights that it is of sheer importance for the organization to focus explicitly on the employee interests as well as the organizational culture.

Another reason for the organization's failure is that Heinz overpaid in the merger to acquire Kraft. Moreover, Kraft was indebted and had significant accounts payable. This is one of the many reasons why the organization failed to gain ample revenues. Contrary to popular belief, it was also identified in the current study that the organization did a proper strategic analysis where different dimensions of the merger were analyzed. According to the organization's conclusion on the merger prior to it, the dividend for the stakeholders was expected to grow by approximately more than 16%. However, the results that were achieved were rather disappointing, and the organization failed to stockpile the revenue inflow.

Another significant insight provided by the employees in the interview sessions is the management's inability to cater to the operations and dramatic change of events. In the contemporary world, where the organizations are using diversified strategies to grow and to capture the maximum market share, the management of the organizations should be diversified enough to get the operations organized so that the organization could attract maximum revenues. However, this was not the case in the Heinz-Kraft merger that led to the investment decline and hit a major blow on the shareholder's investment. Professional hazards created in the organization led to the decline of employees' morale, and ultimately, the operations were influenced to a significant extent. In the interview sessions, the employees highlighted that the management was enforcing different manifestos to cater to the changing degree of cash inflows and outflows. However, the timely strategic orientation did not help, and eventually, the organization faced a radical revenue decline. So, it is of sheer importance for the organization to focus on these points to ensure maximum growth.

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