

### **Dr. Kai Li's bio:**

Dr. Li is Senior Associate Dean, Equity and Diversity, Professor of Finance, and holds the W. Maurice Young Endowed Chair in Finance at the UBC Sauder School of Business, University of British Columbia.

Dr. Li's research focuses on the economic consequences of corporate governance mechanisms. Her current research projects explore: (1) the value drivers of mergers and acquisitions, (2) machine learning in finance, and (3) the roles of culture and psychology in corporate decisions. Her research has appeared in *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Journal of International Business Studies*, and many other leading journals in Finance and Economics. She is the recipient of the UBC Killam Research Award, the Sauder School of Business Research Excellence Award, the Barclays Global Investors Canada Research Award, and the Best Paper Award at many international conferences. She is on the Editorial Board of *Review of Financial Studies*, *Review of Finance*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Journal of Corporate Finance*, *Journal of Financial Stability*, and *Journal of Banking and Finance*. Her research has been featured in *Wall Street Journal*, *New York Times*, *Washington Post*, *Financial Times*, *The Time Magazine*, *Reuters*, *CNBC*, *Bloomberg*, *Dow Jones Newswire*, *New Yorker*, *BBC*, *BNN*, *CBC National*, *National Post*, *Globe and Mail*, *U.S. News & World Report*, *Harvard Business Review*, and *Yahoo! Finance*.

### **Title and Abstract of her Presentation**

#### **Creative Destruction via Mergers and Acquisitions: Inventor-level Evidence**

Using a large and unique inventor-level data set over the period 1981 to 2006, we examine post-merger inventor performance to shed light on the sources of gains from technology-driven mergers and acquisitions. We first show that post-merger, while acquirer inventors' patenting performance improves, target inventors' patenting performance deteriorates. However, when limiting patenting output in the target firm's core area, we find that post-merger, target inventors produce more patents and receive more citations compared to acquirer inventors. Moreover, we show that post-merger, while acquirer inventors' patents cite less of their target firm's knowledge base compared to what they cite pre-merger, target inventors' patents cite more of their acquirer's knowledge base compared to what they cite pre-merger. Finally, we show that post-merger, there is more risk-taking by both acquirer and target inventors, and that their collaboration and knowledge spillovers are associated with more radical innovation. Our findings suggest that acquiring talent, knowledge spillovers, and risk-taking are the key channels through which mergers and acquisitions benefit corporate innovation.