

Public Abstract

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Title: Director Ties, Board Experience, and Firm Strategic Outcomes: Board Experience Effects on Post-Acquisition Performance

This study examines the effects of board experience on firm outcomes. Using the resource-based view of the firm in complement with agency theory and the resource dependence perspective, theory development links the past experience of outside directors' strategic experiences at their home firms with similar strategies pursued by the focal firm. Hypotheses test the effects on both short-term and long-term performance of outside directors' experience with acquisitions by their home firms of the entire assets of target firms. Results generally do not support the notion that acquiring firms benefit through positive post-acquisition performance from the past experience of their outside directors. However, significant results with respect to board international experience and the acquisition experience of the audit committee provide empirical support for the strategic importance of board experience and of board committees and for their potential impact on firm performance. Discussion of the results address limitations of the study and provide some direction for future investigation into the effects of board experience on firm strategic outcomes.