Founding conditions and strategic behavior: the imprinting effect of nationalistic conditions in the founding environment.

An empirical study on the organizational imprinting effect of short term nationalistic environmental conditions on a firm's strategic M&A behavior within the energy sector.

Master Thesis

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**Abstract**

As western society is subject to the rising trends of nationalistic nature, it is relevant to evaluate how nationally fueled environmental conditions impact firms founded in such periods. This study builds on the imprinting theory, which proclaims that environmental conditions present at the time of founding have a persistent effect on the subsequent internal life. First, I test the imprinting effect of nationalistic feelings as a result of a major international football tournament win on a home-bias in M&A localization strategies. Second, I test the moderating effect of engagement in renewable energy practices on the imprinting relationship between nationalistic feelings and a home-bias in M&A localization strategies. The sample exists out of 2,085 M&A deals initiated between 2010 and 2019 in the countries of Spain, France, Italy, and Germany. The hypotheses are empirically tested by secondary data in probit regressions models. I find a significant positive relationship between the win of a major international football tournament in the year of founding and subsequent home-country M&A deals. I find a significant negative moderating effect of engagement in renewable energy practices on the relationship of imprinted nationalistic feelings and a subsequent home-country M&A deal. This thesis contributes to the academic world by increasing understanding of how an event that puts short-term conditions into the environment has an imprinting effect on the later strategic behavior of firms founded in that period. For managers, this thesis should create awareness that the occurrence of nationalistic events during their founding phase potentially imprinted a home-bias in the firm’s strategy determination.

**Keywords:** Imprinting theory; Nationalistic feelings; Mergers & acquisitions; localization strategy; Strategic home-bias; FIFA World Cup; UEFA European Championship; Energy sector
“Everybody in Argentina can remember 'the hand of God' in the England match in the 1986 World Cup. Now, in my country, the 'hand of God' has brought us an Argentinian pope”.

-Diego Maradona (1960-2020†)-

Winner of the 1986 FIFA World Cup, 31 goals in 91 appearances for the national team.
Introduction

It was Arthur L. Stinchcombe who first introduced the concept of ‘organizational imprinting’ by theorizing in *Social structure and organizations, Handbook of organizations* (1965) that conditions present outside of the organization during the founding stage have a permanence imprinting effect on its later internal life (Stinchcombe, 1965). Stinchcombe’s ‘organizational imprinting hypothesis’ (1965), is known as an offset for organizational sociologists to engage further into the concept of ‘organizational imprinting’ (Boeker, 1989; Johnson, 2007; Simsek & Fox, 2015). Subsequently, a compelling body of literature has confirmed the significant relationship between environmental conditions present at the founding stage of a firm, and its later internal life (Kimberly, 1975; Boeker, 1989 Marquis, 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Simsek, Fox & Heavy 2015; Han & Zheng, 2019).

Imprinting effects on strategic behavior is a broad explored topic in imprinting literature due to its major impact on subsequent organizational performance, growth, and survival (Boeker, 1989; Marquis, 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Simsek, Fox & Heavy 2015; Han & Zheng, 2019; Marquis & Qiao, 2020). The current body of literature has increased understanding of imprinting effects on strategy development, strategic change, and network embeddedness (Boeker, 1989; Marquis, 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Simsek, Fox & Heavy 2015; Han & Zheng, 2019; Marquis & Qiao, 2020). Several studies have addressed the relationship between the imprinting effects of long-lasting home-orientated nationalistic market environments and strategic behavior (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020). Results implicate that firms founded under home-oriented market and political systems show to some extent a home-bias in its future strategies (e.g. knowledge search location, investment strategies, engaged practices) (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020).

Yet, despite its potentially valuable insights on how firms define their localization strategies, none of the literature has examined the imprinting theory on a firm’s M&A (Merger & Acquisition) behavior. Marquis (2003) and Kriauciunas & Kale (2006) address the relationship between imprinting and collaboration/knowledge search location, but none have tested the relationship of nationalistic feelings and M&A localization behavior. Connecting nationalistic conditions to a firm’s M&A behavior would prolong implications of Kriauciunas & Kale’s (2006) study, which indicates that firms founded under strong home-country orientated market
environments are more likely to engage in (geographical) close knowledge search. Current literature has only examined long-lasting home-orientated politically and ideologically influenced market systems on sourcing nationalistic imprints (Kriauciu纳斯 & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020). Due to a growing tendency of nationalistic feelings in society, followed by populistic and patriotic political movements, it is meaningful to examine how fluctuating societal nationalistic feelings have an imprinting effect on subsequent organizational behavior (Hroch, 2020). I aim to fill this literature gap by examining if short term increases of nationalistic feelings in an organization’s environment have an imprinting effect on later M&A localization strategies of firms founded during such a period.

By addressing this literature gap I aim to gain understanding of how firms define their localization strategies, and to what extent nationalistic founding conditions are related to this process. As a result, I aim to increase managerial awareness on the origin of its strategic behavior and attend managers on a potential imprinted home-bias in their localization strategies. In order to do so, I will use the event of winning the FIFA World Cup and/or UEFA European Championship as the independent variable to represent the (short term) increase of nationalistic feelings in the founding environment (Evans & Kelly, 2002; Bale & Cronin, 2003; Kavetsos, 2012; Hallmann, Breuer & Kühnreich, 2013; Meier & Multz 2016; Meier et al., 2018). The purpose of this study is translated into the following research question: How does a short term increase of nationalistic feelings in society influences the imprinting of firms founded in that period, and their subsequent strategic behavior?

Adding to this research essence, I will adopt the interesting contextual setting of the Energy sector. The energy sector is a suitable contextual setting due to a high degree of national interest (supply), political involvement, and governmental interactions (regulatory)(McGowan, 2008; Csete & Szlavik, 2012; Kennedy, 2013; Jaeger & Machry, 2014; Mata Pérez, Scholten, & Smith, 2019). Thus, energy practices are executed in a nationalistic receptive environment. Moreover, the energy transition is to be recognized as the main business/innovation challenge of the 21st century in order to face the climate crises while simultaneously meeting a global growing demand on the energy supply (Harris, 2010; Jaeger & Machry, 2014; Schubert, 2014; Hartley et al., 2016). Knowledge (diversity) in the energy sector, driven by M&As strategies, is a major resource for technological innovation in accomplishing the energy transition (Grant, 1991; Marquis, 2003; Kriauciunas & Kale, 2006; Jiang, Tao, & Santoro, 2010; Cui & O'Connor, 2012; Chen et al., 2018;
Melander & Pazirandeh, 2019). Hence, adopting the contextual setting of the Energy sector will enhance this study's relevancy while simultaneously strengthening its validity by adding focus and contextual boundaries.

**Literature review**

In this section, I will first define and elaborate on the Imprinting Theory. Hereafter, I will discuss the findings of previous studies on the Imprinting Theory. In particular, the implications and findings of imprinting research on strategic behavior and nationalistic environmental conditions will be discussed. Next, I will determine the societal and economical effects of national sports achievements to establish the independent variable’s impact. Lastly, the nationalistic conditions within the energy sector are discussed for sectoral context on the topic of research.

**Imprinting Theory**

The initial goal of Sinthcombe (1965) to increase understanding of similarities in organizational structures has led to strong implications about the persistent role of present environmental characteristics at the time of founding (Stinchcombe, 1965; Marquis & Tilcsik 2013). Elements of the organization’s surroundings are incorporated into the firm when shaping the organizational structure (Stinchcombe, 1965; Marquis & Tilcsik 2013). Marquis and Tilcsik (2013) define ‘organizational imprinting’ as a process where in brief sensitive periods (founding phase e.g.) an organization develops characteristics that incorporate prominent environmental features (stamp of the environment), which persist in its internal life indefinite of strong environmental changes in following periods. Theoretical and empirical imprinting literature has contributed to our understanding of how environmental conditions present during the founding period¹ affect a firm’s internal life by linking the imprinting to: 1) The evolution of a company’s culture and values (Boeker, 1989; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014), 2) Frim’s mortality rates (Kimberly, 1978; Carroll, & Hannan, 1989), 3) Structure and strategy development (Boeker, 1989; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Simsek, Fox & Heavy 2015; Han & Zheng, 2019; Marquis & Qiao, 2020), 4) Local network embeddedness (Marquis,

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¹ To establish general borders to the term ‘founding period’ is difficult. The process comprehends a divergence of duration for each organization. In the study of Johnson (2007), the founding period entails the time frame from the birth of the entrepreneurial idea until the initial phase of the incorporation of an organization.
and 5) Strategic change (Boeker, 1989; Kriauciunas & Kale, 2006). The established imprinting literature has researched the imprinting effect of the environmental conditions of urbanization, levels of schooling and literacy, availability of technology, money economics, political landscape, social backgrounds, the dominance of an initial strategy, and strong socialistic market conditions (Stichombe, 1965; Kimberly 1975; Boeker, 1989 Marquis, 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Simsek, Fox & Heavy 2015; Han & Zheng, 2019; Marquis & Qiao, 2020).

Stinchcombe’s (1965) famous essay specifically covered the imprinting effects of the availability of (social) technologies present in the founding stage. The study marked that the effectiveness and functioning of a certain organizational structure depend on the environmental characteristics of available technologies (Stinchcombe, 1965). Therefore, the occurrence and innovations of particular organizational structures are in place at a certain time, at a certain period (Stinchcombe, 1965). Relating to this, organizational basic structures tend not to change much in an organization’s subsequent life and therefore we can find “a strong correlation between the age at which industries were developed and their structure at present time” (Stinchcombe, 1965: 159), still reflecting the broader socioeconomic characteristics of the time of founding in the present life (Sinthcombe, 1965; Kimberly, 1975; Marquis & Tilcsik 2013). Marquis & Tilcsik (2013) set examples of this phenomena by marking (1) how in the agricultural industry farms still operate and reflect the organizational structures that were dominant at the time of the start of the industry, namely by self-employed family businesses. (2) Firms that operate in industries founded after the managerial revolution of the 20th century employ more administrative employees than firms that operate in older industries (Marquis & Tilcsik 2013). Sinthcombe’s ground laying work is evidently tested and stretched in postliminary literature, and therefore widely accepted in the current field of organizational sociologist research (Kimberly, 1975; Boeker, 1989 Marquis, 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Marquis & Tilcsik, 2013; Perkman & Spicer, 2014; Simsek, Fox & Heavy 2015; Han & Zheng, 2019; Marquis & Qiao, 2020).

In order to unravel the ‘black-box’ process of imprinting and increasing understanding of the underlying mechanisms, Victoria Jonhson (2007) conducted a case study on the Paris Opera. Findings conclude that both the individual’s choices and the environmental institutional context have an imprinting impact on the organization’s internal life (Johnson,2007). Studying the Opera’s founding path, Johnson (2007) established a three-staged founding process of interaction between
key stakeholders, entrepreneurs, and agents which source the organizational imprints in the initial stage (Jonhson, 2007; 122). In order to find ‘fit’ with the environment when managing the uncertainties and newness of the founding period, initial entrepreneurial intentions and purposes on organizational approach are mediated and transformed by the political context and societal consensus of that time (Johnson, 2007). The direct network’s conception of sectoral organizational structures, strategies, and the essence of products/services will influence the initial organization’s internal life (Johnson, 2007). By external interactions, the incorporation of external political goals and strategic opinions into the organization’s structure, strategy, and culture is unavoidable (Jonhson, 2007). As a result, imprints are grounded in initial internal life and thus have a persistent effect on the organization (Johnson, 2007). Decoding Johnson’s (2007) study, the organizational imprinting mechanism exists out of two components. (1) The path of the entrepreneur(s), whose background and ideologies have an imprinting effect on the focal organization via the entrepreneur. (2) The state of environmental characteristics present at the time of founding (founding context), which has an imprinting effect on the organization via external and network interactions. As a result, the organization reproduces the societal cultural aspects, political goals, essence of products/services, and strategy in its internal life (Jonson, 2007).

Rather than being a one-off stamping reflection of its environment, imprinting is distinguished as a process passing through the three stages of genesis, metamorphosis, and manifestations (Simsek, Fox & Heavy, 2015). Genesis entails that multiple segments of organizational forms are selected and combined into one organizational form (Simsek, Fox & Heavy, 2015). This process is formed by complex interactions between internal visions and opinions and external influences and interests (Simsek, Fox & Heavy, 2015). The second stage of the imprinting process is referred to as metamorphosis, where the imprint is subject to change, evolution, and transformation (Simsek, Fox & Heavy, 2015). Although some imprints may have an unaltered impact on the organization’s internal life, presence and manifestations may differ over time (Simsek, Fox & Heavy, 2015). Imprints are subject to the dynamics of persistence (routinization, institutionalization, e.g.), amplification (path dependency, e.g.), transformation (success, development, e.g.), and decay (time, market convergence, e.g.) (Simsek, Fox & Heavy, 2015). Survival threats of sensitive periods (founding period, disruptive environmental changes, crises, e.g.) in an organization's lifetime will open up the window of ‘imprintability’ (Yin et al., 2014). When seeking fit with risks, unpredictability, and newness of a situation, organizations will
incorporate environmental characteristics into their internal life (Yin et al., 2014). Lastly, Simsek, Fox & Heavy (2015) exhibit the manifestation of imprinting. The study defines two paths of impact in the imprint’s lifetime: (1) proximal paths of impact (new market entry, learning, legitimacy, competitive dynamics), and (2) distal paths of impact (survival, growth, performance) (Simsek, Fox & Heavy, 2015). At first, the imprint impacts abilities in resource accumulation, opportunities utilization, and environmental stakeholders relationship (proximal path), whereafter it manifests outperformance, growth, and survival (distal path) (Simsek, Fox & Heavy, 2015).

Prolonging Sithcombe’s (1965) theory, Warren Boeker exploited an imprinting view on strategy development and change (Boeker, 1989). Organizational founding characteristics and conditions have an imprinting effect on initial strategy, explained by the mechanism of an emerging internal consensus around the originated strategic approach (Boeker, 1989; Johnson, 2007; Simsek, Fox & Heavy, 2015). Founding conditions, resulting in the dominance of an initial strategy, limits (highly dominant) or strengthens (less dominant) the likeliness to endure a strategic change in its subsequent life (Boeker, 1989). Imprinted environmental characteristics in the initial strategic approach, internal consensus, and dominance of strategy, constrains subsequent organizational strategic judgment by the level of commitment, strategic conception of employees, and investments in resources (Boeker, 1989). The imprinting effect of the above-explained mechanism is strengthened by the presence of founders in the management team (Boeker, 1989). Adding to the understanding of the imprinting processes on strategic change, Kriauciunas & Kale (2006) studied firms in transition economies founded under strong home-oriented socialistic market environments. In its first life phase (sensitive period) the organization must converge its strategies and/or practices towards external environmental endorsement to ensure its survival and growth (Kriauciunas & Kale, 2006). In this process, founding capabilities and environmental characteristics have a strong impact on the focal organization by marking its stamp on the focal organization, and depending on its ability for survival and success in subsequent periods (Kriauciunas & Kale, 2006). Secondly, the occurrence of environmental imprinting is sourced by the availability of resources (e.g., people, technology, information, capital, stakeholders) at the time of founding (Kriauciunas & Kale, 2006). Naturally, the acquired resources have a lasting impact on the organization's behavior and inner life by the intertwined perception of doing business and world views (Kriauciunas & Kale, 2006). Lastly, the founders have imprinting effects on the focal organization nurtured by personal values, believes, and philosophies, which are sourced by
his/hers upbringing and ideologies, determining the adopted practices, policies, culture, and resource selection (Kriauciunas & Kale, 2006). Complementary to Boeker’s (1989) findings, Kriauciunas & Kale (2006) find strong support for firms that are founded under strong home-oriented socialistic market environments to be hampered in their capabilities, and therefore success, to endure and implement strategic change in its subsequent life. This ‘home-orientated’ imprinting process represents socialistic governance’s impact on the market environment present at the time of founding, and thus the firm’s knowledge set, capability development, culture, and strategy (Kriauciunas & Kale, 2006). Not only do market environmental characteristics influence a firm’s capabilities and likeliness to endure subsequent strategic change, but also implications for a relationship between later knowledge search location (distant versus local) and strong socialistic market founding environments, have been found (Kriauciunas & Kale, 2006). The study indicates that firms that are founded under strong home-country orientated market dimensions, in this case, communistic influenced, are more likely to engage in close knowledge search in its sequential life (Kriauciunas & Kale, 2006). However, the opposite behavior (firms that do engage in distant knowledge search) can mitigate the negative imprinting effects on a firm’s capabilities to endure strategic change, explained by the incorporation of new imprints during this ‘sensitive period’ (Kriauciunas & Kale, 2006).

Moreover, home-orientated market imprints in transition markets have further been analyzed in China (Han & Zheng, 2019; Marquis & Qiao, 2020). Despite rapid and radical changes in market dynamics, the findings of Han & Zheng (2019) show lasting effects of institutional imprints on current business practices. These findings are contradicting the presumption of a business to be an autonomous ‘black-box’ that can change along with its market dynamics (Han & Zheng, 2019). Adding to this matter, Marquis & Qiao (2020) find significant support for a negative effect on the internationalization of Chinese ventures imprinted by communist ideology at time of founding. Chinese entrepreneurs imprinted by communist ideologies are not only less likely to internationalize their firm, but also to engage in outward foreign direct investments (Marquis & Qiao, 2020). These findings (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020) are complementary to Marquis’s (2003) earlier study on social technology availability and network embeddedness. Here, findings show that the availability of social technology in the founding phase of a firm has an imprinting effect on its present-day network embeddedness (Marquis, 2003). In spite of rapidly evolving market dynamics, strong support was
found for the relationship between lower availability of social technology at the founding stage, and subsequently higher embeddedness in local networks (Marquis, 2003). However, and in line with Kriauciuunas & Kale’s (2006) findings, anti-internationalization imprints can be weakened by opposing ideologies on nationalistic and communistic thinking, provided by industry social networks and pro-internationalization governance of the nation (Kriauciuunas & Kale, 2006; Marquis & Qiao, 2020). Adding to this, Marquis (2003) theorized that more local network embeddedness results in greater information redundancy, and thus states that firms with more distant connections will benefit in knowledge access. Compelling Marquis’s (2003) theory to Grant’s (1991) KBV, more distant network embeddedness will enhance a firm’s (innovation) performance.

**Societal effects of national sports achievements**

‘Football is war’, a common Dutch saying that entails the sport’s comprehensive impacts on society. During matches of the European Championship in 1996, medical studies observed increasing occurrences of strokes and deaths as a result of heart failures (Witte et al. 2000; Kavetsos 2012). Findings imply that major sports events can offset the levels of stress that it triggers ‘symptomatic cardiovascular disease’ (Witte et al. 2000; Kavetsos 2012). Opposing to physical health, literature found positive long- and short-term effects of fandom on social-psychological health and well-being (Wann, 2006). Group inclusivity and interpersonal connectedness have a positive effect on human psychology (Wann, 2006). Either positive or negative, major national sports events demonstrate a substantial temporal effect on the state of mind (Wann, 2000; Mutz, 2018; Meier et al. 2019). Constant exposure of national symbols, flagging, and media-coverage during a major international sports event source society’s nationalistic feelings (Wann, 2000; Mutz, 2018; Meier et al. 2019). ‘’ *By reinforcing a nationalistic conception of how the world is organized, international sport serves to reproduce the nation-state. Moreover, in particular, major sports events render the national category salient. As emphasized by social psychologists, international sport can create social connections, which come with the potential of tangible psychological benefits in particular in terms of a sense of belongingness and connectedness to society’*’ (Wann 2006: 273; Meier et al. 2019).

A compelling body of literature has established a relationship between national achievements in major sports events and an increase in nationalistic feelings (Evans & Kelley,
2002; Tomlinson & Sugden, 2003; Wann, 2006; Kavetsos, 2012; Billings, Brown & Brown, 2013; Hallmann, Breuer & Kühnreich, 2013; Devlin & Billings, 2016; Meier & Mutz, 2016; Nelson, 2017; Seate et al., 2017; Mutz, 2018; Meier et al., 2019). Analyzing results of over 30,000 respondents in 24 countries, Evans & Kelly (2002) find that people throughout the developed world experience national pride in sports achievements, which significantly intensifies the emotional ties to the country. Taking pride in national sports achievements is equally spread over old and young people (Evans & Kelley, 2002). Additionally, English-speaking citizens (Evans & Kelley, 2002), residents of smaller countries (Evans & Kelley, 2002), and heavy viewers (Billings, Brown & Brown, 2013) experience considerably express more nationalistic feelings (pride, identifications, attachment, patriotism, nationalism) as a result of their nation’s sports achievements (Evans & Kelley, 2002; Billings, Brown & Brown, 2013). Adding to this matter Devlin & Billings (2016) purposed the potential role of fan identification, established feelings about entering the sports media event, and the role of success or failure, to explain the mechanism of how the relationship towards increased nationalistic feelings establishes.

Successful performances in the UEFA European Championship, as well as the FIFA World Championship, have been proven to significantly increase nationalistic feelings such as team identification, national pride, national belonging, and national allegiance (Kavetsos, 2012; Nelson, 2017; Mutz, 2018; Meier et al., 2019). Additionally, Kavetsos (2012) also found a positive correlation for life satisfaction in the event hosting country. Engaging further into the societal effects of Football, Tomlinson & Sugden (2003) touch upon the societal effects of football in the post-colonial nations of Africa and Asia, and its transformation into a recognized symbol for post colonialism. Whereas football essentially was adopted as solely an agent of colonization, the sport evolved into a vehicle for resistance by the colonized (Tomlinson & Sugden, 2003). FIFA-memberships and participation in major events are acknowledged political statements for emergent countries, finding recognition in their existence and autonomy ((Tomlinson & Sugden, 2003).

“In post-colonial Africa and Asia, football was adopted as a symbol of liberation and/or a source of expression of national autonomy, something over which to drape a new flag of self-rule.... Football contributed to the redefinition in both the African and Asian continents” (Thomlinson & Sugden, 2003: 181).
Economical effect of national sports achievements

In order to interpret the magnitude of impact that the societal effects of achievements on major sports events cause on the business landscape, I will elaborate on the economical effects. Based on the FIFA World Cup 2018, Dos Santos, Vizcaíno & Campos (2020) find a significant positive correlation between supporters’ attitudes and behaviors towards sponsors and patriotism. Nationalistic feelings significantly increase the fans’ purchase intention towards the sponsors’ items as a result of opportunism, trust in the community, or identification with the team (Dos Santos, Vizcaíno & Campos, 2020). Following the win of the 2010 FIFA World Cup, the Spanish tourism industry experienced a significant gain in market value (Nicolau, 2012). Not only does the tournament win create a tourism market value enhancement, but also individual FIFA World Cup matches appear to have an increasing (in case of win), or diminishment (in case of loss) impact on a firm’s value in the tourism industry (Nicolau, 2012). This effect is claimed to work through the mechanism of the ‘brand awareness and image’ of the country Spain (Nicolau, 2012). These results could implicate that besides an increase in international attention, also a home-bias could be created due to domestic interest and nationalistic feelings.

Moreover, analyzing a cross-section of 39 nations, Edmans, Garcia & Norli (2007) found a clear and significant decline in the national stock index after lost matches in the FIFA World Cup. The effect is strengthened by smaller stocks and the importance of the game (Edmans, Garcia & Norli, 2007). Elimination in the post-group phase of the FIFA World Cup leads to a day-after abnormal decay of -49 basis points on the losing nation’s stock market (Edmans, Garcia & Norli, 2007). Although smaller in magnitude, the effect is also economically and statistically significant for losses on major international tournaments in the analyzed Mondial sports of cricket, rugby, and basketball (Edmans, Garcia & Norli, 2007). Adding to the local view and indicating its global effect due to foreign investment, the US stock market suffered highly significant negative returns during the FIFA World Cup period (Kaplanski & Levy, 2010). In the period from 1950 till 2007, average returns on the US stock market on FIFA World Cup’s effect days were minus 58.2%, in comparison to plus 21.1% on all days over the same length of time (Kaplanski & Levy, 2010).

Nationalistic goals in the energy sector

Due to the sectoral context of this study on imprinting effects, I will analyze nationalistic-related trends and forces within the energy sector. The rising uncertainties and essential chances in
governance and supply have an exceeding impact on the energy sector, and society as a whole (Csete & Szlavik, 2012; Jaeger & Machry, 2014; Schubert, 2017). Jaeger & Marchy (2014) established three major challenges that have to be faced by governments and the sector in the coming years. 1) A global and substantial increase in energy demand has to be met, 2) The fossil fuel-driven energy mix has to be substituted by a cleaner, healthier, more sustainable, less expensive energy-mix (transition), 3) Accomplishment of the transition in good international cooperation without the occurrence of major international conflicts and/or war, fighting for control over finite energy resources (international relations) (Jaeger & Marchy, 2015). Whilst facing the energy and climate crisis, governments and world-leaders recognize the patriotic economic potential for world-economy supremacy and/or growth (McGowan, 2008; Harris, 2010). As President Obama stated in his 2010 state of union speech: ‘‘the nation that leads the clean-energy economy will be the nation that leads the global economy, and America must be that nation’’ (Obama Whitehouse, 2010). The energy sector is predicted to be one of the key determinants for economic growth in the coming decades by overcoming the ‘energy crisis’ (Hartley et al., 2016).

Engaging in the renewable energy sector strengthens the nation’s position in international relations as it is less vulnerable to foreign suppliers’ manipulation and asymmetric dependencies (McGowan, 2008; Csete & Szlavik, 2012; Kennedy, 2013; Jaeger & Machry, 2014; Mata Pérez, Scholten, & Smith, 2019). Governments support domestic renewable energy companies via favorable regulations, policies, and subsidies at the expense of foreign suppliers (McGowan, 2008; Csete & Slavik, 2013; Kennedy, 2013; Hartley et al., 2016). Favorable governance on domestic companies contributes to securing future energy supply, which suffers growing risks due to potential scarcity (McGowan, 2008; Csete & Slavik, 2013; Kennedy, 2013; Hartley et al., 2016). Nationalistic motivations in favor of securing and controlling energy supply work disruptive in a close collaborative system as the European Union (EU) (McGowan, 2008). As a result, increased interest and favorable domestic governance on ‘national champions’ raise questions and disputes on how far the EU can sustain its market liberalization strategy (McGowan, 2008). Likewise, China suffered accusations of not living up to its World Trade Organization (WTO) agreements (Kennedy, 2013). Additionally to securing the nation’s energy supply, ‘techno-nationalism’ plays a key role in favorable domestic policy-making (Kennedy, 2013). ‘Techno-nationalism’ entails the race in technological innovations between dominant world-nations, showing their supremacy in technological breakthrough innovations whilst protecting them against foreign exposure at
domestic expense (Kennedy, 2013) Techno-nationalism appears to have found a new frontier within the renewable energy sector (Kennedy, 2013).

Lastly, adding to the matter of nationalistic motivations in the energy transition are the contributions to a better society beyond economic motivation by a direct effect on domestic environment, health, and security (Csete & Szlavik, 2012; Kennedy, 2013; Schubert, 2017). Moreover, governments will have to include the reduction of future effects of the rising sea level, forest fires, and potential relocation of 250 million people (climate refugees), in their motivational considerations regarding the energy transition (Csete & Szlavik, 2012).

**Hypothesis**

In this section, I will build on the previous literature review and give arguments for my hypothesis development.

Current literature has settled on the relationship between environmental characteristics present at the time of founding, and its persistent effect on a firm's subsequent internal life by marking its stamp on the focal organization’s structure, strategy, culture, and values (Sinthcombe, 1965; Kimberly, 1975; Boeker, 1989; Marquis 2003; Kriauciunas & Kale, 2006; Marquis & Tilcsik 2013; Simsek, Fox & Heavy 2015; Han & Zheng, 2019). In order to hypothesize about effects of the imprinting theory, the process of imprinting has to be disentangled. In their framework on organizational imprinting, Simsek, Fox & Heavy (2015) characterize the process of imprinting by the three stages of the genesis, metamorphosis, and manifestations of the imprints.

First, to understand when, where, and why an imprinting process takes place (genesis), the conditional setting has to be well-established. The studies of Simsek, Fox & Heavy (2015) and Kriauciunas & Kale (2006) define the context of ‘sensitive periods’ as the determining condition under which the ‘imprintability window’ opens up. The ‘imprintability window’ is characterized as a period in which organizations will incorporate elements from their environment into the organization’s internal life to overcome newness, risks, and uncertainties (Kriauciunas & Kale, 2006; Johnson, 2007; Simsek, Fox & Heavy 2015). A ‘sensitive period’ is defined as a critical period in the organization’s life in which it strives for survival while facing risks, uncertainties, and/or newness (Kriauciunas & Kale, 2006; Simsek, Fox & Heavy 2015). The literature agrees on the founding phase being the most substantial, and most studied, ‘sensitive period’ in terms of imprinting magnitude (Kriauciunas & Kale, 2006; Simsek, Fox & Heavy 2015). Although,
subsequent to the founding phase the organization's ‘imprintability window’ may open up again to ‘suffer’ new or additional imprints as a result of a major crisis of existence (‘sensitive period’)
(Kriauciunas & Kale, 2006; Simsek, Fox & Heavy 2015). In the process of seeking ‘fit’ with its surroundings, initial entrepreneurial intentions and purposes on organizational approach are mediated and transformed by the political context, societal consensus, network’s conception of sectoral organizational structures and strategies, and the essence of production/service of that time (Johnson, 2007).

Secondly, to determine the nature of the imprints, I will establish the imprinters (sources of imprints). In the process of founding the organization, entrepreneurs will imprint their own beliefs, values, and entrepreneurial vision, sourced by personal background and upbringing, in the organization’s structure, strategy, culture, and values (Johnson, 2007). Additionally, entrepreneur(s) will have to interact and cooperate with parties in its direct network (e.g. stakeholders, suppliers, governmental authorities, resources) in its act of founding the organization (Kriauciunas & Kale, 2006; Johnson, 2007; Fox & Heavy; 2015). As a result of external network interactions, the focal organization endures imprints of external political goals, strategic consensus, and products/services essence into its structure, strategy, and culture in its strive for survival (Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015). Founding characteristics stamp their mark on the organization’s internal life by affecting the emerging internal consensus on strategy, structure, and culture and values, at time in the founding phase (Boeker, 1989; Johnson, 2007; Simsek, Fox & Heavy, 2015). The broader environmental characteristics (e.g. market dynamics, societal consensus, political and business landscape) present at the time of founding have an imprinting effect on the focal organization (Boeker, 1989; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015). The state of environmental characteristics present at the time of founding (founding context) has an imprinting effect on the organization by the reproduction of societal cultural aspects, political goals, the essence of products/services, and strategy in founding the organization. (Jonhson, 2007). By simultaneously imprinting as well as directly the focal organization, as its other imprinters (entrepreneurs and direct network), environmental characteristics provoke the incorporation/adoption of structures, routines, and capabilities which reflect and respond to e.g. society, political landscape, technological availability, social views, cultural tendency and regulatory constraints (environmental characteristics) (Boeker, 1989;
Marquis 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015).

Thus, the established imprinters which will mark their stamp on the subsequent life are (1) the entrepreneur(s), (2) the organization’s network, and (3) the environmental characteristics, strengthened with mutual interactions (Boeker, 1989; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015). Based on the body of imprinting literature, the vulnerable actors which will incorporate imprints in the organization’s subsequent internal life are categorized by (1) structure, (2) strategy, and (3) culture & values (Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015). Presence and manifestations of the imprints in aforementioned actors can fluctuate over the organization’s lifetime due to the dynamics of evolution, change, transformation, and persistence (decay) as subject to new ‘sensitive periods’ (Simsek, Fox & Heavy, 2015). Lastly, in terms of impact of the imprints on the organization’s subsequent life, literature distinguishes: (1) proximal paths, which comprehends the impact on new market entry, learning, legitimacy, and competitive dynamics, and (2) distal paths impacting survival, growth, and performance (Simsek, Fox & Heavy, 2015). Effective underlying imprinting mechanisms concerning the imprint have been further visualized in figure 1, the conceptual framework.
Next, as the actors (imprinters) sourcing the imprinting process are clarified, I want to elaborate on how high nationalistic feelings in the founding environments have an imprinting effect on the organizational strategic behavior. As a result of organizational imprinting, firms founded under (high) nationalistic environmental conditions (market dynamics) suffer a home-bias in present time internationalization strategies and knowledge search location (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020). A home-bias in strategic behavior is explained by presence of nationalistic feelings within the imprinters (environment, network, and entrepreneur) at the time of founding (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020). The firm’s initial structure, strategy, culture, and values are defined in the finding phase (Boeker, 1989; Marquis 2003; Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015). Here, the focal organization will incorporate nationalistic elements as subject to its imprinters into its internal life (Boeker, 1989; Marquis 2003;
Kriauciunas & Kale, 2006; Johnson, 2007; Perkman & Spicer, 2014; Yin et al., 2014; Fox & Heavy; 2015). Although being subject to evolutions, change, fluctuating impact, and transformation, nationalistic imprints prove to persist in an organization’s future strategic behavior (Kriauciunas & Kale, 2006; Simsek, Fox & Heavy, 2015; Han & Zheng, 2019; Marquis & Qiao, 2020).

A compelling body of literature agrees on the significance of the substantial increase in nationalistic feelings (e.g. national pride, -identity, -attachment, -belonging) in society as a result of a FIFA World Cup and/or UEFA European Championship win (Evans & Kelley, 2002; Tomlinson & Sugden, 2003; Wann, 2006; Kavetsos, 2012; Billings, Brown & Brown, 2013; Hallmann, Breuer & Kühnreich, 2013; Devlin & Billings, 2016; Meier & Mutz, 2016; Nelson, 2017; Seate et al., 2017; Mutz, 2018; Meier et al., 2019). National pride and emotional attachment significantly increase as a result of a major international tournament win (Evans & Kelley, 2002). When organizations feel more attached to their birthplace, they are more likely to engage in geographical close network connections (Marquis, 2003). Additionally, a nation’s win of the FIFA World Cup has significant (home-bias) effects on consumers and international stock markets, indicating the effects on the business landscape by (Edmans, Garcia & Norli, 2007; Kaplanski & Levy, 2010; Nicolau, 2012). Although significant and substantial of nature, literature states that the increase in nationalistic feelings appears to be of relatively short duration in the period following the nation’s win (Kavetsos, 2012; Meier et al., 2019).

To test if this significant, but short, increase in a nation’s nationalistic feelings has lasting imprinting effects on (home-biased) localization strategies of firms founded within that year, I will analyze M&A localization strategies. Firms are incentivized to engage in cross-border M&As by major expansion-, knowledge-, and resource opportunities (Caiazza, Shimizu & Yoshikawa, 2017). Seventy-five percent of the managerial respondents of Bloomberg’s (2011) survey valued international cross-border M&As as more attractive than domestic deals (Bloomberg, 2011; Caiazza, Shimizu & Yoshikawa, 2017). Cross-border M&A deals provide access to resources, capabilities, and knowledge that firms cannot, or more expensively, obtain domestically (Caiazza, Shimizu & Yoshikawa, 2017). Acquired resources, capabilities, and knowledge will enhance the firm’s competitiveness against domestic and international competition (Barney, 1991; Grant, 1991; Barney, 2001; Caiazza, Shimizu & Yoshikawa, 2017). Cross-border M&A deals is a lesser risky strategy when entering foreign markets as the deal compels the know-how of the obtained
firm on the newly entered market (Caiazza, Shimizu & Yoshikawa, 2017). Naturally, new market entry provides major expansion opportunities in size, profit and turnover, enhancing the firm’s survival chances. Hence, it would be relevant to observe a home-bias in M&A localization strategies as this potentially hampers the firm’s performance.

On the note that a substantial increase in nationalistic feelings as a result of a FIFA World Cup and/or UEFA European Championship win directly affect the focal organization’s imprinters (e.g. entrepreneurs, network, and environmental characteristics) present during the founding phase (‘imprintability window’). I argue that such a single event with relative short-term, but substantial effects on society has a persistent effect on firms founded in the period of occurrence. Present imprinters at the time of founding source the established founding imprints, ensuring a persistent effect on the organization’s internal life. When high(er) nationalistic feelings are imprinted in the organization’s structure, strategy, culture, and values, I purpose that:

\[ H1: \text{A home country win of a major international football tournament in the year of the founding significantly increases the likelihood of domestic M&A behavior in the organization’s future life.} \]

Extending H1, I will look at how the firm’s practices within the sector determine the imprinters of ‘direct network’ and ‘environmental characteristics’, and therefore the nature and impact of the imprints. As a result of supporting national governance, regulations, cooperation, and subsidies in the enhancement of the energy transition, engagement in renewables will intensify network (imprinter) interactions and relations due to closer contact and cooperation (McGowan, 2008; Harris, 2010; Csete & Szlavik, 2012; Kennedy, 2013; Jaeger & Machry, 2014; Mata Pérez, Scholten, & Smith, 2019). The differential environmental characteristics and network interactions (imprinters) that firms engaged in renewables encounter in comparison to their competitors, can influence the impact of the relationship between nationalistic founding conditions and strategies on M&A deal localization strategies. Due to the intensified and supportive network interactions with more nationalistic orientated parties, renewable-engaged organizations might be more receptive to incorporate the nationalistic feelings in their imprinting process.

Secondly, engagement in renewables contributes to the purposes of governmental authorities (imprinters) and serve the nation in economic nationalism (McGowan, 2008; Harris, 2010), international relations nationalism (McGowan, 2008; Csete & Szlavik, 2012; Kennedy,
2013; Jaeger & Machry, 2014; Mata Pérez, Scholten, & Smith, 2019), techno-nationalism (Kennedy, 2013), domestic energy security (McGoven, 2008; Csete & Slavik, 2013; Kennedy, 2013; Hartley et al., 2016), and national health (Csete & Szlavik, 2012; Kennedy, 2013; Schubert, 2017). Hence, as a result of contextual heterogeneity will firms that are engaged in renewables be subject to more nationalistically fueled stimulus. Considering the differential imprinter’s characteristics and nature of the imprinting process, I purpose:

H2: Engagement in renewables strengthens the relationship of a home country winning a major international football tournament in the year of founding and increased likelihood for domestic M&A behavior in the organization’s future life

Methods
In this section, I will discuss the study’s methodology. Frist, I will explain the process of sample and data collection. Second, I will discuss the measurement of variables. Last, I will elaborate on the method of analysis.

Sample and data collection
In order to test the aforementioned hypotheses, I needed to obtain a data sample with companies that face similar internationalization opportunities when it comes to their M&A behavior. Therefore, I have set certain constraints in the process of data collection for the ‘treated group’, and ‘control group’. The first boundary condition that I have defined for this research’s setting is that all M&A deals in the sample are executed by acquiring firms that are founded in the same FIFA World Cup and/or UEFA European Championship winning countries of France, Spain, Germany, or Italy. By only including firms founded in the same country in the ‘control group’ as in the ‘treated group’, I aim to create fair research circumstances. I chose the previously stated sample countries due to a high share of cross-cultural similarities in their socio-demographic settings of lifestyle, welfare, (language) education, population structure, and nation’s history (European Commission, 2007; Schnabel, Behrens & Grötsch, 2017). Findings show that smaller and younger countries take more pride in national sports (Evans & Kelly, 2002). The chosen countries in the sample are the five biggest countries of the European Union (citizens), and comparable in size and age (European Commission, 2007). The GDP per capita in the sample
countries range from €25.200 to €35.900, (€28.600 EU is the mean GDP per capita), placing them at relatively similar levels in comparison to further EU and global measurements (Eurostat 2020). Adding to this France, Spain, Germany, and Italy operate similar economical and political systems in which they face the same body of trade governance, regulations, economic tendency, and (market) strategy of the EU (European Union) (Schnabel, Behrens & Grötsch, 2017; Brodney & Tutak, 2020). As an example, the energy markets of EU countries are joined in their market visions with ‘The European Green Deal’ in which all EU countries declare to have achieved climate neutrality by 2050 (Brodney & Tutak, 2020). Furthermore, all sample countries’ native languages have globally spread to some extent during the colonial period, but none natively speak the world’s first language in the business landscape: English (Tietze & Dick, 2013; Tenzer, Terjesen & Harzing, 2017). Ultimately, all countries in the sample conceive Football as their dominant sport and therefore experience more or less the same impact on nationalistic feelings as a result of a major tournament win (Kavetsos & Szymanski, 2010).

As a second boundary to the research sample, I limited the period of M&A deals. In this research, I only included M&A deals in the period between 1 January 2010 and 1 January 2019. In this economically stable period (2010-2019) all sample countries experienced similar and steady economic growth between the 2008 financial crisis and the 2020 pandemic crisis (Eurostat, 2020). By setting these boundaries in my data collection process I aim to increase the research’s validity and reliability levels, by ensuring that all M&A deals (‘treated group’ and ‘control group’) within the sample have equal opportunities and constraints to internationalize their M&A practices. Thus, as the acquiring firms of the sample face similar environmental conditions, a home-bias in M&A behavior as a result of the hypothesis test can indeed be explained by the win of a major international football tournament in the year of founding.

When composing the research’s data sample I accessed the sources of Orbis on company information (Bureau van Dijk, 2020), and Zephyr on M&A deals (Bureau van Dijk, 2020). Firstly, to compile the ‘control group’ dataset, I executed a search in the Zephyr dataset with the criteria of (1) M&A deals in the period 2010-2019, (2) acquiring firms in the sample countries (France, Italy, Spain, and Germany), and (3) deal status: completed, to find 2,031 observations for the ‘control group’. Secondly, I constructed a search in the Orbis database to find firms that are founded in the year of a major international football tournament win in the above-mentioned sample countries (France, Italy, Spain, and Germany), which resulted in 140 companies that met
the criteria. Whereafter I searched for these ‘treated group’ companies in the Zephyr database, with the aforementioned search boundaries, to end up with 125 observations of M&A deals for this group. Next, I filtered out the ‘treated group’ observations out of the ‘control group’ to end up with 1,960 observations belonging to this group, and a total number of 2,085 M&A deals after merging the datasets. Although there is no single accepted rule of thumb concerning the sample size of a probit regression, various precedents are known in the literature. The two most common assessment criteria regarding satisfactory sample size for a probit regression model are: (1) The number of observations should surpass the number of predicting variables with at least 50 (observations is the number of predictors + 50) (Voorhis & Morgan, 2007). (2) A minimum of 10 observations per predicting variable (Voorhis & Morgan, 2007). As this study tests one predicting variable and one moderating variable in its hypothesis tests, I meet both the aforementioned assessment criteria. Meeting these criteria will enhance the study’s validity and reliability.

Measurement

In this subchapter, I will elaborate on the measurement of variables.

Dependent variable

In order to empirically test H1 and H2, I have to analyze the firms’ M&A behavior based on location (home-country versus cross-border). Therefore, the dependent variable in this research is expressed by: ‘Home country deal’. This dependent variable measures if the acquiring firm, the firm that initiates the deal, closes the M&A deal with a target company located in its home country. ‘Home country deal’ is binary-variable generated by correspondence of the acquiring and the target firms country codes. This value of the variable =0 for all cross-border M&A deals, and value =1 when compelling a domestic M&A deal.

Independent variable

In search of the explanatory imprinting mechanism on M&A localization strategies, the independent variable in this research is referred to as ‘treated group’. The ‘treated group’ is defined as the group of firms that is treated by the (imprinting) effect of its home-country winning a FIFA World Cup or UEFA European Championship in its year of founding. The independent variable is generated by hand based on the Orbis search results. Similar to the dependent variable, the independent variable is binary of nature and value =0 if the acquiring firm is not founded.
within the year of the home-country major tournament win. Value =1 when the acquiring firm is within the year of the home-country major tournament win.

**Moderator variable**

Moderating variables affect the relationship between other variables (dependent-independent) in strength and/or nature of existence (Dawson, 2014). Therefore, in testing the strengthening effect of engagement in renewable practices on the relationship between a major international football tournament win and increased likelihood for domestic M&A behavior (H2), I have drawn up the moderating variable of ‘**engagement in renewables**’. The variable is binary of nature and generated by testing if the value ‘acquiror BVD sector codes’ in the dataset contain codes that show renewable practices of the acquiring firm. When the ‘acquiror BVD sector codes’ explain engagement in renewable practices of the acquiring firm the moderator variable =1, and when this variable does not explain engagement in renewable practices =0 . Hereafter I created a variable ‘engagement in non-renewables’ to filter out cases in the moderating variable that are engaged in renewables to some small extent, but mainly operate, as an example, coal-fired power stations (non-renewables).

**Control variables**

Although commonly control variables do not produce structural interpretation on their own, the variables are included in the research analysis to gather unbiased causal effect estimates (Hünermund & Louw, 2020). The purpose of control variables in a regression analysis is to clear the analysis of interfering unobserved factors, and so analyze an uncontaminated causal relationship between the dependent and independent variables (Hünermund & Louw, 2020). In this research the control variables comprehend the M&A deal types. As various deal types embrace different financial risks, resources, and commitment for the acquiring firm, it is important to include these control variables in the analysis on the causal effect. All occurring deal types in the dataset are included as separated control variables containing: ‘**acquisition**’, ‘**joint venture**’, ‘**minority stake**’, and ‘**institutional buyout**’.
Method of analysis

In order to empirically test this research’s hypothesis, I chose the method of a probit regression model. The probit regression model is suitable for estimating the probability of an observation carrying distinctive characteristics/circumstances, and so fall in a specific binary outcome category (Hsieh, Bloch & Larsen, 1998; Chen & Tsurumi, 2010; Hanck et al., 2015). This method is often used to estimate the outcome of a treatment (independent variable) in terms of probability on a certain binary outcome (Hsieh, Bloch & Larsen, 1998; Chen & Tsurumi, 2010; Hanck et al., 2015).

In order to test the robustness of the causality in the relationship between the dependent and independent variable, I include control variables in the regression model (Hünermund & Louw, 2020). In this study the binary outcome is measured in a ‘home-country M&A deal’ (or not). The predictor variable to test H1 is explained by the independent variable of being part of the ‘treated group’ (or not). The probit regression model is calculated by the following formula,

\[
Pr(\text{home country deal}=1|X_1,X_2,\ldots,X_k) = \Phi (\beta_0 + \beta_1 X_1 + \cdots + \beta_k Z_k)
\]

with \(Y\) representing the dependent variable (‘home country deal’), and \(X_1\) indicating if the deal belongs to the treatment or control group. \(Z_k\) represents a vector of independent variables (Hsieh, Bloch & Larsen, 1998; Chen & Tsurumi, 2010; Hanck et al., 2015). The resulting probit model of the above mentioned formula can be used to interpret H1, the relationship between a ‘home country deal’ and being part of the ‘treated group’. Next, the following equation is estimated,

\[
Pr(\text{home country deal}=1|X_1,X_2,\ldots,X_k) = \Phi (\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 + \cdots + \beta_k Z_k)
\]

with \(X_2\) representing an indicator displaying the ‘engagement in renewables’ and \(X_1 X_2\) indicating the interaction term between the treatment indicator and the engagement in renewables. Hereafter I will provide a visual representation of the interaction effect (marginsplot) to assess the moderating effect, i.e. the joint effect of ‘engagement in renewables’ and being part of the ‘treatment group’ (H2).
**Results**

In this section I will display the empirical findings. Firstly, I will discuss the descriptive statistics and correlations. Secondly, I will elaborate on the regression analysis and hypothesis testing. Lastly, I will explain the robustness check.

**Descriptive statistics and correlations**

The dataset concerns 2,085 observations of M&A deals that are completed in the period of 2010 till 2019 initiated by firms founded in the countries France, Spain, Germany, or Italy. The dataset’s descriptive statistics of number of observations, mean, and standard deviation are summarized in **Table 1**. All variables are binary of nature, meaning that they fall within the categorical group when value =1(max), and fall outside of the group when value =0(min).

**Table 1. Descriptive Statistics**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Observations</th>
<th>Mean</th>
<th>Std. dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Home country deal</td>
<td>2,085</td>
<td>.7923261</td>
<td>.4057393</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(2) Treated group</td>
<td>2,085</td>
<td>.0604317</td>
<td>.238342</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(3) Engagement in renewables</td>
<td>2,085</td>
<td>.3467626</td>
<td>.4760536</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(4) Acquisition</td>
<td>2,085</td>
<td>.7376499</td>
<td>.4400175</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(5) Joint venture</td>
<td>2,085</td>
<td>.0834532</td>
<td>.2766324</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(6) Minority stake</td>
<td>2,085</td>
<td>.0091127</td>
<td>.0950474</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(7) Institutional buyout</td>
<td>2,085</td>
<td>.006235</td>
<td>.0787344</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

**Table 2** shows the degree of correlation (linear association) between the variables (Taylor, 1990). Results show one observation of strong correlation (R=-0.5) between the variables of ‘acquisition’ and ‘joint venture’ (R=-0.5060). This is an expected result as the correlation concerns the two opposing deal type categories of ‘acquisition’ and ‘joint venture’. Hence, it is expected that when the deal is defined as one type, it does not correspond to the other. This result does not tell us much about an association between predictor and M&A behavior. Although not defined as
strong (R<0.5), the correlations between the ‘treated group’ and the deal types of ‘minority stake’ (R=0.3781) and ‘institutional buyout’ (R=0.3123) are more interesting to interpret. These correlations indicate that firms founded within the year of a major international football tournament win are to some extent (weak correlation) more likely to engage in the aforementioned deal types or vice versa.

Table 2. Correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Home country deal</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Treated group</td>
<td>0.0306</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Engagement in renewables</td>
<td>-0.0270</td>
<td>0.1155***</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Acquisition</td>
<td>0.0575***</td>
<td>-0.0684***</td>
<td>0.0245</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Joint venture</td>
<td>-0.1747***</td>
<td>-0.0692***</td>
<td>-0.0304</td>
<td>-0.5060***</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Minority stake</td>
<td>0.0118</td>
<td>0.3781***</td>
<td>0.0892***</td>
<td>-0.1608***</td>
<td>-0.0289</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(7) Institutional buyout</td>
<td>0.0496**</td>
<td>0.3123***</td>
<td>0.1087***</td>
<td>-0.1328***</td>
<td>-0.0239</td>
<td>-0.0076</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: significance levels: ***p<0.01, **p<0.05, *p<0.10.

Regression Results & Hypotheses Testing

Table 3 displays the results of the executed probit regression analyses over three models to test the aforementioned hypotheses 1 and 2. Model 1 solely entails a probit regression on the dependent variable (‘home country deal’) and the control variables. Model 2 tests the relationship between the independent variable ‘treated group’ and the dependent variable ‘home country deal’ (H1). Lastly, Model 3 introduces the interaction effect of the moderating variable ‘engagement in renewables’ to test H2. The values for LR (Likelihood Ratio) Chi2 show indications for the probability that minimally one of the predictor variables’ regression coefficients does not equal zero (UCLA, 2020). The Prob>Chi2 value measures the probability of observing an LR test result which implicates no effect of the predictor variables (UCLA,2020).

In order to judge the ‘goodness-of-fit’ for the probit regression model the Pseudo R2 and AIC score are further interpreted. The higher the value of the McFadden’s Pseudo R2 in the probit regression model compelling the same data, the better the model predicts the outcome (UCLA,
As the results show an increase in the Pseudo R2 value for every model (1-3), one can conclude that the goodness-of-fit increases with every model. However, the increases in Pseudo R2 values are not substantial (+0.025 and +0.05). Therefore, I will enact an extra check on the AIC scores to judge which model best predicts the outcome. The AIC (Akaike Information Criterion) score is used to estimate the in-sample fit of a model to predict outcomes based on the log-likelihood (Grove, 1988). The lower the AIC score, the better the model-fit (Grove, 1988). As a general rule of thumb, AIC scores with a delta (difference between two compared AIC scores) of minus 2, or more, are considered to have a significantly better fit in comparison to the other model (Grove, 1988). Based on the exhibited results in Table 3 there are implications for an improvement in goodness-of-fit of model 2 comparison with model 1, as the value decreases (-1.445). Hence, a strong significant improvement for goodness-for-fit fit on model 3 is observed in relation to model 2 (-5.563) and model 1(-7.008). Thus, I conclude that model 3 is clearly the best predictor of outcome.

Model 1 shows a significant relationship between the control variables of the deal types ‘acquisition’, ‘joint venture’, and ‘institutional buyout’ on the dependent variable of ‘home country deal’.

Model 2 exhibits indications to accept H1 as the relationship between the independent variable ‘treated group’ and the dependent variable ‘home country deal’ is positive and significant (β =1.98 P=0.047). The moderating variable of ‘engagement in renewables’ does not significantly influence the dependent variable on its own. Predictive margins show an increase in likelihood on a ‘home country deal’ when being part of the ‘treated group’ (.870964) in comparison to the control group (.7869227) (Appendix 2). The predicted marginal effect on H1 is visualized in Figure 2. Model 3 illustrates that after the introduction of the interaction of the moderating variable ‘engagement in renewables’, the relationship between the independent variable ‘treated group’ and ‘home country deal’ grows in significance and coëfficiental magnitude (β =2.86 P=0.004). Thus, based on the marginal effects (Appendix 2) and significant results in model 2 and model 3, I find sufficient evidence to support the relationship in H1: A home country win of a major international football tournament in the year of the founding significantly increases the likelihood of domestic M&A behavior in the organization’s future life.

The results in Model 3 concerning the interaction of ‘engagement in renewables’ on the relationship between the ‘treated group’ and the ‘home country deal’ shows a significant negative
effect ($\beta = -2.54 \ P=0.011$). Treated firms that are engaged in renewables have higher predictive margins on a ‘home country deal’ (.8597838) than non-treated firms (.7869227). Yet, the predictive margins of firms that are not engaged in renewables on a ‘home country’ are the highest (.8769927) (Appendix 3). Thus, predictive margins show that the interaction of ‘engagement in renewables’ whilst being part of ‘treated group’, weakens the positive effect of (H1) the likelihood on a ‘home country deal’. The predicted marginal effect on H2 is further visualized in Figure 3. The results indicate that H2: Engagement in renewables strengthens the relationship of a home country winning a major international football tournament in the year of founding and increased likelihood for domestic M&A behavior in the organization’s future life cannot be accepted as the opposite effect is observed.
Table 3. Probit Regression Analyses

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Control variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition</td>
<td>-2.18 **</td>
<td>-2.16 **</td>
<td>-2.15 **</td>
</tr>
<tr>
<td></td>
<td>(.0915308)</td>
<td>(.0918428)</td>
<td>(.0920122)</td>
</tr>
<tr>
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<td>-7.24 ***</td>
<td>-7.15 ***</td>
<td>-7.17 ***</td>
</tr>
<tr>
<td></td>
<td>(.1269948)</td>
<td>(.1272192)</td>
<td>(.1272357)</td>
</tr>
<tr>
<td>Minority stake</td>
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<td>-0.90</td>
<td>-0.48</td>
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<tr>
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<td>(.3953447)</td>
<td>(.4015229)</td>
</tr>
<tr>
<td>Institutional buyout</td>
<td>-2.70 ***</td>
<td>-3.13 ****</td>
<td>-2.17 **</td>
</tr>
<tr>
<td></td>
<td>(.3581507)</td>
<td>(.3978833)</td>
<td>(.4151788)</td>
</tr>
<tr>
<td>Constant</td>
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<td>12.47 ***</td>
<td>12.29 ***</td>
</tr>
<tr>
<td></td>
<td>(.0838527)</td>
<td>(.0864106)</td>
<td>(.0866175)</td>
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<td>2.86 ***</td>
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<td>(.3381711)</td>
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<tr>
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<tr>
<td></td>
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<td>(.0684131)</td>
<td></td>
</tr>
<tr>
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<td></td>
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<tr>
<td>Treated group x engagement in</td>
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<td></td>
<td>-2.54 **</td>
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<td>renewables</td>
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<td></td>
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Notes: Dependent variable = Home country deal; significance levels: ***p<0.01, **p<0.05, *p<0.10; The Stata output on all probit regressions can be found in Appendix 1.
Figure 2. Marginsplot observed effect of hypothesis 1

![Figure 2](image)

Note: The Stata Margins output, compelling all underlying margins, can be found in Appendix 2.

Figure 3. Marginsplot observed effect Hypothesis 2

![Figure 3](image)

Note: The Stata Margins output, compelling all underlying margins, can be found in Appendix 3.
**Robustness check**

In contemplation of improving the study’s reliability of results, I executed a robustness check with the variable ‘deal value’ to test whether the coefficients of other predictor variables significantly change. I chose the variable of ‘deal value’ to test the results’ robustness since this carries a potential impact on the dependent variable of ‘deal home country’ by reason of risk and transaction costs. Due to a high number of missing values, I did not include this variable as a control in model 1, 2, and 3. Thus, I created a dummy variable for the missing values in the robustness check. The results were rather stable. I did not observe changes in the significance levels of other predictor variables, and therefore the significant results which support H1 are robust despite unobserved deal values.

**Discussion and conclusion**

In this section, I first briefly touch on the theoretical framework and results. Second, I will discuss my findings. Last, I will elaborate on the theoretical and managerial implications of my findings.

This study’s thesis is built on the organizational imprinting theory, a theory that claims that environmental characteristics present during the founding phase (e.g. sensitive periods) have a persistent effect on an organization’s subsequent internal life. So far, a compelling body of literature has successfully empirically tested and validated the imprinting theory on the internal organizational life categorized by its structure, strategy, culture, and values (Simsek, Fox & Heavy, 2015). I add to this body of research by analyzing the imprinting effects of nationalistic conditions with short-term presence in the environment on M&A deal localization strategies. Addressing this gap is relevant in organizational research as it provides insight into the origins of organizational strategic behavior (Kriauciuunas & Kale, 2006; Marquis & Qiao, 2020). The study’s aim to fill this gap is translated into the research question: *How does a short term increase of nationalistic feelings in society influences the imprinting of firms founded in that period, and their subsequent strategic behavior?*

I argue that the occurrence of an event as a FIFA World Cup and/or UEFA European Championship win due to a substantial, but relative short-term, increasing effect of nationalistic feelings on the firm’s imprints (entrepreneurs, network, and environment), influences imprinted firms’ subsequent M&A behavior in such a way that it is more likely to engage in domestic M&A deals (H1). Secondly, I argue that due to heterogeneity in the contextual founding conditionss, firms that engaged in renewables are more sensitive to nationalistic imprints. As a result,
engagement in renewable practices will strengthen the effect of the moderating variable on the H1 relationship (H2).

In contemplation of answering the study’s research question, I use a data sample containing 2,085 M&A deals in the period of 2010-2019 in the countries France, Spain, Italy, and Germany. For the data analysis, I run three probit regression models to examine the relationships of the control-, independent-, and moderating variable(s) (interaction effect) in regards to the dependent variable ‘deal home country’, which are displayed in Table 3. The relationship between the independent variable ‘treated group’ and the dependent variable ‘home country deal’ is assessed with a positive significant correlation in model 2 ($\beta =1.98$ $P=0.047$), and a strong positive significant correlation in model 3 ($\beta=2.86$ $P=0.004$). Also, model 3 outperforms the second model on the goodness-of-fit test with strong significant progress. Based on my findings, I find support for H1: A home country win of a major international football tournament in the year of the founding significantly increases the likelihood of domestic M&A behavior in the organization’s future life.

The support of H1 confirms that firms founded during the short-term increase of nationalistic feelings as a result of major international football tournament win are subject to nationalistic imprints. Support for the first hypothesis is complementary to the original organizational imprinting theory of Arthur L. Stinchcombe (1965). My findings on the relationship between high(er) nationalistic feelings and a home-bias in localization strategies are in line with similar previous imprinting studies on nationalistic related topics of Kriauciunas & Kale (2006) and Marquis & Qiao (2020). With these findings, I prolong the imprinting theory as I confirm the imprinting effect of environmental conditions with short-term presence. Thus, although the occurrence of an event as a FIFA World Cup win in the year of founding might seem like a minor unrelated phenomenon to future organizational internal life, it can potentially imprint a home-bias in its localization strategies.

Hereafter, I will review the observed results on the second hypothesis. I observe a significant negative interaction effect of partaking in ‘engagement in renewables’ on the relationship between the ‘treated group’ and a ‘home country deal’. Thus, the results demonstrate a significant opposite effect and therefore I reject H2: Engagement in renewables strengthens the relationship of a home country winning a major international football tournament in the year of
founding and increased likelihood for domestic M&A behavior in the organization’s future life. I want to elaborate on four possible explanations for the observed opposite effect on H2.

Firstly, as a result of the growing demand for renewable energy, cross-border market dynamics may be much more favorable for international expansion in comparison to the rest of the utility sector (McGowan, 2008; Csete & Szlavik, 2012; Jaeger & Machry, 2014; Schubert, 2017). As a global increase in energy demand has to be met while simultaneously transitioning to a cleaner and more sustainable energy-mix, governmental authorities intervene within the market with supporting governance, regulations, and subsidies, and thus create a more favorable environment with growth potential and low risks (McGowan, 2008; Csete & Slavik, 2013; Kennedy, 2013; Jaeger & Marchy, 2014; Hartley et al., 2016). The growing global demand and favorable governance regarding renewable practices cause a prosperous cross-border market potential for growth (McGowan, 2008; Csete & Slavik, 2013; Kennedy, 2013; Hartley et al., 2016). Favorable market dynamics and growth potentials incentivize firms to expand their business into new market entry by cross-border M&A deals (Caiazza, Shimizu & Yoshikawa, 2017). Adding to this, firms perceive cross-border M&A deals as more ‘valuable’ and ‘attractive’ than domestic ones (Bloomberg, 2011; Caiazza, Shimizu & Yoshikawa, 2017). Thus, promising market dynamics for renewable practices encourages opportunities for firms to expand their business cross-border, and so potentially weakens the relationship between the ‘treated group’ and a ‘home country deal’ (H2a).

Secondly, as the technology behind renewable practices is relatively new and yet in full development on technological innovation, it can be attractive to engage in cross-border M&A deal due to scarcity of available technological knowledge in its home country (McGowan, 2008; Csete & Slavik, 2013; Kennedy, 2013; Hartley et al., 2016). Henceforth, obtaining technological knowledge and/or resources via cross-border M&As will enhance the firm’s performance following the RBV (Resource Based View) (Barney, 1991; Grant, 1991; Barney, 2001). Due to the nature of underlying technology, engaging in cross-border M&A deals will then be more attractive/decisive for firms engaged in renewable practices in comparison to non-renewables.

Thirdly, in the race to strengthen positions in international relations by ‘techno-nationalism’ and ‘economic nationalism’, governments desire their ‘top firms’ in renewable energy to dominate/gain power on the global markers to show/increase their nation’s supremacy (McGowan, 2008; Obama Whitehouse, 2010; Csete & Szlavik, 2012; Kennedy, 2013; Jaeger &
Machry, 2014; Mata Pérez, Scholten, & Smith, 2019). When imprints are sourced by nationalistic ideologies, the firm will serve the nation's goals (Marquis, C. & Qiao, K. (2020). Therefore, as the internationalization of the renewable firm contributes to the nation’s position in international relations, the nationalistic imprint could unravel itself in internationalization strategies.

Lastly, intense governmental interactions embodied by political involvement and governmental appropriation, have been proven to cause decay on the firm’s nationalistic imprints when they are divergent on current ideology (Marquis & Qiao, 2020). Thus, when present-day governments strive for the internationalization of its renewable energy firms to gain power in international relations, the home-bias imprint on M&A deal localization strategies could decay.

**Theoretical implication**

This study has several theoretical implications. Firstly, my research builds on the organizational imprinting theory (Stinchcombe, 1965). I find evidence that the win of a major international football tournament in the year of founding imprints nationalistic feelings in a firm’s subsequent internal life. Resulting nationalistic imprints are expressed in such a way that it creates a home-bias on the imprinted firm’s (M&A) localization strategies in subsequent life. Secondly, the imprinting effect of a major international football tournament win is weakened on firms that are engaged in renewable practices. These findings fill the research gap of how a short-term increase of nationalistic feelings in society has an imprinting effect on the later strategic behavior of firms founded in that period. Additionally, I provide empirical evidence for the imprinting theory on localization strategies. My findings are in line with studies on the imprinting effect of nationalistic environmental circumstances, researching the effect of politically and ideologically nationalistic affected market systems (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020). Previous literature on nationalistic related imprinting mainly focussed on imprints as a result of longstanding environmental characteristics, such as a communistic market system (Kriauciunas & Kale, 2006; Han & Zheng, 2019; Marquis & Qiao, 2020). This study shows that disruptive short-term increases of nationalistic feelings in society may not be overlooked by imprinting theory on nationalistic environmental characteristics. It indicates that events that seem fairly unrelated to the market dynamics in which the firms operate, though shortly impact the population’s state of mind, have an imprinting effect on the subsequent internal life of firms that are founded within that year. As findings show a negative opposite relationship on the interaction effect of the second
hypothesis, the theory must consider that the manner in which imprints present themselves is influenced by the differential practices carried out by firms in a sector. The way of practicing business, in particular in the energy sector (high political and national interests), causes divergent environmental characteristics and the nature of interactions within the market. Therefore, implications on imprinting effects are not effortlessly generalizable within a sector without considering how heterogeneous practices impact the firm’s external interactions and environmental conditions (market dynamics). Lastly, research found that smaller and younger countries take significantly more pride in sports, and thus the magnitude of imprinting effects as a result of major international sports events are potentially bigger in these countries (Evans & Kelly, 2002).

**Managerial implications**

Additional to the theoretical implications, this study comprehends certain implications concerning managers. Contradictory to the view of an organization being an autonomous ‘black-box’ in which it composes its own rationality, much of the structure, strategy, culture, and values incorporate elements of its founding environment (Johnson, 2007). As modern western society faces growing trends of nationalism and populism, it is meaningful to evaluate how nationalistic founding conditions have an imprinting effect on organizations (Hroch, 2020). The significant findings on the first hypothesis implicate that managers should consider that the occurrence of nationalistic events during their firm’s founding phase, can have a significant impact of adverse on the firm’s strategical judgment in subsequent life. Events or happenings with short-term effects that do not directly appear to be related to the firm’s market dynamics or practices, such as a major international football tournament win, can trigger the incorporation of nationalistic imprints in subsequent internal life (structure, strategy, culture, and values). As a result of nationalistic imprints, a home-bias can inhibit new market entry (proximal path), and thus the firm’s performance and growth (distal path)(Simsek, Fox & Heavy, 2015). As it is the manager's task to, regardless of their own ideologies, perform best by rational management in running the firm, he/she should be aware that the occurrence of such (nationalistic) events during their founding phase potentially imprinted a home-bias in the firm’s strategy determination. With this knowledge, I hope to attend managers to make a more fair and rational trade-off regarding their consideration of M&A localization strategies.
Limitations & future research

In the following section, I will summarize this research’s limitations and present topics to be addressed by future research.

The study’s sample contains 2,085 M&A deals initiated by firms in four FIFA World Cup and UEFA European Championship-winning countries with relatively similar demographic characteristics, culture, political systems, and trade regulations (European Commission, 2007; Schnabel, Behrens & Grötsch, 2017). Nevertheless, there may be heterogeneity in the nation's market dynamics of utility sectors. Whereas a technology may be fully developed or at higher availability in one country, there could be scarcity in another. The same goes for energy demand, forasmuch as one nation’s demand is satisfied, and thus there is no potential in domestic growth, another may face scarcity. Adding to this, governmental regulations and subsidies influence the motivation for the choice of domestic over international M&A localization strategies. Although global trends of energy demand, demand for a green transition, and governmental subsidies are observed, underlying differences are not further analyzed (McGowan, 2008; Csete & Szlavik, 2012; Kennedy, 2013; Jaeger & Machry, 2014; Mata Pérez, Scholten, & Smith, 2019). This could cause some potential heterogeneous incentives and opportunities for choice of M&A internationalization within the tested sample. The choice for sourcing the sample group by four relatively similar countries was made to obtain a large enough sample size. Future research may want to test the effect on one particular country to create more fair circumstances.

Secondly, as the industry of utilities compels a high variability in the nature of technologies and high political regulatory involvement, the practices that a firm carries out strongly define its market dynamics and so environmental characteristics. As a result, I observe a significant negative interaction effect of a firm's practices on H2. This clearly indicates that the firm’s specific practices within the energy sector potentially have a moderating effect on the imprinting process. Therefore, not further inclusion of other practices (e.g. coal sourced energy production, energy distribution) as control variables in the regression analysis weakens the results.

Moreover, some potential control variables for this study’s analysis are missing due to a lack of data provided in the Zephyr database. First, I was aiming to introduce the control variable of ‘firm age’ in the analysis due to the potential influence on the firm’s behavior. As the Zephyr dataset did not provide credible information on this variable, I was only able to distinguish the
firms that are founded in the year of a tournament win sourced by the Orbis database. Nextly, I could not include the control variable of ‘profit/loss last year’ and ‘firm size’ due to lacking information in the Zephyr database. Hence, I carried out a robustness check with a generated dummy variable ‘deal value’ to compose an indication of the previous stated lacking variables. The results were rather stable and no significant changes were observed.

As this study is carried out in a sector with highly governmental involvement, interests, and regulatory governance, it is limited in generalizability towards other sectors. On the grounds that the government plays a prominent role in the environmental characteristics of firms in the energy sector, there is a potential relationship to the magnitude of the imprinting process as it is nationalistic of nature. Therefore, I would urge future research to test the imprinting effects of a major international sports tournament win on a sector that has more distance to the government. It would be interesting to see if the argumentation concerning H1 will still hold in those sectors. Additionally, I would urge future researchers to further exploit the imprinting theory on events with (relatively) short term impact. It would be interesting to analyze the imprinting effects of events with a substantial short term impact on society. Exemplary events to research on organizational imprinting effects are the 9/11 terror attacks in the United States, the Fukushima earthquake, the assassination of John F. Kennedy, and in the future the COVID-19 outbreak. Additionally, in a time where societies face polarizing ideological powers of populistic and nationalistic nature, it would be relevant to research how these forces imprint the business landscape. As an example, one could study how firms founded under a republicans (Trump) regime show divergence in subsequent strategic behavior in comparison to firms founded under a democratic (Obama) regime.
References


Harris, J. (2010): Going green to stay in the black: transnational capitalism and renewable energy. Race and Class, 52 (2) : 62-78


Appendixes

Appendix 1. Stata output Probit Regression Model 1-3

Model 1

```
. probit Deal_home cntry 1.Acquisition 1.Joint_Venture 1.Minority_stake 1.Institutional_Buyout
```

| Deal_home | Coef.  | Std. Err. | z     | P>|z|  | [95% Conf. Interval] |
|-----------|--------|-----------|-------|------|----------------------|
| 1.Acquisition | -.1997342 | .0915308 | -2.18 | 0.029 | -.3791313 , -.0203371 |
| 1.Joint_Venture | -.9193036 | .1269948 | -7.24 | 0.000 | -.1168209 , -.703983 |
| 1.Minority_stake | -.0607167 | .356807 | -0.17 | 0.865 | -.7600456 , .6386123 |
| 1.Institutional_Buyout | -.967306 | .3581507 | -2.70 | 0.007 | -.1669268 , -.2653435 |
| _cons     | 1.063865 | .0838527 | 12.69 | 0.000 | .8995164 , 1.228213 |

Model 2

```
. probit Deal_home cntry i.Treated_group i.Acquisition i.Joint_Venture i.Minority_stake i.Institutional_Buyout
```

| Deal_home | Coef.  | Std. Err. | z     | P>|z|  | [95% Conf. Interval] |
|-----------|--------|-----------|-------|------|----------------------|
| 1.Treated_group | .3311568 | .1738803 | 1.90  | 0.057 | -.0096423 , .6719559 |
| 1.Acquisition | -.2036953 | .091728 | -2.22 | 0.026 | -.3834789 , -.0239117 |
| 1.Joint_Venture | -.9107412 | .1271338 | -7.16 | 0.000 | -.1159919 , -.6615635 |
| 1.Minority_stake | -.381209 | .3948911 | -0.97 | 0.334 | -.1551818 , .3907634 |
| 1.Institutional_Buyout | -1.287798 | .3961056 | 3.25  | 0.001 | -2.064151 , -.5114456 |
| _cons     | 1.6532 | .0841576 | 12.51 | 0.000 | .8882543 , 1.218146 |
### Model 3

```
. probit Deal_home_ctry i.Treated_group#i.Renewable i.Acquisition i.Joint_Venture i.Minority_stake i.Institution > al_Buyout
```

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Probit regression

- Number of obs = 2,085
- LR chi2(7) = 76.89
- Prob > chi2 = 0.000
- Log likelihood = -1026.6935
- Pseudo R2 = 0.0561

| Deal_home_ctry               | Coef.  | Std. Err. | z     | P>|z|  | [95% Conf. Interval] |
|-----------------------------|--------|-----------|-------|------|---------------------|
| 1.Treated_group             | .9658843 | .3381711  | 2.86  | 0.004 | .3030811 to 1.628688 |
| 1.Renewable                 | -.0460421 | .06584131 | -0.67 | 0.501 | -.1801294 to .0880452 |
| Treated_group#Renewable 1 1 | -.9872864 | .3883522  | -2.54 | 0.011 | -1.748443 to -.2261302 |
| 1.Acquisition               | -.1975309 | .0928122  | -2.15 | 0.032 | -.3777875 to -.0171904 |
| 1.Joint_Venture             | -.9123569 | .1272357  | -7.17 | 0.000 | -1.161734 to -0.6629795 |
| 1.Minority_stake           | -.1911584 | .4015229  | -0.48 | 0.634 | -.9781329 to .5958121 |
| 1.Institutional_Buyout _cons | -.0002525 | .4151788  | -0.03 | 0.977 | -.1713988 to .0685171 |
| _cons                       | 1.064255  | .0866175  | 12.29 | 0.000 | .8944882 to 1.234022  |
Appendix 2. Sata margins output on observed effect H1

```
.margins i.Treated_group

Predictive margins Number of obs = 2,085
Model VCE : OIM
Expression : Pr(Home_cntry_deal), predict()

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Appendix 3. Stata margins output on observed effect H2

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.margins i.Treated_group#i.Renewable

Predictive margins Number of obs = 2,085
Model VCE : OIM
Expression : Pr(Home_cntry_deal), predict()

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