

## CROSS-BORDER MERGERS AND ACQUISITIONS: CHALLENGES OF TRANSNATIONAL MANAGEMENT AND THE UKRAINIAN WARTIME CONTEXT

## ТРАНСКОРДОННІ ЗЛИТТЯ ТА ПОГЛИНАННЯ: ВИКЛИКИ ТРАНСНАЦІОНАЛЬНОГО МЕНЕДЖМЕНТУ ТА УКРАЇНСЬКИЙ ВОЄННИЙ КОНТЕКСТ

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**Abstract.** *Cross-border mergers and acquisitions (M&A) represent one of the most dynamic and complex instruments of international business expansion in the 21st century. In an era defined by globalization, accelerated digital transformation, and mounting geopolitical volatility, they provide companies with opportunities not only to expand geographical presence but also to acquire technological innovations, strengthen global competitiveness, and secure access to strategic resources. According to the Institute for Mergers, Acquisitions and Alliances (IMAA), in 2021 alone more than 50,000 deals were completed worldwide, reaching a total value of USD 5.9 trillion, a record for the past two decades. Despite temporary contractions caused by the COVID-19 pandemic, armed conflicts, and the global energy crisis, the M&A market has demonstrated remarkable resilience, continuing to shape the structural evolution of the global economy. Nevertheless, international statistics highlight a paradox: while M&A is pursued as a key driver of corporate growth, nearly half of all cross-border transactions fail to achieve the desired outcomes. Empirical research suggests that up to 70% of these failures occur not during negotiation or valuation but at the post-merger integration stage, where organizational cultures, legal regimes, and managerial approaches collide. This demonstrates that financial calculations and economic forecasts, although essential, are not sufficient to guarantee success. Instead, the decisive factors lie in the sphere of transnational management, which encompasses the ability to reconcile cultural differences, harmonize legal and regulatory frameworks, align strategic objectives, and manage human capital across diverse national contexts. This paper addresses five interrelated domains of challenge in cross-border M&A: cultural distance, legal and regulatory barriers, the integration of business processes, the human factor, and strategic alignment. The analysis builds on recent academic studies, as well as case studies from global corporate practice. These insights are further contextualized through the Ukrainian wartime experience, which exemplifies the intensification of global challenges*

*under conditions of extreme uncertainty. The Ukrainian case highlights a dual reality: on the one hand, legal instability, infrastructural destruction, and mass migration create unprecedented risks; on the other, the need for rapid reconstruction and integration into the European Union's economic space creates extraordinary opportunities for foreign investors. In this regard, Ukraine functions as a unique testing ground where global theories of M&A and transnational management intersect with the realities of wartime resilience. By analyzing these dynamics, this paper seeks to contribute both to the academic discourse on cross-border integration and to the practical toolkit of managers navigating one of the most turbulent business environments of our time.*

**Keywords.** *Cross-border mergers and acquisitions (M&A); transnational management; cultural distance; post-merger integration; organizational cultural distance (OCD); digital integration; human capital mobility; strategic alignment; geopolitical risk; Ukrainian wartime economy; reconstruction and resilience; European Union integration.*

**Анотація.** Транскордонні злиття та поглинання (M&A) є одним із найбільш динамічних і водночас складних інструментів міжнародної бізнес-експансії у XXI столітті. В епоху глобалізації, прискореної цифрової трансформації та зростаючої геополітичної нестабільності вони забезпечують компаніям не лише можливість розширювати географічну присутність, а й здобувати технологічні інновації, посилювати глобальну конкурентоспроможність і забезпечувати доступ до стратегічних ресурсів. За даними Інституту злиттів, поглинань та альянсів (ИМАО), лише у 2021 році у світі було укладено понад 50 тисяч угод на загальну суму 5,9 трлн доларів США, що стало рекордом за останні два десятиліття. Попри тимчасові скорочення, спричинені пандемією COVID-19, воєнними конфліктами та глобальною енергетичною кризою, ринок M&A продемонстрував надзвичайну стійкість, продовжуючи визначати структурну еволюцію світової економіки. Водночас міжнародна статистика підкреслює парадокс: хоча M&A розглядаються як головний драйвер корпоративного зростання, майже половина транскордонних угод не досягає бажаних результатів. Емпіричні дослідження свідчать, що до 70 % цих невдач припадають не на етап переговорів чи оцінювання, а саме на фазу постінтеграції, де відбувається зіткнення організаційних культур, правових режимів і управлінських підходів. Це доводить, що фінансові розрахунки та економічні прогнози, хоча й необхідні, не можуть гарантувати успіх. Вирішальні чинники перебувають у площині транснаціонального менеджменту, який охоплює здатність узгоджувати культурні відмінності, гармонізувати правові й регуляторні рамки, вирівнювати стратегічні цілі та ефективно управляти людським капіталом у різних національних контекстах. У статті розглядаються п'ять взаємопов'язаних сфер викликів у транскордонних M&A: культурна дистанція, правові та регуляторні бар'єри, інтеграція бізнес-процесів, людський фактор та стратегічне вирівнювання. Аналіз ґрунтується на сучасних академічних дослідженнях, а також на кейсах із глобальної корпоративної практики. Ці інсайти додатково контекстуалізуються через український воєнний досвід, що ілюструє посилення глобальних викликів в умовах крайньої невизначеності. Український випадок підкреслює подвійність реальності: з одного боку, правова нестабільність, руйнування інфраструктури та масова міграція створюють безпрецедентні ризики; з іншого — потреба швидкої відбудови та інтеграції в економічний простір ЄС відкриває надзвичайні можливості для іноземних інвесторів. У цьому сенсі Україна функціонує як унікальний полігон, де глобальні теорії M&A і транснаціонального менеджменту перетинаються з реаліями воєнної стійкості. Аналіз цих динамік дозволяє зробити внесок не лише в академічний дискурс про транскордонну інтеграцію, а й у практичний інструментарій менеджерів, які працюють в одному з найтурбулентніших бізнес-середовищ сучасності.

**Ключові слова.** Транскордонні злиття та поглинання (M&A); транснаціональний менеджмент; культурна дистанція; постінтеграційні процеси; організаційна культурна дистанція (OCD); цифрова інтеграція; мобільність людського капіталу; стратегічне

*вирівнювання; геополітичний ризик; українська воєнна економіка; відбудова та стійкість; інтеграція до Європейського Союзу.*

**Introduction.** Cross-border mergers and acquisitions (M&A) have become one of the most prominent and transformative strategies for international business expansion in the 21st century. In a globalized economy marked by unprecedented interconnectedness, firms increasingly use M&A not only as a tool for rapid market entry but also as a mechanism for acquiring advanced technologies, diversifying supply chains, enhancing competitiveness, and restructuring business models in response to environmental turbulence. According to the Institute for Mergers, Acquisitions and Alliances (IMAA), in 2021 alone more than 50,000 M&A deals were recorded worldwide, with a combined value exceeding USD 5.9 trillion—the highest figure in two decades. Although the global M&A market experienced temporary fluctuations in 2022–2023 due to the COVID-19 pandemic, armed conflicts, and a global energy crisis, it nevertheless proved remarkably resilient, continuing to shape the structural evolution of the world economy. Yet despite this quantitative growth, cross-border M&A continues to face qualitative challenges. Statistics reveal a persistent paradox: while such deals are conceived as pathways to strategic advantage, nearly half of them fail to meet expectations. Empirical studies indicate that up to 70% of failures occur during the integration stage, rather than during negotiations or financial planning (Hoffman & Shimizu, 2022). This suggests that success in cross-border M&A cannot be explained by financial forecasts alone. Instead, it depends on the ability of managers to navigate the far more intricate terrain of transnational management, which involves reconciling organizational cultures, legal regimes, managerial practices, and strategic visions that frequently diverge across national boundaries. The academic literature identifies several domains of challenge that recur across cases of cross-border M&A. Cultural distance and organizational cultural distance (OCD) influence employee trust, communication, and motivation (Brede, Langan, & Rees, 2024). Legal and regulatory asymmetries create uncertainty and compliance risks, particularly when multiple jurisdictions impose conflicting requirements. The integration of business processes, especially in the digital era, demands compatibility of IT infrastructure, cybersecurity, and data management systems (Deloitte, 2024). The human factor remains central, as retention of key talent and adaptation of workforces are decisive for post-merger performance (Krug, Wright, & Kroll, 2020). Finally, strategic alignment—clarity of objectives, value drivers, and integration pace—determines whether the expected synergies are realized or dissipate into organizational conflict. The Ukrainian context adds a further layer of complexity and significance to this discussion. Since the outbreak of full-scale war in 2022, Ukraine has experienced both unparalleled risks and unprecedented opportunities. On the one hand, wartime conditions have intensified legal instability, infrastructural disruptions, and losses of human capital. On the other hand, Ukraine's strategic trajectory toward European Union integration and the anticipated postwar reconstruction have created new incentives for foreign investment and cross-border partnerships. In this sense, Ukraine functions as a critical test case for the global theory and practice of M&A: it illustrates how extreme geopolitical and economic shocks reshape the conditions for cross-border integration while simultaneously highlighting new pathways for resilience and growth. Against this backdrop, the purpose of this paper is twofold: first, to analyze the core challenges of transnational management in cross-border M&A—including cultural, legal, organizational, human, and strategic dimensions; and second, to contextualize these challenges within Ukraine's wartime environment, thereby offering insights into how global patterns intersect with local realities. By bridging theoretical perspectives with practical examples, the article seeks to contribute both to academic debates and to the managerial toolkit required to navigate one of the most turbulent business landscapes of our time.

**The purpose of the article.** The primary aim of this study is to analyze the multidimensional challenges of cross-border mergers and acquisitions (M&A) with a particular emphasis on transnational management, cultural distance, regulatory complexity, digital integration, human capital, and strategic alignment. While traditional research has focused predominantly on financial logic and valuation models, the growing body of contemporary literature demonstrates that non-financial dimensions are equally, if not more, decisive for the success or failure of international transactions. This article therefore seeks to expand the analytical lens by situating global trends within

the unique context of Ukraine's wartime economy. Specifically, the research aims to examine how cultural barriers, organizational misalignments, and human capital dynamics interact with legal, regulatory, and geopolitical constraints to shape post-merger integration outcomes. By synthesizing recent theoretical insights and practical case studies, the study aspires to identify the mechanisms through which these challenges can either undermine or reinforce strategic objectives. Special attention is given to the role of cultural agility, transformational leadership, and digital resilience as compensatory capabilities that may enable firms to navigate the turbulence of cross-border integration. A further objective is to contextualize global patterns of M&A within Ukraine's wartime realities. The country represents a unique case where extreme risks—legal instability, infrastructural destruction, and human capital losses—coexist with extraordinary opportunities arising from postwar reconstruction, European Union integration, and the resilience of its IT and energy sectors. By exploring this paradox, the study aims not only to contribute to the academic discourse on transnational management but also to provide practical insights for managers and policymakers designing M&A strategies in highly volatile environments. Ultimately, the goal of this research is to bridge global theory with local practice, demonstrating how universal challenges of cross-border M&A are magnified, transformed, and sometimes redefined in wartime Ukraine. In doing so, the study contributes to both the scholarly understanding of international business and the managerial toolkit for sustaining competitive advantage in times of crisis and recovery.

**Literature review.** Recent scholarship on cross-border mergers and acquisitions (M&A) has increasingly shifted from financial determinants toward the managerial, cultural, and geopolitical dimensions of integration. A growing body of research highlights organizational cultural distance (OCD) as a decisive factor. Brede, Langan, and Rees (2024), analyzing over 240 M&A transactions through employee feedback on Glassdoor, demonstrate that cultural misalignment diminishes short-term market reactions and constrains long-term innovation. This builds on earlier findings by Zhu (2020), who argues that transformational leadership can mitigate risks arising from cultural distance by fostering trust and inspiring adaptation among employees. Another strand of recent research emphasizes the human factor. Krug, Wright, and Kroll (2020) conducted a meta-analysis showing that up to 30% of top managers leave acquired firms within two years of a deal, underscoring the risks of talent attrition. Complementary studies, such as Johnson and Kostova (2021), highlight **cultural agility** as a compensatory capability, allowing teams to integrate effectively across organizational and national boundaries. Geopolitical and regulatory risks have also become central themes. Chen and Li (2025) demonstrate that differences in geopolitical risk levels (*GPR distance*) are statistically correlated with higher M&A activity, as firms use acquisitions to hedge against jurisdictional and political uncertainty. Deloitte (2024), in its global M&A trends report, stresses that digital integration—unification of ERP, CRM, and cybersecurity systems—has emerged as a key determinant of post-merger success, cited by more than 60% of executives surveyed. Finally, recent case-oriented research in the Ukrainian context provides unique insights into how wartime conditions reshape cross-border M&A dynamics. Audretsch, Belitski, and Cherkas (2023) document the severe loss of entrepreneurial capacity and small businesses, yet also emphasize the adaptability of Ukrainian IT firms that continue to attract international investment. These findings position Ukraine as both an outlier and a laboratory of resilience in the global M&A landscape. Taken together, contemporary literature underscores a paradigm shift: from viewing M&A primarily through financial or legal lenses to recognizing integration as a multidimensional process shaped by culture, human capital, digital infrastructure, and geopolitical risk.

**Main results of the research.** *Cultural and Organizational Distance.* The role of culture in cross-border mergers and acquisitions (M&A) has been extensively explored in international business research since the pioneering work of Geert Hofstede, who demonstrated that national and organizational cultures shape attitudes toward authority, communication styles, and tolerance for uncertainty. In the 21st century, cultural differences have only intensified as firms operate within increasingly globalized yet fragmented markets. In this context, organizational cultural distance (OCD) has emerged as a decisive factor influencing post-merger integration outcomes. Recent empirical research has underlined the weight of cultural distance in shaping M&A performance.

Brede, Langan, and Rees (2024) demonstrated that significant differences in organizational culture reduce short-term positive market reactions to M&A deals and constrain long-term innovative capacity. Using employee feedback from Glassdoor, they analyzed 243 transactions and concluded that failure to consider internal cultural parameters produces systemic challenges in employee engagement and the execution of joint strategies. Similarly, Zhu (2020) highlighted that transformational leadership can serve as a compensatory mechanism: leaders who inspire trust and create a collaborative climate mitigate risks arising from cultural distance. The importance of these dynamics is well illustrated by global case studies. The Daimler–Chrysler merger (1998–2007) failed largely due to the incompatibility of German hierarchical management with American pragmatism and flexibility, resulting in the dissolution of the alliance and billions of dollars in losses. The Renault–Nissan–Mitsubishi alliance (2000–2020) revealed that divergent approaches to decision-making and strategic planning created enduring barriers. Likewise, the Microsoft–Nokia deal (2013) exemplified how the American culture of rapid decision-making clashed with European bureaucratic caution, ultimately leading to failure. These cases confirm that culture can function as either a foundation of trust or a barrier that neutralizes any financial advantage. The Ukrainian wartime context adds further nuance to this discussion. Since 2022, Ukraine has experienced a mass shift toward remote and hybrid work, dispersing employees across Ukraine, the EU, and beyond. This has created “**cultural mixes**,” where management styles, communication practices, and resilience levels coexist within a single organization. At the same time, the war has amplified the role of trust. Ukrainian firms frequently rely on personal relationships and reputation rather than formal contracts, which complicates foreign investors’ expectations of codified procedures but facilitates the formation of “**rapid alliances**” under crisis conditions. Furthermore, the phenomenon of cultural agility has become a distinctive competitive advantage. Johnson and Kostova (2021) describe cultural agility as the ability to adapt quickly to any environment and integrate into foreign organizational cultures. This quality has enabled Ukrainian IT companies to remain attractive to international investors even during wartime. The acquisition of Avenga by the Czech holding KKCG in 2024 demonstrated that Ukrainian offices were not a liability but a core asset, valued for their ability to deliver projects for EU and U.S. clients despite massive disruptions in energy infrastructure. Taken together, these insights emphasize that cultural and organizational distance is not merely an abstract academic variable but a real-world determinant of success or failure in cross-border M&A. For Ukraine, cultural challenges are intensified by the pressures of war—mass migration, displacement, and heightened uncertainty—yet they are partially offset by high trust levels, resilience, and the adaptability of teams. Cultural distance, therefore, acts as a double-edged sword: it heightens risks of conflict and integration failure but simultaneously fosters innovation and new managerial practices when effectively managed.

*Legal and Regulatory Complexity.* Cross-border mergers and acquisitions (M&A) are inevitably embedded in a complex web of legal and regulatory frameworks. Each transaction typically spans multiple jurisdictions, each with its own corporate law, labor regulations, and antitrust regimes. While these differences already create substantial barriers in peacetime, under wartime conditions, such as those faced by Ukraine, the level of legal uncertainty and complexity intensifies significantly. In the global context, legal divergence manifests most visibly in antitrust and competition policy. For instance, the European Commission has repeatedly blocked or conditioned transactions approved in the United States, reflecting the EU’s stricter approach to market concentration. Labor law differences are equally significant: Germany’s system of *Mitbestimmung* requires employee representation on supervisory boards, a practice virtually absent in the United States. In Japan, *keiretsu* corporate alliances restrict the influence of foreign shareholders, creating another layer of resistance to integration. These examples illustrate how divergent regulatory regimes complicate the task of transnational managers, who must balance compliance obligations without undermining strategic objectives. In Ukraine, wartime conditions have amplified regulatory volatility. Currency restrictions, limitations on dividend repatriation, and emergency adaptations of corporate law have become part of the business landscape. On the one hand, this environment generates high legal uncertainty, deterring risk-averse investors. On the other, the Ukrainian government has actively sought to maintain investment attractiveness by streamlining registration procedures and introducing tax incentives for foreign capital. Notably, in 2023–2024, Ukraine launched “fast-track corridors” for deal approval in strategic sectors such as energy,

agriculture, and telecommunications. This duality reflects the paradox of the Ukrainian investment climate: instability coexists with reform-driven liberalization. Recent scholarship also emphasizes the rising role of geopolitical risk in shaping deal valuations. Chen and Li (2025) argue that sanctions, military hostilities, and political instability compel investors to incorporate additional “risk premiums” when assessing cross-border acquisitions. In practice, this translates into higher discount rates, more conservative valuations, and contractual clauses designed to mitigate geopolitical uncertainty. For Ukraine, this dynamic is particularly evident: while legal risks discourage some investors, others interpret them as an opportunity to acquire undervalued assets with high long-term potential, especially in strategic industries linked to postwar reconstruction. The Ukrainian energy sector provides an illustrative example. DTEK, Ukraine’s largest private energy company, has pursued acquisitions of renewable energy assets in Romania and planned expansions of wind farms domestically between 2023 and 2025. These moves have required navigating both EU regulatory frameworks and Ukraine’s wartime restrictions, particularly in relation to grid stability, export licensing, and foreign investment rules. The successful execution of such deals demonstrates that despite regulatory hurdles, cross-border M&A remains viable when companies combine local legal expertise with strategic foresight. In summary, legal and regulatory complexity constitutes one of the most formidable challenges in cross-border M&A. Globally, it arises from diverging antitrust policies, labor laws, and ownership restrictions; in Ukraine, it is compounded by wartime uncertainty but partially mitigated by government liberalization efforts. For transnational managers, success requires not only legal compliance but also the ability to transform volatility into an advantage by proactively embedding resilience and flexibility into deal structures.

*Integration of Business Processes and Digital Transformation.* One of the most critical and complex dimensions of cross-border mergers and acquisitions (M&A) is the integration of business processes. While investors often forecast synergies at the signing stage—cost reductions, expanded client bases, or operational optimization—these projections frequently collapse in practice due to incompatibility of systems, structures, and routines. This challenge has become even more pronounced in the digital age, where integration requires not only alignment of traditional processes but also unification of IT infrastructures, cybersecurity frameworks, and real-time data management systems. The so-called “post-integration syndrome” remains a persistent risk. Hoffman and Shimizu (2022) demonstrated that nearly 70% of failed M&A cases collapse during the post-merger phase, largely because firms underestimate operational complexity. Divergent accounting standards (GAAP vs. IFRS), incompatible ERP systems (SAP, Oracle, or local solutions), and conflicting HR practices frequently transform expected synergies into internal frictions. Global examples such as Siemens–Nokia (2006), HP–Autonomy (2011), and Tata–Corus (2007) highlight how even strategically sound deals can falter when operational systems remain misaligned. In the 21st century, integration increasingly occurs within the digital domain. The incompatibility of ERP, CRM, and HR platforms not only slows harmonization but also generates risks of cybersecurity breaches and data loss. A Deloitte (2024) study found that more than 60% of M&A executives now view digital transformation as the decisive factor for integration success. Firms unable to unify digital platforms risk not only efficiency losses but also the viability of the deal itself. For Ukraine, the wartime context adds distinctive challenges. The destruction of logistics networks, disruptions in energy supply, and reliance on backup systems have forced companies to prioritize resilience. Businesses are increasingly turning to cloud-based and SaaS solutions to maintain operational continuity, even in critical sectors such as agribusiness and manufacturing. Ukrainian IT firms, such as Avenga and Ciklum, which became targets of cross-border M&A in 2023–2024, demonstrated remarkable adaptability through digital platforms that allowed integration into international ecosystems despite wartime disruptions. Similarly, DTEK’s expansion into renewable energy assets required integration of production management systems under conditions of blackouts and infrastructural attacks. Thus, business process integration in cross-border M&A represents a high-risk but decisive domain. Its success depends not only on technical harmonization but also on institutional flexibility, digital resilience, and the capacity to adapt integration design to crisis scenarios. In Ukraine, the “chaos of war” overlaps with the “chaos of integration,” but paradoxically, this convergence has produced unique adaptive practices that may constitute a long-term competitive advantage.

*Human Factor: Retention and Mobility.* Among all dimensions of cross-border mergers and acquisitions (M&A), the human factor remains the most

unpredictable and, at times, the most decisive. While cultural differences can be mediated through leadership and legal complexities managed by expert counsel, the behavior of individuals—their motivations, ambitions, and values—cannot be modeled with the same precision. The departure of key personnel, conflicts over compensation, or mismatches in management style often undermine even financially well-prepared deals. Empirical research confirms this risk. Krug, Wright, and Kroll (2020) found that up to 30% of top managers in acquired firms leave within the first two years after a major M&A transaction. The reasons are diverse: loss of autonomy, dissatisfaction with new reward systems, and cultural clashes with acquirer leadership. Global case studies reinforce these findings. After Google's acquisition of Motorola (2012), most senior executives departed, significantly weakening the integration process. By contrast, Microsoft's acquisition of LinkedIn (2016) is often cited as a success precisely because Microsoft retained the core leadership team, granting relative autonomy and preserving employee motivation. For Ukraine, the human factor has gained unprecedented salience under wartime conditions. Audretsch, Belitski, and Cherkas (2023) estimate that the war has led to the loss of over 675,000 entrepreneurs (a decline of about 20%) and nearly 71,000 small businesses (−14%). At the same time, more than 6 million Ukrainians have migrated abroad (UNHCR, 2023). While some continue remote work for domestic firms, shortages in skilled labor are acute in manufacturing and agribusiness. Conversely, Ukrainian specialists in IT and engineering have become even more attractive to foreign firms, thanks to their adaptability, resilience, and ability to perform under crisis conditions. Several recent transactions illustrate this paradox. The acquisition of Avenga by the Czech holding KKCG in 2024 highlighted Ukrainian offices as a central asset, as teams continued to deliver for European and U.S. clients despite blackouts and infrastructure attacks. Similarly, the 2025 integration of Uklon into Kyivstar demonstrated the tension between start-up culture and corporate structures, requiring careful HR policy adjustments. In agribusiness, MHP's acquisition of Grupo UVESA (2025) required alignment of motivational systems: Spanish employees valued social guarantees, while Ukrainian teams were more oriented toward performance-based bonuses. In sum, the human factor functions as both a vulnerability and an asset in cross-border M&A. Talent attrition, motivational conflicts, and cultural mismatches often derail integration, yet when managed effectively, human capital can become a decisive competitive advantage. For Ukraine, wartime conditions magnify risks but also underscore the resilience and cultural agility of its workforce, making it simultaneously a fragile and a uniquely valuable environment for cross-border investment.

*Strategic Alignment and Geopolitical Factors.* Strategic alignment is often described as the “silent determinant” of success in cross-border mergers and acquisitions (M&A). Even when financial logic appears sound, deals frequently collapse because the strategic motives of the parties—market expansion, technological upgrading, vertical integration, or resource security—are not sufficiently synchronized. Without shared objectives, the promised “economy of synergy” erodes into compromises and organizational conflict. The issue extends beyond defining goals to the timing and rhythm of integration. Rapid integration may disrupt local business logic, while phased integration risks preserving inefficiencies. Recent research on post-merger integration (PMI) emphasizes that successful firms establish a critical path aligned with value drivers rather than with organizational convenience (Hoffman & Shimizu, 2022). In practice, this means integrating what is essential for synergy—such as front-office systems for customer access or supply-chain processes for operational efficiency—while allowing other segments to retain autonomy. Since 2022, geopolitics has become a central driver of strategic alignment. Firms increasingly view cross-border M&A as a hedge against geopolitical risk, diversifying across jurisdictions with different political profiles. Chen and Li (2025) demonstrate that differences in geopolitical risk levels (*GPR distance*) statistically correlate with higher M&A activity, as companies seek stability by acquiring assets in safer environments. This new motive reshapes both valuation, where risk premiums and discounts are priced into deals, and integration design, which must incorporate resilience layers such as backup logistics, IT redundancy, and political risk insurance. In Ukraine, these dynamics are particularly visible. The war has introduced radical uncertainty, yet it has also created unique incentives. For many investors, participation in Ukrainian M&A is both an economic and a political act: securing a foothold in the future reconstruction market while signaling solidarity with a nation at war. Deals such as Kyivstar–Uklon (2025), MHP–Grupo UVESA (2025), and DTEK's renewable energy investments illustrate that strategic alignment in Ukraine must balance three dimensions simultaneously: *market*

**opportunity, reconstruction potential, and trust.** When these elements converge, M&A can succeed even in the most turbulent environment.

**Conclusions.** The analysis of cross-border mergers and acquisitions (M&A) underscores that their success depends on far more than financial calculations or market forecasts. Cultural, legal, organizational, human, and strategic factors jointly determine whether integration generates sustainable value or deteriorates into conflict and inefficiency. Each of these domains presents significant risks, but also opportunities, particularly when managed with foresight, adaptability, and institutional flexibility. First, cultural and organizational distance continues to be one of the most underestimated determinants of M&A performance. Empirical research and case studies reveal that cultural incompatibility can derail even the most ambitious alliances, while cultural agility and transformational leadership provide pathways to resilience. The Ukrainian experience demonstrates how hybrid work environments, high trust, and adaptive IT-sector teams can transform cultural diversity into a source of competitive strength. Second, legal and regulatory asymmetries remain structural challenges. Globally, conflicting antitrust regimes, labor regulations, and ownership restrictions complicate integration. In Ukraine, these challenges are magnified by wartime instability, yet partially mitigated by reform initiatives designed to attract capital. The duality of instability and liberalization defines Ukraine's regulatory environment, positioning it as both a risky and a promising investment landscape. Third, integration of business processes has emerged as the core operational challenge. Technical incompatibility, particularly in the digital domain, frequently converts projected synergies into post-integration chaos. However, Ukrainian firms have developed innovative responses under wartime pressure, relying on cloud-based platforms, SaaS solutions, and backup infrastructures that provide lessons for global practice. Fourth, the human factor remains a double-edged sword. Talent attrition, motivational conflicts, and leadership disputes are leading causes of M&A failure. Yet, when managed effectively, human capital becomes the most valuable asset, enabling firms to sustain operations and generate innovation even under extreme uncertainty. Ukraine illustrates this paradox vividly: while manufacturing sectors face acute shortages, IT and engineering specialists have become increasingly attractive to international investors. Finally, strategic alignment—encompassing both objectives and timing—stands as the ultimate determinant of long-term success. The post-2022 geopolitical environment has embedded risk diversification into the very rationale of M&A. For Ukraine, alignment now requires a three-dimensional balance of market opportunity, reconstruction potential, and trust. Deals that integrate these dimensions, while operationalizing value governance and resilience mechanisms, stand a realistic chance of success even in wartime conditions. Taken together, the evidence suggests that cross-border M&A in Ukraine functions as both a high-risk and high-reward arena. The war has magnified challenges in every domain but has simultaneously accelerated innovation, cultural agility, and institutional adaptation. As a result, Ukraine represents not only a case of crisis management but also a laboratory of resilience, where global patterns of transnational management converge with the realities of survival and reconstruction.

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