

## Dimensions of Mergers and Acquisitions and Employee Morale in the Nigerian Banking Industry

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### Abstract

Morale is an essential ingredient of organizational success. It reflects the attitudes and sentiments of an individual towards the organizational objectives. This study assessed the effects of mergers and acquisitions, particularly internal environment on employee morale in the Nigerian banking industry. The study adopted a descriptive research design, a nonprobability judgment sample of 533 participants extracted from 5 deposit money banks in JOS north local government of plateau state responded to a re-validated 5 points Likert scale questionnaire. Data were analyzed using quantitative techniques and spearman ranking correlation with aid of SPSSv25 to test the hypotheses. The result found significant relationship between work environment, organizational culture, leadership and employee morale in the Nigerian banking industry. To this effect, the study recommended that in order for banks to be successful in merger and acquisition, employee morale should be put into consideration; bank must provide a conducive work environment as it will allow employee feel a sense of belonging after a merger or an acquisition; Bank should reinforce the attitude of their employees by adopting an organizational culture that allows the employee to be valued, encouraged and supported by providing time, learning resources and constructive culture and bank managers should also adopt a democratic leadership style that allows the employee get on well with superiors. This will go a long way to create the right enthusiasm among staff.

**Keywords:** *Dimensions, Mergers, Acquisitions, Employee Morale, Nigerian Banking Industry*

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### **Background of the Study**

In today's globalized economy, firms all over the world increasingly adopt this strategy to gain competitive edge (Kangetta and Kirai, 2017). Clearly, mergers and acquisitions (M&A) are being increasingly used world over for improving competitiveness of companies through gaining greater market share, broadening the portfolio to reduce business risk, for entering new markets and geographies, and capitalizing on economies of scale among other. For instance, between 1993 and 1996, about 1500 mergers were recorded in the USA (Pilloff 1996), similar experience was observed in the Europe and Asian continents (Schenk 2000). The decade 1995 and 2005 were particularly traumatic for the Nigerian banking industry; with the magnitude of distress reaching an unprecedented level, thereby making it an issue of concern not only to the regulatory institutions but also to the policy analysts and the general public. Thus the need for a drastic overhaul of the industry was quite apparent.

In furtherance of this general overhauling of the financial system, the Central Bank of Nigeria introduced major reform programmes that changed the banking landscape of the country in 2004. The main thrust of the 13-point reform agenda was the prescription of a minimum shareholders' funds of 25 billion for Nigerian Deposit money bank not later than December 31, 2005. In view of the low financial base of these banks, they were encouraged to merge. Out of the 89 banks that were in operation before the reform, more than 80 percent (75) of them merged into 25 banks while 14 that could not finalize their consolidation before the expiration of deadline were liquidated. Because of the apparent advantage of efficiency related benefits the, banking industry has experienced an unprecedented level of consolidation as mergers and acquisitions among financial institutions have become a general phenomenon globally.

Mergers and acquisitions (M&A) is a general term that refers to the consolidation of companies or assets through various types of financial transactions. M & A is a process in which two, or even more than two, firms are amalgamated into a single entity in order to enhance their market position and market share through swapping out the competitors, and increasing the efficiency of a firm by combining the resources (Odeck, 2008). It is for a fact that two companies are greater than one (especially when investors' wealth is increased over and above that of the individual firms) that firms merge (Sharma, 2010 and Kangetta and Kirai, 2017). M&A have played a critical role in the success of many modern organizations. Their role in boosting the size of start-ups and increasing their market capitalization allow them to compete with much larger and well established companies (Atul and Maryam, 2020). Other benefits and goals of M&A include market penetration, vertical expansion to control supply and distribution sources, market entry, identifying asset potential and economics of scale (Kemal, 2011).

### **Statement of Problem**

Mental courage and confidence have vital role in every aspect of industrial life. Whether works are done well or not each and every employee has special attitude towards their work, which will be reflected throughout. In the absence of morale, the profitable movement is impossible in any industry. there is great need of morale building industry. In a similar vein, attention and emphasis is regularly placed at the time of mergers and acquisitions, but the

morale of the employees (human capital) receives little or no attention. This means that most times, the human capital element in the organization is ignored. The morale of an employee has the capacity to make or break a successful union; either a merger or an acquisition of the organizations involved. The psychological trauma of changing work environments, the stress to be undergone in learning/adapting to a new organizational climate, the fear of being laid off by the new Board of Directors etc, can lower employee morale. (Kangetta and Kirai, 2017) explain that poor morale eventually depletes employee commitment, damages the product or service offered, and estranges the clients and customers that the business serves. Pokharna (2011) cited that “low morale goes viral in that it may begin with one disgruntled employee then extend towards a general condition, or spread from department to department and finally affect the entire organisation. Therefore, it is against background that this study seeks investigate the effect of merger and acquisition on employee morale in the Nigerian banking industry while adopting change of work environment, organizational culture and leadership as dimensions of mergers and acquisitions.

### **Research Objectives**

The major objective of this study is to evaluate the effect of merger and acquisition on employee morale in the Nigerian banking industry using the following as dimensions of mergers and acquisition: change of work environment, change in organizational culture and change of leadership. Specifically, the objectives are:

1. To ascertain the effect of change of work environment on employee morale in the Nigerian banking industry.
2. To evaluate the effect of change in organizational culture on employee morale in the Nigerian banking industry.
3. To examine the effect of change of leadership on employee morale in the Nigerian banking industry.

### **Research Hypotheses**

1. **H<sub>0</sub><sub>1</sub>**: change of work environment has no significant effect on employee morale in the Nigerian banking industry.
2. **H<sub>0</sub><sub>2</sub>**: change in organizational culture has no significant effect on employee morale in the Nigerian banking industry.
3. **H<sub>0</sub><sub>3</sub>**: change of leadership has no significant effect on employee morale in the Nigerian banking industry.

### **Conceptual Review**

#### **Merger and Acquisition**

Theoretically, mergers and acquisitions are not the same. Merger is a process when two or more companies join and emerge as new companies, while the acquisition is a process where one company takes over another company and runs its business right (Momodou et al., 2017). Mergers and acquisitions are defined as activities involving corporate takeovers, corporate restructuring, or corporate control that change the ownership structure of the company (Oirere, 2020). Mergers and acquisitions are business strategies that allow companies to enter new potential markets or new business areas (Atul and Maryam, 2020). Mergers and

acquisitions are generally aimed for synergy or added value, not only in short term but also for the long term, while increasing economies of scales and economics of scope and financial strength (Mardianto et al., 2018).

In a merger, the firms involved still have a share/control in the operations of the new entity. Mergers are usually voluntarily and often resulting in the combination of the names of the merged firms to form a new organizational name. Then the purchase of smaller firm (the offeree/acquiree) by a large firm (the offeror/acquirer) (Anyanwu and Agwor, 2015) is known as acquisition. Acquisitions could be hostile (hostile takeovers) or friendly. The acquired firm is absorbed completely into the operations of the acquirer and as such, it loses its corporate existence. In 2005 for instance, the then Oceanic Bank lost its corporate existence and was absorbed fully into the operations of the present day Ecobank.

There exist two (2) noticeable differences between a merger and an acquisition;

1. In a merger, the primary motive is to enlarge business operations, profit is shared equally between the stakeholders of the merged firm; an acquisition largely occurs during economic recession and in organizations where there has been constant fall in the profits of the organization (Adhikari, 2014).
2. Even without or with the mutual consent of the target company to be acquired there could still be an acquisition. Usually, the larger firms swallow up the running and operations of the smaller firms.

Mergers between firms are usually friendly, it occurs with the mutual consent of the firms involved; both firms share equal ownership and profits (Adhikari, 2014). Anderibom and Obute (2015), opine that mergers and acquisition in the financial sector occur for several reasons; economies of scale, enhance revenue, reduces risk, globalization and financial stability.

### **Work Environment and Employee Morale**

During the time of merger and acquisition there is a lot of difficulty that an employee goes through, the first and foremost is change in work environment. Asghar (2014), workplace environment should be considered as a fundamental organizing element in people's lives to provide not just extrinsic rewards such as paychecks and other benefits, but intrinsic value like identity and a commitment to increase employee morale. Poor working conditions due to physical elements lead to low productivity and overall job dissatisfaction. The latter, particularly when left unaddressed, leaves employees feeling unappreciated and they ultimately leave. Kangetta and Kirai, (2017) argue that work environment of an organization consists of teamwork, equipment's/tools, health and safety, and physical space. Tjambolang (2013) indicated that lighting, noise, color, air conditioning, office layout, office furniture, and equipment are key physical factors of the workplace environment to keep employees' morale high. A poorly designed work station, insufficient health and safety measures, lack of opportunity to advance are prominent factors that are bound to arise when an organization is merged or acquired and these affects the morale of the employees in the organization.

### **Organization Culture and Employee Morale**

During the time of merger and acquisition an employee face the problem of change in organizational culture. Marr (2004) defined organizational culture as values, beliefs and assumptions a group learns, adapt and considers valid and acceptable as the correct way to respond to issues, and, therefore, is taught to new members. Charles and Gareth (2009) argued that "organizational culture is the specific collection of values and norms that are shared by people and groups in an organisation. To them, the culture of the organisation control the way employees interact with each other and with stakeholders outside the organisation." This shows that the organisation's norms and values have a strong effect on all those who are attached with the organization (Isa, Ugheoke and Noor, 2016). Stoica et al. (2004) asserted that the relationship between culture and employee performance is influenced by the way organizations search for and use information. Therefore, comprehending the correlation between organizational culture and employee's morale is an important research subject because detections of various studies have demonstrated that an individual's work performance is a vital element toward the success of organizations (Shahzad et al.2013).

### **Leadership and Employee Morale**

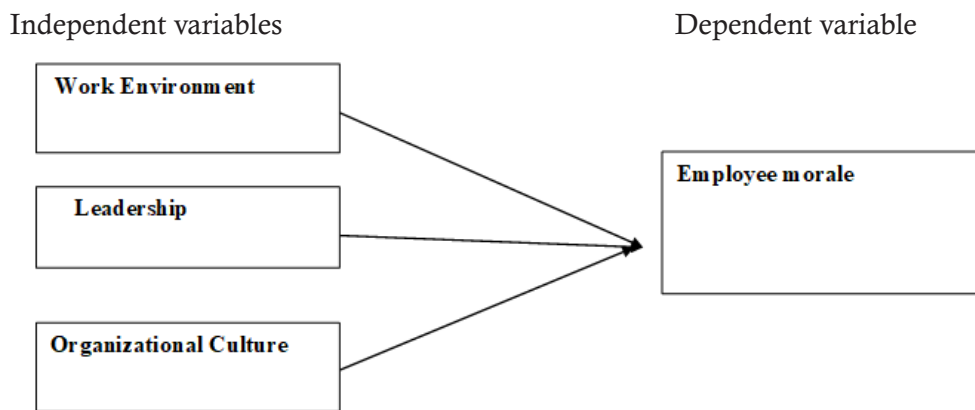
During the time of merger and acquisition an employee goes through, the challenge of leadership change. Various leaders adopt different styles of leadership. Armstrong (2014) view leadership as the capacity to inspire individuals to give of their best to achieve a desired result and to maintain effective relationships with individuals and the team as a whole. An employee who has been influenced by a democratic leader will find it difficult to cope with an autocratic leader after a merger/acquisition. Marr (2004), opine that for leaders to communicate effectively to relay the values of the organization, they should either be transactional leaders or transformational leaders. Where a transactional leader adapts to the existing norms, values and context of an organization, a transformational leader creates a new context to be adopted by employees in the organization. Ngambi (2011) surmised that employee Morale contributes the achievement and failure of the organization,

### **Employee Morale**

The human element in an organization usually determines the success or failure of a merger/acquisition (Marr, 2004). Heathfield (2016), refer Employee morale to the overall outlook, attitudes, satisfaction, and confidence felt in the workplace by supervisors and co-workers (Morale is defined as the total satisfaction that a person derives from his job, the prevailing atmosphere and the factors that appeal to his individual propensities. It's a summary of attitudes and feelings that constitute a reserve of physical and mental strength including factors like self - confidence, optimism and a positive mental attitude. Employee Morale can be seen as complete satisfaction an individual gain on the job, the surrounding climate, and other factors that appeal to him (Kangetta and Kirai, 2017). Employee morale can either be low or high. There is low morale as a result of a situation whereby a person is satisfied with the job but not in the other factors. However, if an individual is satisfied with the job and in other factors, it leads to high morale. Employee morale is a psychological factor, an invisible element.

Morale is purely emotional. It is not a static thing it changes depending upon working conditions. Employee morale is directly associated with employee retention because the employees who feel a high level of job satisfaction tend to remain and work for the organization (Vasantham, 2014).

**Figure 1:** The Conceptual Model of the effect of merger and acquisition on employee morale in the Nigerian banking industry.



**Source:** Researchers Model (2021)

The proposed model seeks to investigate whether Work Environment, Leadership and Organizational Culture are significant predictors of merger and acquisition and its effect on Employee morale morale in the Nigerian banking industry.

### **Theoretical Review**

The theoretical review helps in understanding of the current body of knowledge on the research topic. This section introduces two prominent theories: The user Cost of Capital Theory and Eat or be Eaten" theory of Mergers

#### **The User Cost of Capital Theory**

The user cost of capital theory by Biørn (2017), states that the monetary capital used by companies is owned and not rented by the company that uses it. In this essence, for an organization to take over or combine with other firms, the users cost of capital theory must be considered by the firm in making its decision. For instance, it should either continue using its capital, work in partnership or sell it. This theory, however, is limited according to Atul & Maryam (2020). It does not clearly show the best way change in capital is affected by expectations. Similarly, the cost of adjustment is not taken into consideration.

#### **Eat or be Eaten" theory of Mergers**

This theory consolidates the segments of the neoclassical and behavioral theories into another system known as Eat or is Eaten (Anderibom and Obute, 2015). The cautions model of

mergers/acquisitions is being explained by this theory. This theory believes that there is an occurrence of merger/acquisitions when organizational managers favor their organizations to be autonomous as opposed to procured. The theory likewise expects that the odds of a firm being acquired are diminished when a firm procures another firm, in this manner expanding the size of its own firm. Merger waves emerge in light of the externalities associated with cautious mergers: one company's protective acquisition makes different firms increasingly defenceless (Anderibom and Obute, 2015). This theory is applicable because it clarifies why Managers settle on mergers and acquisitions.

### **Empirical Review**

Empirical review helps in understanding what other related studies have found and suggested. Atul and Maryam (2020) studied the impacts of mergers and acquisitions on the value of shareholders in the Bahraini banking sector. The population of the study comprised of 27 managers in the banking sector of Bahrain. The study used the descriptive approach. Using an electronic questionnaire, the study collected quantitative data that was then analyzed using the SPSS statistical tool. This study established that the value of shareholders is increased by mergers and acquisitions in the banking sector. Accordingly, it was found out that mergers and acquisitions also enhance the performance of merged institutions as well as reduces their operational costs. Saxena et al., (2020) carried out an empirical study to examine the impact of merger and acquisitions on the financial performance of Tata Steel and Corus post Covid-19. Sample size of the research consists of Tata Steel and Corus Company which had undergone merger and acquisitions during 2007-08. To understand the impact, the annual report of Tata Steel and Corus Company was analyzed by taking 19 years audited and published annual report, from period 2002-2020. The finding of this study showed that there is significant development in financial performance of companies after merger, but due to pandemic there is a decline in the financial performance of the company.

Nwakoby, Okoye and Anugwu (2019), determined the effect of organizational culture on employee performance in deposit money banks in Enugu State, Nigeria. Survey research design was employed for this study. The data were collected through the questionnaires administered to the respondents. The formulated hypotheses were tested with regression analysis. The result shows that bureaucratic culture does not significantly affect employee performance of deposit money banks. Another finding is that innovative culture has significant affect employee performance of deposit money banks.

Kumar (2019) conducted a study that primarily centered on examining the impact of mergers and acquisitions (M&A) on the business performance of the banking organizations in Hong Kong along with assessing the need for M&A strategies for businesses. Statistical analysis was employed for examining the survey data while thematic analysis was used for interview data assessment. It was revealed that M&A strategies in the banking sector positively influence operational efficiencies and economies of scale in aspects of cost reduction, competitiveness and financial performance. Momodou et al. (2017) conducted a study on the effect of merger and acquisitions on financial performance of firms in the United Kingdom. The study uses a convenience sampling as a sampling technique. The study employed descriptive statistics and

paired sample (T- test) and the result illustrated that mergers and acquisitions is found to have a significant impact on Return on Assets, Return on Equity and Earning per Share.

Kangetta and Kirai (2017) surveyed the impacts of mergers and acquisitions on employee spirit (morale) in the Insurance segment in Kenya. Adopting a descriptive research design, a purposive sampling strategy and simple random sampling was utilized to distinguish respondents. Data was broken down utilizing descriptive statistics by methods for SPSS. The examination discovered that mergers/acquisitions had an incredible effect on the worker spirit of insurance agencies. Anyanwu and Agwor (2015) analyzed the effect of merger/acquisition on the performance of assembling firms in Nigeria. Data created were examined graphically utilizing simple percentages. The investigation found that mergers/acquisitions enormously influence the performance of assembling organizations regarding productivity. Likewise, when organizations consolidate or are procured, they will, in general, conquer contenders, and this expands sales performance.

Muskita and Kazimoto (2017) analyzed the relationship between workplace environment and employee morale using a descriptive co-relational research design. Convenience sampling was used to select 30 respondents from target organizations to complete a questionnaire addressing the research objectives. The results revealed a positive relationship between physical workplace components such as comfortable furniture, work-related tools and resources, and a suitable working environment.

Rehan, Khan and Khan (2018) Investigated the effect of merger and acquisition on the profitability of banks in Pakistan. Debt equity ratio (DER), return on capital employed (RCE), net profit margin (NPM), gross profit margin (GPM), operating profit margin (OPM) and Return on equity (ROE) were selected in this research for analyzing the profitability of banks on three years before the merger and three years after the merger of banks. In this research study Paired sample T-test was applied in order to find out the effect of pre and post-merger and acquisition performance of banks. Ullah, et al., (2010) investigated two merging events of Faysal investment bank limited and Atlas investment bank by comparing four years pre and post-merger performance. Three factors; profitability, capital adequacy and solvency were used to determine financial performance. T-test indicates that there was insignificant increase in profit while capital adequacy and solvency had improved significantly.

### **Research Design**

The research design adopted is a Causal research design. A causal research design is used to test the relationship between two variables after the occurrence of an event (Adeyemi, 2012). This is because the research is an empirical study which examines the quantitative effect of merger and acquisition on employee morale in the Nigerian banking industry.

### **Population of the Study**

The population of the study constitutes of all employee at the 24 deposit money banks in Nigeria in 2021.



### **Sampling Technique**

The sampling frame comprised of deposit money banks in Plateau state. From this sampling frame, a non-probability judgement sample of five deposit money banks, Access, Zenith, UBA, First and Guarantee trust bank located in Plateau State, was selected. The reason the five (5) banks were selected was due to their close geographic proximity, which reduces cost and time and made the research more manageable.

### **Sampling Size Determination**

In view of the researcher's inability to reach out to the entire population and in order to gain the advantage of an in depth study and effective coverage the NEA (1960) was used to ascertain the sample size. Applying the NEA (1960) statistical table, a convenient sample of 533 employees were drawn from the entire population. Questionnaires were administered to five (5) selected deposit money; Access, Zenith, First, UBA and Guarantee trust bank located in Plateau State.

### **Sources of Data**

The study adopted the use of primary data from the five (5) selected banks (Access, Zenith, First, UBA and Guarantee trust bank) through the use of questionnaire.

### **Instrument for Data Collection**

A structured self-administered questionnaire was utilised to gather the required data for this study. The employees were requested to complete a questionnaire consisting of five (5) sections. The first section (Section A) was designed to gather demographical data. The second section (Section B) was designed to gather data on Work Environment. The third section (Section C) gathered data on Leadership. The fourth section (D) was designed to gather data on Organizational Culture. The last section (E) gathered data on employee morale. All scaled responses were measured on a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5).

### **Validity and Reliability of Research Instrument**

The items of the questionnaire were subjected to face validity assessment to ascertain whether or not the items were related to the research problem under investigation so that the research findings could be reliable.

#### **The content and face validity of the instrument**

The questionnaires were presented to a senior lecturer in the Department of Banking and Finance of the University of Jos who is well-grounded with the context of the study to ensure the clearness of the instrument, subjected the questionnaire to a face validity test. A number of observations were reworded/rephrase in order to determine the constructs properly and also to be clear to the possible respondents. This process of seeking the specialist opinion was completed within three-week period.

#### **The reliability of the instrument**

Apart from the content and face validity different kind of reliability tests are frequently

employed, therefore, the common method used by researchers is the internal consistency reliability test (Litwin, 1995). The reliability of the coefficient of 0.05 was obtained which showed how strongly and reliable the instrument was. To ensure the reliability of the instrument, the researcher conducted a pilot study in zenith bank within Jos North LGA. The main purpose of the pilot study was to check the suitability and clarity of the questions on the instrument designed, relevance of the information being sought, the language used from responses given.

### Method of Data Analysis

The study adopts the use of spearman rank correlation coefficient to analyze the relationship between the dependent and independent variables. The spearman correlation coefficient is most relevant since the data will be collected at the ordinal levels All these were carried out with the aid of Statistical Package for Social Sciences version 25 (SPSS v. 25.0). and results interpreted

### Presentation of Data

Data obtained in each section will be presented using a frequency distribution table, percentage and spearman rank correlation. This will be the adoptable tools to be used for our analysis.

**Table 1:** Number of questionnaires administered

Details	Total no. of questionnaires	No. of questionnaires returned	Percentage of questionnaires returned	No. of unreturned questionnaires	Percentage of unreturned questionnaires
Total	533	533	100%		

**Source:** Field survey (2021).

The table 1 shows that out of the total number of 533 questionnaires that were administered and all 533 were filled and returned representing 100% of this total.

### Data Analysis

The researcher analysed his data obtained from the questionnaire administered to employees of the various branches of the bank under study.

**Table 2:** Descriptive Statistics Per Factor

Descriptive				
			Statistic	Std. Error
Work_Environment	Mean		3.8731	.04156
	95% Confidence Interval for Mean	Lower Bound	3.7915	
		Upper Bound	3.9547	
	Std. Deviation		.95486	
	Minimum		1.00	
	Maximum		5.00	
	Skewness		-.952	.106
	Kurtosis		.376	.212
Organisational_Culture	Mean		4.0244	.03425
	95% Confidence Interval for Mean	Lower Bound	3.9571	
		Upper Bound	4.0917	
	Std. Deviation		.79079	
	Minimum		1.00	
	Maximum		5.00	
	Skewness		-.982	.106
	Kurtosis		1.343	.211
Leadership	Mean		3.7689	.04485
	95% Confidence Interval for Mean	Lower Bound	3.6808	
		Upper Bound	3.8571	
	Std. Deviation		1.03066	
	Minimum		1.00	
	Maximum		5.00	
	Skewness		-.904	.106
	Kurtosis		.206	.212
Employee Morale	Mean		4.0133	.03833
	95% Confidence Interval for Mean	Lower Bound	3.9380	
		Upper Bound	4.0886	
	Std. Deviation		.88086	
	Minimum		1.00	
	Maximum		5.00	
	Skewness		-1.180	.106
	Kurtosis		1.456	.212

From the above table (table 2), mean results for Organisational Culture was 4.0244, subsequently, Employee Morale followed suit with mean of 4.0133. also Work Environment had a mean of 3.8731. The lowest mean was recorded for leadership (Mean =3.7689). we can deduce from the foregoing that all proxies i.e Organisational Culture, Work Environment and leadership will have a positive impact Morale. In the same vein, means results were all high. This buttresses how well Organisational Culture, Work Environment and leadership has positive influence on employee morale. Also, the highest standard deviation in table 7 is that of leadership at 1.03066, this means responses were greatly dispersed. Organisational Culture standard deviation of 0.79079 which is the lowest of them all, which also means that the dispersion of its responses was minimal. In addition, the data set may be classified as normally distributed since table 5 indicates that none of the skewness values fall outside the -2 to 2 range, when divided by standard error. Similarly, the Kurtosis values suggest that the data set is relatively peaked than normal as the majority of the variables differed from zero.

**Table 3:** Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Work_Environment	.341	528	.000	.796	528	.000
Organisational_Culture	.330	533	.000	.782	533	.000
Leadership	.325	528	.000	.824	528	.000
Employee_Morale	.341	528	.000	.767	528	.000

a. Lilliefors Significance Correction

Table 3 above showing result of statistical test (Kolmogorov-Smirnov<sup>a</sup> and Shapiro-Wilk) on all variables and test for hypothesis, shows that all variables (work environment, organizational culture, leadership and employee morale) are not normally distributed at significance level of .000. In line with the foregoing, this study applied non-parametric test to analyze hypothesis.

**Test for hypothesis one:** Work environment has no significant effect on employee morale in the Nigerian banking industry.

**Table 4:** Correlations

			Work Environment	Employee Morale
Spearman's rho	Work Environment	Correlation Coefficient	1.000	.919**
		Sig. (2-tailed)	.	.000
		N	528	528
	Employee Morale	Correlation Coefficient	.919**	1.000
		Sig. (2-tailed)	.000	.
		N	528	528

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results of table 4 above shows a significantly positive relationship between work environment (1.000) and employee morale (.919). The relationship is significant at 5% level of significance since p-value  $0.000 < 0.05$ . The correlation between the two variables is 0.000.

**Test for Hypothesis two:** Organisational Culture has no significant effect on employee morale in the Nigerian banking industry.

**Table 5: Correlations**

			Organisational Culture	Employee Morale
Spearman's rho	Organisational Culture	Correlation Coefficient	1.000	.968**
		Sig. (2-tailed)	.	.000
		N	533	528
	Employee Morale	Correlation Coefficient	.968**	1.000
		Sig. (2-tailed)	.000	.
		N	528	528

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results of table 5 above shows a significantly positive relationship between Organizational Culture (1.000) and employee morale (.968). The relationship is significant at 5% level of significance since p-value  $0.000 < 0.05$ . The correlation between the two variables is 0.000.

**Test for hypothesis three:** Leadership has no significant effect on employee morale in the Nigerian banking industry.

**Table 6: Correlations**

			Leadership	Employee Morale
Spearman's rho	Leadership	Correlation Coefficient	1.000	.886**
		Sig. (2-tailed)	.	.000
		N	528	528
	Employee Morale	Correlation Coefficient	.886**	1.000
		Sig. (2-tailed)	.000	.
		N	528	528

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results of table 6 above shows a significantly positive relationship between Organizational Culture (1.000) and employee morale (.886). The relationship is significant at 5% level of significance since p-value  $0.000 < 0.05$ . The correlation between the two variables is 0.000.

**Discussion of Findings**

This study assessed the effect of merger and acquisition on employee morale in Nigerian banking industry. This is carried out by estimating a model that incorporates some key merger and acquisition variables in a model that regress on employee morale in Nigerian banking industry. Three models are estimated: work environment, organizational culture and leadership. On assessing the variables individually the research found out, that work

environment has a statistically significant and positive relationship on employee morale in Nigerian banking industry with a p value of 0.000 as such the null hypothesis which assumes that (work environment has no significant effect on employee morale) was rejected instead the alternative hypothesis (work environment has significant effect on employee morale) was accepted. In the same vein, it also discovered that organizational culture has a statistically significant and positive relationship with employee morale in Nigerian banking industry with a p value of 0.000 as such the null hypothesis (organizational culture has no significant effect on employee morale) was rejected instead alternative hypothesis (organisational culture has significant effect on employee morale) was accepted.

Lastly, leadership was found to have statistically significant and positive relationship with employee morale in Nigerian banking industry with a p value of 0.000 as such the null hypothesis (leadership has no significant effect on employee morale) was rejected instead alternative hypothesis which assumed that (leadership has significant effect on employee morale) was accepted.

### **Summary of Findings**

The study is a quantitative descriptive study (overhaul casing) based on data sourced from primary source using questionnaire (MSQ) as instrument of data collection. Survey method research design was used for this study. Also, spearman rank correlation coefficient test was used to examine the research hypothesis. More so, data gathered was analysed using statistical method and alternative hypothesis was accepted for all three constructs which meant that Work environment has significance effect on employee morale in Nigerian banking industry. Organizational culture has significance effect on employee morale in Nigerian banking industry and Leadership has significance effect on employee morale in Nigerian banking industry.

### **Conclusion**

An alternative means of increasing share capital as well as boosting revenue growth in the Nigerian banking industry has been through mergers and acquisitions. Before this time, it was believed that mergers and acquisitions in the banking industry were solely to meet up the requirement of the Central Bank of Nigeria. But the recent merger further proved business environment driven. The findings revealed that there was a positive correlation between merger and acquisition and employee morale in Nigerian banking industry. Summary of Findings further revealed that work environment, organizational culture and leadership have significance effect on employee morale in Nigerian banking industry. This implies that participants of the study enjoy the overall working conditions, they get on well with superiors and they are engaged in decisions influencing their position or work respectively. Thus the study concludes that employee morale after mergers and acquisitions is affected by leadership, organizational culture and also work place environment.

### **Recommendations**

In line with the findings and conclusions drawn from this research, the following indispensable recommendations are proffered.

1. Banks in the Nigerian banking industry embarking on either a merger or an acquisition should take cognizance of the morale of the employees as they are the key players to its success or failure.
2. Banks should provide a conducive work environment as it allows the employee feel a sense of belonging after a merger or an acquisition and this positively affects his/her performance and encourages employees to remain on the job.
3. Bank Managers should positively reinforce the attitude of their employees by adopting an organizational culture that allows the employee to be valued, encouraged and supported by providing time, learning resources and constructive culture by the bank. This will boost morale and increase productivity.
4. Bank Mangers should also positively reinforce leadership towards their employees by adopting a democratic leadership style that allows the employee get on well with superiors. This will go a long way to create the right enthusiasm among staff.

### **Suggestion for Further Research**

It is an acknowledged fact that in carrying out a study of this magnitude, especially where the study is based on survey data, one is bound to be faced with some problems. This study is not without limitations.

1. The study was limited to only the banking industry that has undergone mergers/acquisitions. However, there is a need for more studies in other sectors to evaluate the effect of mergers and acquisitions on the operation and performance of these sectors and finally make a qualitatively proven generalization.
2. The study adopted two prominent theories: The user Cost of Capital Theory and Eat or be Eaten" theory of Mergers. Further comparative studies should review more theories of merger and acquisition as it relates to employee morale.
3. Also, a retrospective analysis may have also been more useful in order to find out additional factors that may have led to merger and acquisition and employees moral.

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