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.


**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.