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Beyond the Transaction: Ownership, Culture, and Absorptive Capacity in Sustaining South Korean M&A

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ABSTRACT

Purpose: *This research will explore the elements associated with business sustainability in M&A transactions in South Korea. There are five elements that are explored in this research which include ownership structure, organizational culture, target firm characteristics, post merger integration, and absorptive capacity. The Samsung Electronics takeover of Harman International serves as a case study for the purpose of investigating these elements and their relationship with business sustainability.*

Method: *Descriptive Qualitative Method is adopted in this study. The study will be done through 20 scientific references between 2016-2026 along with the secondary information collected from Samsung Electronics and Harman International. M&A and sustainable business issues would be derived from those references and then compared with Samsung-Harman merger.*

Findings: *The findings suggest that there are certain factors that are associated with business sustainability following M&A. There is a correlation between ownership structure, organizational culture, the features of the target company, post-merger integration, and absorptive capacity. In the case of the Samsung-Harman merger, the latter obtained the technological capabilities of the former, specifically the capability of developing products for cars. The target firm continued functioning as an independent business entity. Thus, it can be stated that the target firm should not necessarily be completely integrated into the acquiring organization. Some capabilities may remain within the company. However, financial data used in this research are not sufficiently representative to confirm the positive effect of the merger on the sustainability of business operations.*

Implications: *Firms that plan to carry out M&A should have in mind the future after M&A. Strategic fit, organizational culture, and integration are just some of the areas that firms should look into. Knowledge sharing is essential but the firm should retain capabilities that will be useful for the acquiring firm in the acquired firm. The long-term impacts of M&A can be gauged by financial performance, operational performance, and innovation.*

Originality: *In this study, five factors have been combined into one discussion. Generally, the five factors are discussed separately in M&A literature. The study makes a link between the five factors and business sustainability by taking Samsung Electronics and Harman International merger as an example.*

Keywords: *Mergers and Acquisitions, South Korea, Ownership Structure, Organizational Culture, Business Sustainability, Absorptive Capacity*

JEL Classification: *G34, M14, O32*

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1. INTRODUCTION

Mergers and acquisitions (M&A) are frequently chosen by companies to sustain growth and maintain competitiveness in a constantly changing business environment. Through M&A, a company can obtain resources, technology, markets, and new capabilities that would be difficult to achieve by relying solely on internal development. However, M&A success does not end with the completion of the merger or acquisition transaction; it also depends on how skilfully the company manages what happens afterwards. Business sustainability has therefore become one of the key measures for assessing whether an M&A decision has succeeded. Cho and Jung (2025) show how the characteristics of both acquirer and target can influence M&A outcomes, while a company's ability to retain the benefits of a transaction in the long term is still determined by the integration process and resource management.

South Korea offers an interesting context for M&A. Its economy is dominated by large business groups, or *chaebol* (groups of companies controlled by a single wealthy family), so ownership structure and corporate governance play a major role in M&A in South Korea. Ownership in which shares are controlled by particular investors or groups gives controlling shareholders the opportunity to influence corporate decisions, unlike more dispersed ownership, particularly with regard to the relationship between majority and minority shareholders. Kim et al. (2024) found that ownership concentration is related to sustainable M&A performance in the South Korean market. Ownership structure therefore needs to be taken into account when examining how M&A can support business sustainability.

Beyond ownership structure, M&A outcomes are also related to differences in characteristics and culture between acquirer and target. Differences in organisational culture are often seen as a challenge to integration because they can affect intergroup relations, leadership styles, communication, and decision-making. However, their impact on M&A performance is not always direct. S. Lee et al. (2019) compared the performance of domestic and cross-border acquisitions in the South Korean M&A market and found no statistically significant difference in post-merger performance between the two, although the improvement in performance from before to after the merger was greater for domestic acquisitions than for cross-border acquisitions. Chung and Park (2023) stress that cultural diversity in M&A must be considered together with inter-organisational relationships and the integration process. Cultural differences cannot simply be blamed for M&A failure; what matters more is the company's ability to manage inter-firm relationships and to combine the resources of each company.

Target firm characteristics also help determine M&A outcomes. Differences in size, technology, and knowledge base can be both opportunities and challenges for the acquirer. In technology-based M&A, the ability to recognise, acquire, and apply knowledge from other companies is particularly important. Cho et al. (2022) emphasise the role of a firm's ability to manage knowledge and existing resources in determining M&A performance among technology firms. This relates to the concept of absorptive capacity, namely a firm's ability to value external knowledge, assimilate it, and apply it in its business activities. Jeong et al. (2020) also found that absorptive capacity can support financial sustainability through open innovation, but these benefits do not arise automatically if a company fails to absorb and integrate external knowledge effectively.

This discussion shows that the success of an M&A decision cannot be measured merely by the completion of a transaction or a transfer of ownership. Post-M&A business sustainability is also influenced by how a company manages ownership structure, cultural differences, target characteristics, post-merger integration, and absorptive capacity. Previous studies have examined these factors, but generally separately or with a focus on only some aspects of M&A performance. There is still room to combine findings on ownership structure, organisational culture, target characteristics, post-merger integration, and absorptive capacity to explain business sustainability through M&A in South Korea. This is particularly relevant because M&A success among South Korean companies concerns not only post-transaction performance but also the ability to preserve the strategic benefits of an acquisition over the long term.

Samsung Electronics and Harman International provide a highly suitable case for illustrating this issue concretely. Samsung announced its acquisition of Harman in November 2016 for approximately US$8 billion, and the acquisition was completed on 10 March 2017. The move was Samsung's way of strengthening its position in the automotive technology industry. After the acquisition, Harman remained within Samsung's operations, so the case can be used to examine how integration can be managed while preserving the capabilities and business identity of the acquired

company. Kim et al. (2019) specifically examined Samsung Electronics' transformation through its M&A with Harman International, making this case an appropriate basis for linking the South Korean M&A literature with an actual company. In 2024, Samsung Electronics recorded consolidated revenue of KRW 300.9 trillion and operating profit of KRW 32.7 trillion, and Harman was reported as one of Samsung's business divisions with sales of KRW 14.3 trillion (Samsung Electronics, 2025a).

Based on these problems and gaps, this study aims to analyse the factors associated with business sustainability in M&A in South Korea by integrating the discussion of ownership structure, cultural differences, target firm characteristics, post-merger integration, and absorptive capacity. The study also links the findings of the literature review with the Samsung Electronics–Harman International case so that the application of these factors in the M&A process can be understood more concretely. Accordingly, it seeks to answer how ownership structure, cultural differences, target characteristics, post-merger integration, and absorptive capacity relate to business sustainability in M&A in South Korea, and how these factors are reflected in the Samsung Electronics–Harman International case.

This study is expected to contribute to the M&A literature by integrating several factors that have mostly been discussed separately in the South Korean context. Practically, the results can inform companies planning M&A in developing ownership strategies, managing cultural differences, assessing target characteristics, and designing appropriate post-merger integration. The discussion is also expected to give policymakers insight into the importance of building an M&A environment that supports business sustainability. Nevertheless, the scope of the study is limited to the M&A literature on South Korea and the Samsung Electronics–Harman International case. The study uses secondary data without primary data collection, so its results are not intended to be generalised directly to all countries or all M&A transactions.

The article is organised as follows. The literature review outlines concepts and factors related to M&A and business sustainability in South Korea. The method section describes the research design, data sources, and literature analysis process. The results section presents previous research findings and the analysis of the Samsung Electronics–Harman International case, while the discussion section interprets these findings in relation to business sustainability. The article closes with conclusions, including implications and limitations.

2. LITERATURE REVIEW

2.1. Mergers and Acquisitions in South Korea

Organisational culture is the set of values, habits, communication patterns, and working practices that develop and become embedded in a company. In M&A, the acquirer and the target generally bring different cultures, so combining them often encounters obstacles. These differences can affect intergroup relations, communication, leadership styles, and the course of integration after the transaction is completed (Fidiana et al., 2023; Suryaningrum et al., 2023).

S. Lee et al. (2019) analysed the performance of domestic and cross-border acquisitions in the South Korean M&A market, taking cultural factors into account. Their findings show that different cultural contexts must be considered to understand acquisition outcomes properly. Meanwhile, Chung and Park (2023) examined cultural diversity in M&A involving South Korean airlines and stressed that intergroup relations in the post-M&A stage are decisive.

These studies suggest that cultural differences are not the sole cause of M&A failure. More influential are stable intergroup relations and the company's ability to manage differences during integration. This study therefore views organisational culture as an aspect that needs to be maintained so that the benefits of M&A are preserved and business sustainability is supported.

2.2. Ownership Structure

Ownership structure describes how ownership of a company is distributed among shareholders and the entities that control the company. In companies with highly concentrated ownership, dominant shareholders have a significant impact on corporate decision-making, including M&A decisions. This can provide tighter monitoring but also risks conflicts of interest between dominant and other shareholders.

In South Korea, the importance of ownership structure is heightened by the significant

influence of large business groups, or chaebol. Kim et al. (2024) show that ownership concentration is double-edged in the context of agency conflicts. On the one hand, concentrated ownership can ease tensions between management and owners; on the other, certain levels of concentration can exacerbate problems between majority and minority shareholders. Chaebol affiliation and ownership concentration are also related to corporate environmental performance in South Korea (Kim & Choi, 2020).

These results show that ownership structure cannot be regarded simply as a factor with positive or negative effects on M&A. Its influence must be analysed according to the level of ownership concentration and the relationships among shareholders. With respect to business sustainability, ownership structure plays an important role because decisions taken in the M&A process can affect a company's ability to sustain its performance after the transaction.

2.3. Organisational Culture

Organisational culture encompasses the values, habits, communication patterns, and working methods that develop within a company. In M&A, the acquirer and the acquired company usually have different cultures, so their combination can face various challenges. These differences can affect intergroup interaction, communication, leadership, and the integration process after the transaction.

S. Lee et al. (2019) analysed the performance of domestic and international acquisitions in the South Korean M&A market, considering cultural factors. Their results indicate that differences in cultural context must be taken into account to understand acquisition outcomes. In addition, Chung and Park (2023) examined cultural diversity in M&A involving South Korean airlines and emphasised the importance of intergroup interaction in the post-M&A phase.

It can be concluded from these studies that cultural differences are not always a cause of M&A failure. Stable intergroup relations and the company's ability to manage differences are important elements of the integration process. In this study, organisational culture is therefore regarded as one of the aspects that must be maintained to preserve the gains from M&A while supporting business sustainability. International studies show that integration controls can help companies manage cultural differences and employee resistance after acquisitions (Smeulders et al., 2023).

2.4. Target Firm Characteristics

Target firm characteristics need attention in M&A because the target can be the source of the resources, technology, knowledge, and capabilities the acquirer seeks. These characteristics include firm size, line of business, technological capability, knowledge base, and market position. How well the target's characteristics fit the acquirer's strategic objectives can influence the benefits obtainable from an M&A transaction.

Cho and Jung (2025) examined the relationship between acquirer size and target characteristics and M&A performance among small and medium-sized enterprises in South Korea, underscoring the need to consider the characteristics of the transacting parties when analysing M&A performance. In technology acquisitions, target characteristics are also relevant because the acquirer can obtain capabilities it did not previously have.

However, controlling a target's resources or technology does not automatically guarantee that their benefits can be used optimally. The acquirer needs to align the acquired resources with its strategy and internal capabilities. In this study, target firm characteristics are therefore understood as an aspect related to the potential strategic benefits of M&A and their connection with long-term business sustainability.

2.5. Post-Merger Integration

Post-merger integration is the process of adjusting and managing a company's activities after an M&A transaction is completed. It can include aligning strategy, managing resources, coordinating operations, and managing inter-organisational relationships. Integration is important because the expected benefits of M&A depend not only on completing the transaction but also on the company's ability to utilise the resources and capabilities it subsequently obtains. In practice, post-merger integration can be hampered by differences in organisational culture, decision-making patterns, and working methods between acquirer and target. Integration therefore does not always mean that all of the target's activities and identity must be fully absorbed; its form must be adapted to the purpose of the acquisition and to the resources and capabilities to be preserved. Park and Allui (2019), who

discuss entry into the South Korean market through acquisition and post-merger integration, provide a relevant reference underlining the importance of the post-transaction process.

In the Samsung Electronics–Harman International context, the relationship between the two companies can be examined to understand how an acquirer can utilise a target's strategic capabilities after an acquisition. Nevertheless, any assessment of integration success must rest on evidence of how coordination, resource management, and capability utilisation actually proceed after the transaction. Post-merger integration is one of the factors related to business sustainability: a company's competence in managing integration can help preserve the strategic benefits of M&A, although the final outcome is also influenced by company conditions and other factors. The degree of integration and the functional integration strategy chosen have been shown to determine the relationship between integration and post-acquisition performance (Wei & Clegg, 2020).

2.6. Business Sustainability

In M&A, business sustainability means that a company can continue its activities and retain the strategic benefits of the transaction. M&A success cannot be judged merely by the completion of the deal or its short-term results; what matters is that its benefits can be maintained and developed over the long term. M&A can support business sustainability if the company is able to use the target's resources, technology, knowledge, and capabilities. These benefits, however, do not arise by themselves; new resources must first be aligned with the company's existing activities and capabilities. Cho and Jung (2025) found that long-term M&A performance depends not only on firm size but also on integration capability.

Business sustainability also concerns innovation capacity and financial condition. Jeong et al. (2020) show that companies able to absorb external knowledge through open innovation are better placed to maintain their financial sustainability. Business sustainability in M&A thus fundamentally depends on how well a company manages and utilises what it gains from the transaction.

2.7. Absorptive Capacity

Absorptive capacity is a company's ability to value external knowledge, acquire and assimilate it, and then apply it in day-to-day operations. In the context of M&A, this ability is crucial because the acquirer can obtain technology, knowledge, experience, and innovation capacity from the target.
Cho et al. (2022) found that the ability to manage knowledge and resources helps determine M&A performance among technology firms. Companies that already possess sufficient knowledge and experience tend to find it easier to integrate the technology and knowledge acquired through M&A into their business.

The findings of Jeong et al. (2020) point in the same direction: firms with strong absorptive capacity can leverage open innovation to support their financial sustainability. Conversely, having alliances or access to external knowledge does not necessarily lead to good performance if a company cannot absorb that knowledge effectively.

Absorptive capacity, therefore plays an important role in understanding why an M&A succeeds and the business endures. For an acquirer, obtaining the target's resources is not enough; it must also be able to recognise, absorb, and utilise those resources and that knowledge well. A firm's position in global value chains and its innovation capability have also been shown to affect cross-border M&A performance (Liu et al., 2025).

2.8. The Samsung Electronics–Harman International Case

The discussion of M&A, ownership structure, organisational culture, business sustainability, and absorptive capacity is relevant to the case of Samsung Electronics and Harman International. In 2016, Samsung announced its acquisition of Harman for approximately US$8 billion. The acquisition was completed on 10 March 2017 and is recognised as a strategic step by Samsung to strengthen its position in the automotive technology industry.

Kim et al. (2019) specifically explored the transformation of Samsung Electronics through its M&A with Harman International. The acquisition gave Samsung access to Harman's expertise in automotive technology and formed part of Samsung's plan to expand into the automotive sector. The case shows that M&A can be used to acquire capabilities and to enter business areas different from a company's core business.

The Samsung–Harman case is also important for evaluating post-M&A business sustainability

because Harman has remained part of Samsung's business structure since the acquisition. The case can therefore be used to connect the discussion of target characteristics, organisational culture, knowledge utilisation, and integration capability with post-M&A business sustainability.

2.9. Research Focus

This study examines five factors that, according to the literature, are associated with business sustainability after mergers and acquisitions (M&A) in South Korea: ownership structure, organisational culture, target firm characteristics, post-merger integration, and absorptive capacity. These five were chosen for their comprehensive coverage: some describe the company's situation before the transaction, some relate to subsequent management, and others determine the extent to which the strategic value of M&A can actually be realised.

In terms of ownership, the shareholding structure determines how decisions are made and creates scope for conflicts of interest among shareholders. Organisational culture concerns how companies respond to differences in values, communication, and work habits. The target firm is viewed in terms of what it brings, namely the resources, technology, knowledge, and capabilities transferred through the acquisition. Post-merger integration relates to the organisation of resources and operational adjustment after the transaction is completed. Finally, absorptive capacity describes the company's ability to recognise external knowledge, absorb it, and apply it.

To examine the links between these five factors and business sustainability, this study uses a literature review and the Samsung Electronics–Harman International case study. Business sustainability is chosen as the focus because the aim is to understand how the strategic benefits of M&A can endure and continue to develop over the long term. With this approach, the analysis does not stop at the transaction process but also traces the factors likely to play a role after the M&A has taken place.

3. RESEARCH METHOD

3.1. Research Design

This study uses a descriptive qualitative approach with a literature review and case study method. The method was chosen to gain a better understanding of previous studies on mergers and acquisitions (M&A) in South Korea, particularly those related to business sustainability. Ownership structure, organisational culture, target firm characteristics, absorptive capacity, and post-merger integration are the five main components of the analysis. According to Braun and Clarke (2021), a qualitative approach is used to discover patterns, meanings, and themes in the data examined. No statistical testing is performed to identify relationships among variables.

For the literature analysis, the results of twenty academic studies on M&A in South Korea published between 2016 and 2026 were examined. These articles are the main source for understanding various aspects of the M&A process and its outcomes. The analysis covers ownership structure and control mechanisms within companies, organisational culture, target firm characteristics, the company's ability to absorb and utilise external knowledge, and post-transaction integration. The findings of each article were reviewed and grouped according to these aspects to obtain a picture of their relationship with business sustainability. For example, Kim et al. (2024) discuss ownership concentration in M&A in the Korean market, Chung and Park (2023) review cultural differences in M&A, and Cho et al. (2022) are used to understand the management and utilisation of knowledge in technology firms' M&A activities.

Besides the literature review, this study uses the Samsung Electronics–Harman International case to illustrate how the literature findings apply to an actual M&A transaction. The case was chosen because the acquisition of Harman relates to Samsung's strategy of extending its business into the automotive industry and acquiring capabilities in automotive and audio technology. The case was analysed through relevant documents and secondary information on the transaction, ownership structure, organisational management, capability utilisation, and post-acquisition business development. This information is used to link the literature synthesis with the situation of Samsung Electronics–Harman International, without assuming that changes in company performance are caused solely by the acquisition.

The results of the literature review and case study were then analysed descriptively by comparing patterns in the scientific articles with information on Samsung Electronics–Harman International. The analysis aims to identify relationships between the five factors examined and

business sustainability in the context of M&A in South Korea. Because the data are secondary, the results are interpreted as a synthesis of literature findings and a contextual illustration from the case study, not as evidence of causal relationships.

3.2. Sample and Data Collection

This study uses secondary data from scientific articles and official company documents. The main sample consists of 20 scientific articles on M&A relating to South Korea published during 2016–2026. Articles were selected based on their fit with the research focus, particularly articles discussing M&A, target firm characteristics, ownership structure, organisational culture, post-merger integration, business sustainability, and companies' ability to acquire and utilise knowledge from other firms.

The academic literature was collected from several search sources: Google Scholar, MDPI, SSRN, KCI, SAGE Journals, ScienceDirect, the SeoulTech Repository, IDEAS/RePEc, and Wiley Online Library. The keywords were tailored to the research focus, namely *merger and acquisition*, *M&A*, *South Korea*, *ownership structure*, *organizational culture*, *business sustainability*, and *absorptive capacity*. The literature obtained was screened and selected according to its relevance to the research objectives and focus by reviewing the year of publication, title, abstract, article content, research object, methods, and findings related to the topic.

Articles were selected *purposively*, considering the year of publication, the connection of the research object with South Korea, the relevance of the discussion to M&A, and the fit of the findings with the research focus. The selected articles were then used to identify patterns and differences in research results. For example, Kim et al. (2024) is used to understand ownership structure in South Korean M&A, Chung and Park (2023) to review organisational culture, and Cho et al. (2022) and Y. J. Lee et al. (2019) to understand the role of capabilities and knowledge in the M&A process. The 20 articles are thus not merely a list of references but data analysed and synthesised in this study.

Relevant information from each article was recorded, including the research object, objectives, methods, aspects or variables examined, and findings. These notes were then used to compare findings across articles so that common themes and divergent findings could be identified, helping to produce a more complete picture of the factors related to M&A in South Korea.

In addition to scientific articles, this study uses official documents of Samsung Electronics and Harman International as data sources for the case study. These include the *Sustainability Report* and official company information on the development of Samsung Electronics and HARMAN after the acquisition. Samsung's *Sustainability Report* is used to obtain information on the company's development, strategy, performance, technology, and relevant sustainability aspects. This information serves as secondary data complementing the findings of the scientific articles and does not replace the 20 articles in the literature review.

The Samsung Electronics–Harman case study is also supported by Kim et al. (2019), who specifically examine Samsung's transition through its M&A with Harman International. That study explains that the acquisition of Harman relates to Samsung's efforts to strengthen its position in the automotive industry by combining the resources and capabilities of both companies. In addition, official Samsung sources are used to trace the company's development after the acquisition, so that the analysis does not rely solely on previous research.

Table 1. Number of Literature Search Results

Database	Observation Date	Period	Keywords	Total
Google Scholar, MDPI, SSRN, KCI, SAGE Journals, ScienceDirect, SeoulTech Repository, IDEAS/RePEc, and Wiley Online Library	22 September 2026	2016-2026	Merger and Acquisition, South Korea, Ownership Structure, Organizational Culture, Business Sustainability, Absorptive Capacity	20
Final sample				20

Source: Processed data (2026)

Data were collected by reviewing scientific articles that met the research criteria and gathering relevant information from official documents of Samsung Electronics and Harman International. All information was then recorded according to predetermined themes so that previous research findings could be compared with the Samsung Electronics–Harman International case. The study did not

involve human respondents or participants because all data came from secondary sources; *informed consent* was therefore not required.

Based on Table 1, 20 research articles met the literature selection criteria: 1) articles discussing mergers and acquisitions (M&A), particularly in relation to South Korea and the factors supporting business sustainability; 2) articles published between 2016 and 2026; and 3) articles addressing topics relevant to the research keywords, namely mergers and acquisitions, South Korea, ownership structure, organisational culture, business sustainability, and absorptive capacity. These articles were used as literature sources to identify and analyse the factors related to business sustainability in M&A activity. The data were analysed in three stages: first, selecting and reducing the data based on the established criteria; second, studying and reviewing the articles through a literature review; and third, analysing the results to identify patterns, factors, and findings relevant to the research objectives.

3.3. Data Analysis

The data were analysed using descriptive qualitative methods and thematic analysis. The process involved reading, identifying, grouping, comparing, and synthesising information from the 20 articles on M&A in South Korea and from official documents of Samsung Electronics and Harman International. The qualitative approach was used to discover patterns and themes emerging from the data collected (Braun & Clarke, 2021).

The review of the 20 articles yielded diverse findings on the factors related to M&A performance and sustainability. The results of each article are presented in Table 2.

Table 2. Article Identity and Research Results

No	Title and Authors	Research Results
1	Cho and Jung (2025), Maximizing Shareholder Wealth Through Strategic M&A: The Impact of Target Firm Listing Status and Acquirer Size on Sustainable Business Models in Korean SMEs	The results show that target firm characteristics and acquirer size are important considerations in M&A and are related to value creation and the sustainability of business models.
2	Cho and Jung (2026), The Green Black Box: Environmental-Transition Targets and Deal-Value Transparency in Korean Cross-Border Acquisitions	The study shows the importance of deal-value transparency and of considering targets related to environmental transition in cross-border M&A; environmental aspects are becoming increasingly relevant in transaction valuation.
3	Kim et al. (2024), The Influence of Ownership Concentration on Sustainable Merger and Acquisition Performance: Navigating Principal Conflicts in the Korean Market	Ownership concentration can help reduce conflicts between owners and management but at the same time can increase the potential for conflict between majority and minority shareholders.
4	Cho et al. (2022), What Causes the M&A Performance of High-Tech Firms?	The results show that the characteristics of technology firms and the inherent conditions of target firms are factors to consider in explaining the M&A performance of high-tech firms.
5	Thompson and Kim (2020), Post-M&A Performance and Failure: Implications of Time until Deal Completion	The time taken to complete a transaction is related to post-M&A outcomes; excessively long completion periods can have implications for success and performance after M&A.
6	Y. J. Lee et al. (2019), The Influence of a Firm's Capability and Dyadic Relationship of the Knowledge Base on Ambidextrous Innovation in Biopharmaceutical M&As	Firm capabilities and the knowledge relationship between the merging firms are related to the ability to generate innovation after the transaction.
7	S. Lee et al. (2019), A Comparative Study of Cross-Border and Domestic Acquisition Performances in the South Korean M&A Market: Testing the Two Competing Theories of Culture	Cultural differences are an aspect requiring attention in M&A; differences in cultural characteristics between firms can affect the integration process and acquisition performance.
8	Cho et al. (2023), Does Economic Policy Uncertainty Affect Mergers and Acquisitions in Korea? – Implications on Foreign Exchange Uncertainty	Economic policy uncertainty and exchange-rate uncertainty are external factors that can affect M&A activity in Korea.

9	Park et al. (2016), Factors Affecting Completion Duration of Global Mergers and Acquisitions of Korean Firms	The completion of cross-border M&A is influenced by various transaction and firm characteristics; completion duration is an important part of the M&A process for Korean firms.
10	Kim (2025), South Korea's Megacorp and Super App: Kakao's Paths to Market Dominance	The study shows how the expansion and strategies of large Korean companies can be used to strengthen market position and expand business ecosystems.
11	Jeong et al. (2020), Does Open Innovation Enhance a Large Firm's Financial Sustainability? A Case of the Korean Food Industry	Open innovation is related to large firms' ability to maintain financial sustainability by utilising knowledge and resources from outside the firm.
12	Kim et al. (2019), The Transition of Samsung Electronics through Its M&A with Harman International	The acquisition of Harman gave Samsung access to Harman's capabilities in automotive, connected car, audio, and related technologies. After the acquisition, Harman retained a degree of autonomy, so integration could proceed while preserving its resources and capabilities.
13	Chung and Park (2023), The Impact of Diverse Corporate Cultures on the Future Performance of Airline Mergers and Acquisitions (M&A) – A Case of Two Major Airlines in Korea	Differences in organisational culture are a challenge in M&A and need to be managed so that corporate integration can proceed and support long-term performance.
14	Lee and Geum (2023), Identifying Patterns of Mergers and Acquisitions in Startup: An Empirical Analysis Using Crunchbase Data	M&A among start-ups shows particular patterns based on firm and transaction characteristics; target characteristics are an important aspect in understanding M&A patterns.
15	Park and Allui (2019), eBay: Smart Entry Strategy into the Korean Market Through M&A and its Post-Merger Integration	The eBay case shows that M&A can be used as a strategy for entering the Korean market, and that post-acquisition success is related to the management of post-merger integration.
16	Kim et al. (2022), Can ESG Mitigate the Diversification Discount in Cross-Border M&A?	ESG is a relevant factor in cross-border M&A and may be related to how firms manage diversification and value creation.
17	Čirjevskis (2019), The Role of Dynamic Capabilities as Drivers of Business Model Innovation in Mergers and Acquisitions of Technology-Advanced Firms	Dynamic capabilities help firms adjust and develop their business models after M&A, particularly technology-based firms.
18	Kang and Lee (2023), What Has Been Changed in SPAC Mergers? Evidence from Korea Since Their Introduction	The development of SPACs in Korea shows changes in M&A transaction patterns and offers firms an alternative mechanism for business combinations.
19	Lee et al. (2025), Antitrust Deregulation and Long-Term Performance of Acquiring Firms	Changes in competition regulation may be related to M&A activity and the long-term performance of acquiring firms.
20	Lee et al. (2026), Scale Versus Technology—M&A Effects by Firm Size and Post M&A Time Horizon in Korea	The effects of M&A can differ by firm size and by the period after the transaction, indicating that M&A evaluation should consider firm characteristics and the post-acquisition time horizon.

Source: Authors' compilation based on the literature review (2026)

Table 2 shows the results of the review of 20 scientific articles discussing various aspects of mergers and acquisitions (M&A), particularly in relation to companies in South Korea. The review shows that M&A success is determined not only by the decision to acquire but also by the characteristics of the acquirer and target, transaction conditions, and external factors that can affect the M&A process and outcomes (Cho et al., 2023; Cho et al., 2022).

One factor identified in the literature is ownership structure. Ownership concentration can help reduce conflicts between owners and management but can at the same time create conflicts between majority and minority shareholders (Kim et al., 2024). In addition, target characteristics and company conditions are important considerations because they can affect the performance and outcomes of M&A transactions (Cho et al., 2022).

Organisational culture is another important theme. Cultural differences between acquirer and target can challenge the integration process and affect post-M&A performance (S. Lee et al., 2019). Successful integration therefore concerns not only the unification of organisational structures but also

the company's ability to manage cultural differences and inter-organisational relationships (Chung & Park, 2023; Park & Allui, 2019).

Beyond organisational aspects, several studies show that M&A can deliver strategic benefits through the use of the target's knowledge, technology, innovation, and capabilities. A company's ability to acquire, integrate, and utilise such knowledge is important in developing capabilities and business models after M&A, especially for technology-based firms (Čirjevskis, 2019; Y. J. Lee et al., 2019). Sustainability has also begun to receive attention through discussions of ESG, innovation, and companies' ability to maintain value and strategic benefits after the transaction (Jeong et al., 2020; Kim et al., 2022).

Based on the overall review, this study groups the findings of the 20 articles into five main factors that form the basis of the analysis: ownership structure, organisational culture, target firm characteristics, post-merger integration, and absorptive capacity. These five factors are then used to compare previous research findings with Samsung Electronics' condition after acquiring Harman International. The 20 articles in Table 2 are thus not merely references but the basis for building the literature synthesis and determining the aspects used in analysing the Samsung Electronics–Harman International case.

Nevertheless, this literature review has several limitations. The twenty articles differ in their research objects, observation periods, methods, and indicators for assessing M&A success or performance, so their results cannot be compared in a fully uniform manner. Moreover, the use of secondary data makes the analysis dependent on the completeness and availability of information reported in each source. The synthesis in this study is therefore used to identify patterns and links among factors, not to draw causal conclusions applicable to all M&A transactions.

Table 3. Company Documents Used

No.	Name and Type of Document	Relevant Information
1	Samsung Electronics Sustainability Report 2016. Corporate sustainability report. (Samsung Electronics, 2016)	Provides information on the company's condition, economic performance, and sustainability aspects of Samsung Electronics before the Harman acquisition.
2	Samsung Electronics Sustainability Report 2017. Corporate sustainability report. (Samsung Electronics, 2017)	Provides information on economic performance, governance, sustainability strategy, and the condition of Samsung Electronics during the period in which the Harman acquisition was completed.
3	Samsung Electronics Sustainability Report 2025. Corporate sustainability report. (Samsung Electronics, 2025b)	Provides information on the development of company performance, sustainability strategy, and Harman as part of Samsung Electronics in the most recent period.
4	Harman Sustainability Report 2025. Corporate sustainability report. (Harman International, 2025)	Provides information on Harman's sustainability strategy and performance, covering environmental, social, and governance aspects and its management as a subsidiary of Samsung Electronics.
5	Samsung Electronics Facts & Figures. Corporate performance data. (Samsung Electronics, 2025a)	Provides quantitative data on Samsung Electronics' economic performance and sales by division, including Harman's sales for 2023–2025.

Source: Processed by the authors from company data (2026)

Table 3 shows that official company documents are used as secondary data sources to complement the review of the 20 scientific articles. The Samsung Electronics Sustainability Reports 2016 and 2017 are used to obtain a picture of the company before and around the completion of the Harman acquisition, including information on economic performance, governance, strategy, and sustainability. The Samsung Electronics Sustainability Report 2025 and the Harman Sustainability Report 2025 are used to examine the company's more recent development, particularly its performance, sustainability strategy, technology, and environmental, social, and governance aspects. Samsung Electronics Facts & Figures data complement the quantitative information on company performance and Harman's sales for 2023–2025.

Information from these company documents is then used as supporting data in analysing the Samsung Electronics–Harman International case. Company data do not replace previous research findings but provide an empirical picture of the company's condition and development after the acquisition. This information is compared with the literature synthesis based on the five predetermined factors: ownership structure, organisational culture, target firm characteristics, post-merger integration, and absorptive capacity. The company documents thus help connect the literature findings with the actual conditions of Samsung Electronics and Harman International.

4. RESULTS AND DISCUSSION

4.1. Results

The results of this study are derived from the 20 articles reviewed and selected for their relevance to mergers and acquisitions (M&A), particularly in the South Korean context, and from the Samsung Electronics–Harman International case study. The literature findings are grouped by themes relating to ownership structure, firm characteristics, organisational culture, post-merger integration, business sustainability, and capabilities in managing resources and technology. In addition, the development of the Samsung Electronics–Harman International case is used to provide an empirical view of M&A implementation and post-acquisition corporate growth.

4.1.1 Samsung Electronics' Performance before and after the Acquisition

Samsung Electronics announced its plan to acquire 100% of Harman International in November 2016 for approximately US$8.0 billion. The transaction was completed in March 2017, after which Harman became a wholly owned subsidiary of Samsung through Samsung Electronics America. In announcing the completion of the transaction, Samsung stated that Harman would continue to operate as an independent subsidiary, retaining its workforce, headquarters, facilities, and brands.

Table 4. Samsung Electronics before and after the Harman Acquisition

Period	Year	Samsung Sales	Samsung Operating Profit
Before acquisition	2016	KRW 201.87 trillion	KRW 29.24 trillion
After acquisition	2017	KRW 239.58 trillion	KRW 53.65 trillion
After acquisition	2025	KRW 333.6 trillion	KRW 43.6 trillion

Source: Samsung Electronics data, processed by the authors (2026)

The data in Table 4 show changes in Samsung Electronics' business scale between the periods before and after the Harman acquisition. In 2016, before the acquisition was completed, Samsung recorded sales of KRW 201.87 trillion and operating profit of KRW 29.24 trillion. After the Harman acquisition was completed in 2017, Samsung's sales rose to KRW 239.58 trillion and its operating profit to KRW 53.65 trillion, indicating improved performance in the early post-acquisition period in terms of both sales and operating profit.

Over a longer period, Samsung's sales continued to rise, reaching KRW 333.6 trillion in 2025, higher than in both 2016 and 2017. However, operating profit followed a different pattern: it rose sharply from KRW 29.24 trillion in 2016 to KRW 53.65 trillion in 2017 but stood at KRW 43.6 trillion in 2025. This divergence shows that growth in sales scale is not always matched by an equivalent increase in operating profit.

These developments show changes in Samsung's performance after the acquisition. Nevertheless, they cannot be used to establish a causal relationship between the Harman acquisition and Samsung's improved performance. This caveat matters because Samsung has a diverse range of business activities, so changes in sales and operating profit may be influenced by many conditions, including the development of individual business segments, market dynamics, conditions in the technology industry, and overall economic factors. The information in Table 4 is therefore used to describe the development of Samsung's performance and business scale before and after the acquisition, not to draw a single conclusion about the success of the acquisition.

The 2016 and 2017 data only describe the company's condition before and around the early stage of integration after the transaction was completed, whereas the 2025 data show Samsung's condition over a longer post-acquisition horizon. This comparison helps provide context on the company's development, but the differing time spans must be taken into account when interpreting performance changes. Assessing the sustainability of M&A benefits therefore cannot rely solely on changes in Samsung's sales and operating profit; it must be complemented by Harman's development, the utilisation of the target's capabilities, and the post-acquisition integration process.

4.1.2 The Development of Harman International's Business after the Acquisition

Beyond Samsung's overall development, the development of Harman's business after joining Samsung can also be seen from the sales reported by Samsung for the Harman segment.

Table 5. Harman International Sales as Part of Samsung

Year	Harman International Sales
2023	KRW 14.4 trillion
2024	KRW 14.3 trillion
2025	KRW 15.8 trillion

Source: Samsung Electronics, Facts & Figures, processed by the authors (2026)

The data in Table 5 show that Harman's sales remained around KRW 14 trillion during 2023–2024 before rising to KRW 15.8 trillion in 2025. Harman's sales were KRW 14.4 trillion in 2023, declined slightly to KRW 14.3 trillion in 2024, and rose again to KRW 15.8 trillion in 2025. These developments show that Harman has continued to conduct significant business activities as part of Samsung and has maintained its business scale during the observation period.

However, these changes in sales must be interpreted carefully. The data in Table 5 are Harman's sales as reported by Samsung in its post-acquisition segment information. They therefore cannot be directly compared with Harman's financial statements as an independent company before the acquisition, particularly because of differences in reporting periods, currency, and reporting context.

As an indication of its pre-acquisition condition, Harman's annual report for fiscal year 2016 recorded sales of US$6.912 billion and operating income of US$580.027 million. These data can serve as a benchmark for Harman's business scale before joining Samsung. However, the comparison between pre- and post-acquisition data in this study is used to provide context for Harman's business development rather than to calculate directly the impact of the acquisition on sales growth, given the differences in reporting bases.

Harman's development must also be viewed in terms of its business characteristics, not merely its sales. Harman has a strong position in automotive, connected car, infotainment, and audio. When the acquisition was announced, about 65% of Harman's sales came from its automotive business, and Harman's connected car and audio systems were installed in more than 30 million vehicles. These characteristics show that Harman's strategic value to Samsung lies not only in its sales contribution but also in the target's capabilities, technology, products, and market position.

Harman's post-acquisition development shows that the target has continued its business activities and retained its role in Samsung's portfolio, consistent with Samsung's decision to keep Harman as a subsidiary with its own identity and operations. This is important for the discussion of M&A sustainability because the benefits of an acquisition can be seen not only in changes in the acquirer's financial performance but also in the target's ability to continue operating, retain its capabilities, and make strategic contributions after the transaction. How Samsung integrated and utilised these capabilities is discussed in Subsection 4.1.3.

4.1.3 Samsung's Integration and Utilisation of Harman's Capabilities

In March 2017, Samsung completed its acquisition of Harman. Samsung did not immediately absorb Harman but made it a subsidiary, keeping its workforce, headquarters, facilities, and all its brands intact. This means that Samsung left room to preserve part of Harman's structure and capabilities, incorporating Harman into its business without completely changing the acquired company's operating practices.

Strategically, Samsung gained strengthened capabilities from Harman in automotive, *connected car*, *infotainment*, and audio. Before the acquisition, Harman already had experience and a position in the automotive industry and *connected car* technology. The acquisition gave Samsung access to resources and capabilities related to technology, product development, and the automotive business. Kim et al. (2019) also show that the acquisition gave Samsung access to Harman's resources and capabilities in technology and product development.

The utilisation of these capabilities can be seen in efforts to combine the resources of both companies. Samsung's strengths lie in electronics, semiconductors, and digital devices, while Harman has experience in automotive systems, audio, and *connected cars*. This combination gives Samsung opportunities to extend the application of its technology to the automotive industry and to develop products that link electronic technology with vehicle needs.

The case study shows that the Samsung–Harman integration involves not only a change in ownership but also the management of organisational structure and the utilisation of the target's

capabilities. Harman retained a number of its organisational and operational elements, while its capabilities in automotive and connected technology became part of the resources Samsung could draw on after the acquisition.

4.2. Discussion

Based on the review of 20 articles and the Samsung Electronics–Harman International case, business sustainability in mergers and acquisitions (M&A) can be understood as the outcome of several interrelated aspects. M&A aims not only to increase business scale through takeovers; its success also depends on the company's ability to manage ownership, combine resources, deal with differences in organisational culture, and utilise technology and knowledge after the transaction is completed. This suggests that M&A success should be assessed in terms of the process and the company's long-term development, not merely the transaction value or changes in financial performance in a single period.

4.2.1 Ownership Structure and Corporate Control

Ownership structure is important in mergers and acquisitions (M&A) because it reveals where authority lies within a company and shapes how decisions are made, including the oversight of management. Kim et al. (2024) found that ownership concentration is double-edged because it does not always have the same effect. When conflicts between owners and management are contained, monitoring can become stronger; however, new problems can arise when majority shareholders become too dominant or the interests of minority shareholders are neglected. Its impact therefore depends on the company's circumstances.

A clear ownership structure is still needed in M&A because it makes it easier to set the company's direction after the transaction and allows control to be exercised in line with the purpose of the acquisition. Governance must nevertheless be maintained so that the interests of all parties are not ignored. Business sustainability also cannot be achieved merely by gaining control of a company; its resources must continue to be managed after the transaction. This can be seen in the Samsung–Harman case: Harman's ownership changed through the acquisition, and it became a wholly owned subsidiary of Samsung through Samsung Electronics America, yet several parts of the company were retained.

Harman's workforce was not eliminated, its headquarters remained in use, its facilities were retained, and the Harman brand continued to be used in its business activities. This reflects a particular pattern of control in which full ownership does not mean that everything must be merged. The target's identity can be preserved while its operations continue, and room is left for Harman's capabilities to support business activities. This pattern, however, may not suit every M&A; ownership choices must consider the target's condition, the purpose of the acquisition, and the integration needs after the transaction.

4.2.2 Organisational Culture and Post-Merger Integration

Every company usually has its own practices, and these differences become visible after M&A. Working methods may differ, decisions may be made differently, and working relationships may change after the transaction. Organisational culture therefore needs attention from the outset. S. Lee et al. (2019) address this issue by comparing domestic and cross-border M&A among South Korean firms, while Chung and Park (2023) examine a similar issue in the airline industry.

Cultural differences are not necessarily a problem; obstacles usually arise when integration is handled inappropriately. The target's situation must be understood before working systems are combined, and those systems need not be made uniform immediately. Existing procedures and certain work habits can be retained. Integration that proceeds too quickly may in fact create problems.

Relationships among employees may deteriorate, and the target's resources may be neglected, eventually eroding the target's advantages. The Samsung–Harman case shows a different approach after the acquisition: several parts of Harman were allowed to continue operating, and Harman's organisational independence was not entirely removed, reflecting a non-coercive form of integration. Harman's knowledge was still needed by Samsung, its experience retained strategic value, and existing business relationships—particularly in the automotive business—were maintained. Harman's audio business also remained an important component.

Integration is thus not only about unifying organisations; the parts to be combined must first

be identified, while other parts are better retained as needed. Such decisions must follow the purpose of the acquisition. Technical expertise, an experienced workforce, brands, and customer relationships can all be reasons for retention because of their strategic value. Autonomy, however, does not guarantee successful integration. Coordination between Samsung and Harman is still required, the relationship between the two companies must be continuously managed, and their resources must be usable jointly.

4.2.3 Target Firm Characteristics, Technological Capability, and Absorptive Capacity

Target firm characteristics deserve attention in M&A because the target's knowledge is also a consideration, and technological fit between firms must be assessed before integration. Y. J. Lee et al. (2019) found significant effects in the biopharmaceutical industry: the acquirer's acquisition experience and its technological similarity with the target both affect the firm's innovation performance, in terms of both exploratory and exploitative innovation.

This means that acquiring a target's resources is not sufficient; the ability to utilise them after the acquisition is also required. Čirjevskis (2019) discusses dynamic capabilities related to business model innovation in acquisitions of high-tech firms, including the Samsung–Harman case, and shows that capabilities are central to the M&A process. Through M&A, a company can obtain new resources such as technology, experts, and market knowledge.

However, these resources are not necessarily useful immediately after they are obtained. New knowledge must first be recognised, then absorbed by the company, and finally applied in its business activities. This ability, known as absorptive capacity, is important after an acquisition because it makes acquired technology easier to develop and new knowledge easier to use optimally.

Harman's characteristics matched Samsung's needs. The company operates in automotive technology, including connected cars, infotainment, telematics, and audio, and these characteristics were a strategic consideration for Samsung when it acquired Harman in 2016. The potential to combine capabilities then came into focus: Harman has capabilities in automotive and audio, while Samsung has capabilities in connectivity, semiconductors, displays, and digital technology, giving the two companies the opportunity to complement each other.

These capabilities could expand Samsung's automotive business opportunities and allow connected technologies to be developed further. Nevertheless, synergy opportunities are not evidence of success; the actual results of the combination still need to be examined, and utilising resources requires particular capabilities, including the ability to process external knowledge. Jeong et al. (2020) discuss this capability in Korean food companies.

They found that absorptive capacity can strengthen financial sustainability, with open innovation as part of the discussion. Although that study is not about Samsung–Harman, its findings serve as a conceptual basis: absorptive capacity is used as a lens to examine how resources, acquired technology, and acquired knowledge are utilised. However, an improvement in sustainability cannot yet be demonstrated directly.

Target characteristics indicate the resources acquired, technological capability indicates the potential of those resources, and absorptive capacity indicates the ability to use them. The three are interrelated in the M&A process. Acquiring technology does not automatically guarantee business sustainability, nor does resource fit; post-transaction management still requires attention.

4.2.4 Business Sustainability and Post-M&A Financial Performance

Business sustainability concerns a company's ability to survive, so that its business activities can continue after M&A, it can cope with market changes, and its capacity continues to develop after the transaction. Several factors can influence this, including target characteristics, innovation, resource management, and, increasingly, ESG aspects. Post-transaction firm performance must also be considered.

Cho and Jung (2025) discuss target characteristics and acquirer size and link both to value creation and sustainable business models. Kim et al. (2022) highlight ESG aspects in cross-border M&A. Transaction value alone is therefore insufficient to judge M&A success, and a larger company is not necessarily a successful one; the business's capabilities after the acquisition must be maintained, as must its competitiveness.

The ability to adapt is also crucial. Financial performance can serve as an indicator, but long-term success is not determined by it alone. Samsung's development provides additional insight: its

sales and operating profit changed over the observation period before and after the Harman acquisition, with 2016, 2017, and 2025 used as comparison points. These are Samsung's consolidated figures, which include all of Samsung's business activities.

Harman's contribution cannot be isolated directly, so these figures must be read with caution. Market conditions, product developments, changes in the semiconductor industry, and other factors may all have influenced the results. Harman's data can therefore be used as a point of comparison.

Samsung's sales data should therefore be read together with Harman's segment data in Table 5. Harman's sales reached KRW 14.4 trillion in 2023 and KRW 14.3 trillion in 2024, before rising to KRW 15.8 trillion in 2025—a slight decline in 2024 followed by renewed growth in 2025. Even so, no direct conclusion can be drawn: the acquisition cannot be identified as the main cause, and Harman's business sustainability cannot yet be confirmed.

Other indicators are still needed for this assessment, such as segment profitability, cash flows, technology investment, and long-term business development. Strategically, the acquisition gave Samsung opportunities: Harman's capabilities can support its automotive business and the continued development of connected technology. Harman's main resources were retained and Harman remained within the Samsung group, opening the way for synergies.

Synergy opportunities, however, are not evidence of financial success. Sustainability must be assessed from several angles, including financial performance, corporate capabilities, innovation, and long-term business position.

4.2.5 Synthesis of Factors Related to Business Sustainability in the Samsung–Harman Case

The review of the 20 articles reveals certain patterns, with several factors recurring in the discussion: ownership structure, organisational integration, the use of technology, and the target's knowledge. All of these factors are related to business sustainability.

Ownership structure determines the pattern of control after the acquisition, and the integration approach then shapes how the company and the target's resources are managed. A company's identity need not always be eliminated, as the Samsung–Harman case shows: several elements of Harman were retained after the acquisition and its capabilities could still be utilised, giving Samsung complementary capabilities. These capabilities must nevertheless be managed: inter-organisational relationships must be maintained after the transaction and the knowledge of both companies must be combined. Partial autonomy can help preserve the target's advantages, but coordination is still needed to achieve shared goals.

Business sustainability does not end when the transaction is completed. An M&A that is legally completed is not necessarily successful; strategic benefits do not always appear immediately, and financial effects take time to become visible. The resources acquired must actually be used, new capabilities must continue to be developed, and adjustments must be made to business needs. Post-acquisition evaluation is therefore important to assess the results.

A company's condition cannot be judged from a single year. External factors can also influence M&A outcomes, including economic policy uncertainty, exchange rates, competition regulation, and market characteristics. Cho et al. (2023) examine such uncertainty in relation to M&A activity in Korea, while Lee et al. (2025) link competition regulation to long-term performance. M&A outcomes are thus influenced by a business environment that changes over time, so integration strategies and business development need to be adjusted accordingly.

Overall, several factors are interrelated: ownership governance, organisational culture, careful integration, the ability to absorb knowledge after the acquisition, and the use of the target's technology and resources. The Samsung–Harman case illustrates the links among these aspects. However, because this study relies on a literature review and a single case study with secondary data, its results describe patterns of factors related to business sustainability in M&A. The Samsung–Harman case shows how these factors appear in practice, but the results cannot demonstrate that any single factor directly causes M&A success or failure.

5. CONCLUSION

This study aimed to analyse the factors related to business sustainability in mergers and acquisitions (M&A) in South Korea through a literature review and a case study of Samsung Electronics' acquisition

of Harman International. The review identifies five main factors related to post-M&A business sustainability: ownership structure, organisational culture, target firm characteristics, post-acquisition integration, and absorptive capacity.

First, ownership structure relates to control and decision-making mechanisms that can influence a company's strategic direction after an acquisition. Second, organisational culture is important in managing differences in values, work habits, and decision-making patterns between acquirer and target. Third, target firm characteristics determine the resources, technology, knowledge, and expertise that can be obtained through M&A. Fourth, post-acquisition integration aligns the activities and strategic goals of both companies without eliminating the target's advantages. Fifth, absorptive capacity relates to a company's ability to recognise, absorb, and apply external knowledge to support innovation and capability development.

The Samsung Electronics–Harman International case illustrates how an acquisition can open access to technology and expertise in automotive electronics, infotainment systems, and audio. Harman's continuity as part of the Samsung group while retaining several of its organisational elements also underlines the importance of balancing strategic integration with the preservation of the target's capabilities. Nevertheless, this case is not sufficient to prove that the acquisition directly increased long-term business sustainability.

Overall, post-M&A business sustainability is related to the fit of the ownership structure, the management of organisational culture, target firm characteristics, the effectiveness of post-acquisition integration, and the ability to absorb and utilise external knowledge. M&A success should therefore be judged not only by short-term financial performance but also by its contribution to innovation, operational continuity, adaptability, and long-term competitiveness.

5.1. Implications

The results have implications for companies considering M&A as a business development strategy. Companies need to assess the strategic fit between acquirer and target, including ownership structure, organisational culture, target characteristics, and the resources and capabilities that can be developed after the acquisition, so that M&A decisions pursue not only transactional gains but also long-term business development potential.

In addition, companies need to plan post-acquisition integration carefully, taking into account cultural differences, coordination needs, and the target's advantages. Integration should support cooperation and shared use of resources without eliminating the specialised knowledge and expertise that constitute the target's strategic value. Companies also need to build absorptive capacity so that the technology and knowledge acquired through M&A can be understood, absorbed, and applied to support innovation.

In the Samsung Electronics–Harman International context, the preservation of several Harman organisational elements amid strategic integration with Samsung shows the importance of balancing coordination with operational autonomy. M&A should therefore be seen not merely as a means of increasing business scale but as a strategy for acquiring, developing, and utilising capabilities that support business sustainability. These implications can inform companies in designing M&A strategies suited to their own objectives and characteristics.

5.2. Limitations

This study has several limitations. First, it relies on a literature review and a single case study, namely Samsung Electronics' acquisition of Harman International; its findings may therefore not generalise to M&A transactions in other companies, industries, or countries with different characteristics.

Second, it uses secondary data from previous research and company reports, so the depth of analysis depends on the availability, completeness, and coverage of information in those sources. Third, it identifies factors related to business sustainability but does not demonstrate direct causal relationships between each factor and long-term business sustainability. Post-acquisition performance may also be influenced by market conditions, technological change, competition, and other business strategies.

Given these limitations, future research should compare several M&A cases across different industries or countries to identify similarities and differences in the factors related to business sustainability. Future studies could also use longer observation periods and combine financial and operational indicators with environmental and social indicators. In addition, empirical testing of ownership structure, organisational culture, target characteristics, post-acquisition integration, and

absorptive capacity could provide a deeper understanding of the role of each factor in supporting business sustainability.

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Abbreviations
M&A: Mergers and Acquisitions
ESG: Environmental, Social, and Governance
SMEs: Small and Medium-sized Enterprises
KRW: Korean Won
US$: United States Dollar
SPAC: Special Purpose Acquisition Company

Authors' Contributions
EW: Literature Review, Results and Discussion; NF: Abstract, Conclusion, Literature Review, References; TP: Literature Review, Research Method; AN: Literature Review, Research Method; EI and BKW: Introduction, Results and Discussion, Literature Review.

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