Journal of Research in Science and Technology
https://www.2rsa.org/journals
January 2021, Volume 2, Number 1, pp. 1-10.

RESEARCH RESOURCES & ARCHIVES

Original Research Article

Effects of Mergers and Acquisitions on Employees Morale in the Nigerian Banking Industry: A Study on Access and Diamond Bank Plc

Onyeaghala Obioma Hyginus[1]*, Unung Philip Undie[1] and Iorngee Hyacinth Mngutswen[1]

The study aimed to determine the effects of mergers and acquisitions on employee morale in the Nigerian Banking Industry with reference to Access-Diamond Plc. The major element in the failure or success of a merged/acquired firm is morale. It shows the attitudes of employees towards the firm's objectives. Mergers/Acquisition was measured in terms of; work environment, organizational culture and leadership. Morale was measured in terms of; personal satisfaction, appreciation and social status. The study adopted a descriptive design which led to drafting and administration of a validated and reliably tested questionnaire. The sample size of 51 was arrived at from a population of 58 Access Bank staff in Gboko using Taro Yamane formula. A laudable number of 48 copies of administered questionnaire out of 51 were retrieved from respondents. The data collected was subjected to Linear Regression Analysis aided by Statistical Package for Social Sciences (SPSS v. 23.0). The study found that, two dimensions of mergers and acquisition; work environment and organizational culture had great effect on personal satisfaction and employee appreciation respectively. The other dimension; leadership, had no relationship with employee morale viz social status of the employee. The study recommended that; conducive work environment should be provided for employees, and managers should positively reinforce their employees by appreciating them as it boosts their morale while management should take cognizance of the employee's morale when embarking on a merger/acquisition.

Keywords: Mergers, Acquisition, Employee morale, Work environment, Organizational culture, Leadership.

Author's Affiliation
[1]Department of Business Administration, Federal University Wukari, Nigeria.
*Corresponding author Email: onyexinvltd@yahoo.com

Article History
Received: 17th October 2020
Accepted: 18th January 2021
Published: 31st January 2021

Cite Article:
Onyeaghala, O. H., Unung, P. U. & Iorngee, H. M. (2021). Effects of Mergers and Acquisitions on Employees Morale in the Nigerian Banking Industry: A Study on Access and Diamond Bank Plc. Journal of Research in Science and Technology, 2(1): 1-10.

INTRODUCTION

A nation's economy, its level of virility and strength depends largely on a sound financial system's (banking sector) stability and reliability. This has been adopted by different firms in various industries. In today's economy, firms all over the world increasingly adopt this strategy to gain competitive edge (Kemal, 2011; Kangetta and Kirai, 2017). 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; Kangetta and Kirai, 2017). A merger is simply seen as a voluntary combination of two or more firms to expand their markets and gain a larger market share. An acquisition is simply seen as a purchase of all the assets of another firm, whereby the operations of the organization and management are completely absorbed into that of the firm who is leading the purchase.

The Nigerian Banking industry has its first recapitalization exercise in 2000 & 2001, where the Central Bank of Nigeria (CBN) asked commercial and merchant banks to raise its capital base to ₦2billion and ₦1billion respectively (Anderibom and Obute, 2015). The Nigerian banking industry as at that time had an unfavorable performance. Obideyi (2016) reported that it was a regime of insolvency and macro-economic instability. Banks exhibited signs of bankruptcy, customers lost confidence in their banks and they were cases of operational hardship (SEC, 2005; Okpanachi, 2011; Anderibom and Obute, 2015). All these were warning signals that the collapse of the Nigerian economy was as a result of the commercial and merchant banks capital base (Bakari, 2011; Anderibom and Obute, 2015). This led to a directive issued by the CBN to all commercial banks in 2004 to increase their capital base from ₦2billion to ₦25billion, banks who could not meet up this benchmark were also directed to be consolidated through Mergers and Acquisition by December 31, 2005. Many banks could not meet up and as expected were consolidated. The aim of the consolidation exercise by the CBN according to (Soludo, 2004; Anderibom and Obute, 2015) were; i) develop a system of banking in which customers deposit would be secure and build their confidence in the bank. ii) create a system that would attract investors to invest. iii) steadily improve efficiency of the Nigerian banking system.

Morale could be understood as the way an individual think, acts and feels. Employees in an organization tend to cope with anxiety, uncertainty and finding new employment opportunities when surrounded by a merger or acquisition (Kangetta and Kirai, 2017). An employee's morale is a necessary factor in achieving the goals of the organization as it reflects their attitudes and sentiments towards the organization.

The most recent consolidation occurred in March 2019, where Access bank merged with Diamond bank to form what we now called Access-Diamond Plc. The motive for this merger was to produce Africa's largest retail lender by customers. The dimensions of mergers and acquisitions as well as employee morale used in this study were adopted from the works of (Marr, 2004; Kangetta and Kirai, 2017). The dimensions are; work environment, organizational culture and leadership; personal satisfaction, appreciation and social status respectively.

Statement of the Problem

It was on the legal, strategic concerns and financials of the organizations involved that attention and emphasis is regularly placed at the time of mergers and acquisitions, but the effect of mergers and acquisitions on 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.

From the foregoing, there is thus a need to inquire the effect the recent merger may have had on the employees of the banking industry in Nigeria.

Objectives of the Study

The main objective of this study was to ascertain the effect of mergers and acquisitions on employee morale in the Nigerian Banking Industry, using Access-Diamond Bank Plc as the study area. The specific objectives were to;

1. To ascertain whether work environment affects employee personal satisfaction in the Nigerian Banking Industry.
2. To find out if organizational culture has an effect on employee appreciation in the Nigerian Banking Industry.
3. To ascertain whether leadership has an effect on employee social status in the Nigerian Banking industry.

Research Questions

In the course of this study, the following research questions were asked;

1. How does work environment affect employee personal satisfaction in the Nigerian Banking Industry?
2. What effect does organizational culture have on employee appreciation in the Nigerian Banking sector?
3. What effect does leadership have on employee social status in the Nigerian Banking industry?

Research Hypotheses

The following hypotheses have been formulated in line with the objectives of the study:

H_{01}: Work environment does not affect employee personal satisfaction in the Nigerian Banking industry
H_{02}: Organizational culture does not have an effect on employee appreciation in the Nigerian Banking industry
H_{03}: Leadership does not have an effect on employee social status in the Nigerian Banking industry

LITERATURE REVIEW

Mergers 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). Mergers and acquisitions that affect the company's performance and result in changes in the company's performance and finances will appear in the financial statements. The success or failure of mergers and acquisitions can be seen and assessed from the financial performance of the two companies after such mergers and acquisitions.

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/acquire) 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.

In the present-day turbulent business environment, merger and acquisition are the techniques for the survival and growth of businesses (Okpanachi, 2011; Anyanwu and Agwor, 2015). In either a merger or/and acquisition, both strategies pursue similar goals. The merger agreement is being operated on by the parties involved in the situation of merger (Adhikari, 2014). While in an acquisition, the acquirer gains control and management of another firm either through acquiring shares or obtaining control of the firm, the acquirer typically becomes the owner of the acquired firm (Adhikari, 2014). There exist two (2) noticeable differences between a merger and an acquisition; i) 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 (Ross et al., 2003; Adhikari, 2014). ii) 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 (Ross et al., 2003; Adhikari, 2014).

Imala (2005), 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 (Gaughan, 2005; Bakare, 2016). Mergers and acquisition can also be considered based on;

1. Horizontal Mergers and Acquisition; this occurs mainly between companies that manufacture/sell similar products (that are seen as substitutes by the buyers) in different markets.
2. Vertical Mergers and Acquisition; typically occurs between companies selling/manufacturing different but related products in the same market. The companies involved may have a buyer-seller relationship with each other before the occurrence of the merger or acquisition.
3. Conglomerate Mergers and Acquisition; takes place between companies that have little or no common business areas; this type of merger and acquisition is neither vertical nor horizontal and occurs in an unrelated line of business of the merger/acquirer.

Dimensions of Mergers and Acquisition

Work Environment

Kangetta and Kirai, (2017) argue that work environment of an organization consists of teamwork, equipment's/tools, health and safety, and physical space. 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.

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. Culture exists on a variety of levels, first, being everything, an employee sees when joining a new organization such as work attire, the mission statement of the organization, meeting and organizational functions. That of the beliefs that exist in the organization is the second level of culture (Marr, 2004). The third level of culture includes basic assumptions; these are perceptions that the rest of the world hold towards the organization and its environment. Before/after a merger/acquisition, organization must pay attention to a cultural fit.

Leadership: Various leaders adopt different styles of leadership. Leadership is the ability to influence others. 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.

Employee Morale: The human element in an organization usually determines the success or failure of a merger/acquisition (Marr, 2004). Morale can be seen as complete satisfaction an individual gains on the job, the surrounding climate, and other factors that appeal to him (Kangetta and Kirai, 2017). 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.

Marr (2004) argues that an organization will lose its most talented employees if the possibility of them getting another job is very high. Consequently, the employees who are left behind, especially during/after a layoff will observe how the laid-off employees are treated as it shows largely how they will be treated in the long run. High morale in an organization enhances performance on the job and employment stability in the organization. Low morale on the other hand is seen in form of absenteeism from work, lack of interest and motivation, lack/decrease in creativity/innovation, and inefficiency (Kangetta and Kirai, 2017). Employee morale in the study is measured in terms of; personal satisfaction, employee appreciation, and employee social status.

THEORETICAL FRAMEWORK

This study is rooted on the User Cost of Capital Theory, Eat or be Eaten" theory of Mergers and Maslow's Hierarchy of Needs Theory.

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 Muniu (2011) as cited in Atul and 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.

It is on the following assumptions that the essential components of this theory are based on; first, that the keeping of the organization free might be inclined by managers. Secondly, there is likely an assumption of subjected jobs in the new firms or may even lose their positions by the managers of the purchased firms. Thirdly, a bigger firm cannot be purchased by a given smaller firm. There happens to be a situation of more troublesome funding concerning the size of the procurement. There is an inference that a firm can diminish its opportunity of being profitable through the purchase of another smaller firm than itself from the supposition that a firm cannot procure a firm bigger than it. Merger waves emerge in light of the externalities associated with cautious mergers: one company's protective acquisition makes different firms increasingly defenseless (Anderibom and Obute, 2015). This theory is applicable because it clarifies why Managers settle on mergers and acquisitions.

Maslow's Hierarchy of Needs

The multifaceted nature of a merger/acquisition becomes obvious when an individual understands that a specific factor can bring about positive/negative sentiments, along these lines influencing his/her spirit. The five levels of needs/necessities that each person in the organization needs to be fulfilled is been identified by this theory. These are; physiological needs, security/wellbeing needs, social needs, confidence needs, and self-realization needs.

This theory affirms the significance of monitoring how work conditions influence the assurance of employees. Workplace delineates physiological needs and security/wellbeing needs, organizational culture portrays social needs, while leadership reflects confidence needs. The theory holds that cash is nevertheless a little piece of fulfillment determined at work (Kangetta and Kirai, 2017).

Empirical Review of Literature on the Effect of Mergers and Acquisitions on Employee Morale

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 shows 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.

Kumar (2019) conducted a research 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. In this relation, the study evaluates the current scenario regarding the adoption of M&A strategies in the banking sector of Hong Kong for analyzing the impact of M&A strategies on the banking sector's performance.

Pragmatism philosophy was used in combining exploratory design and deductive approach. The survey is carried out with the 50 Senior Employees of banking organizations of Hong Kong, and a semi-structured interview was conducted with six top-level management banking professionals of Hong Kong. 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 research was done on 40 companies listed under London Stock Exchange (LSE) that had undergone consolidation in 2011. Comparisons were made between 5-years premerger and acquisition and 5-years post-merger and acquisition financial ratios. The study uses a convenience sampling as a sam-pling 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.

Alao (2010) completed an examination on “Mergers and Acquisitions (M&A’s) in the Nigeria Banking Industry”. Embracing a progressively investigative methodology, the examination uncovered that mergers and acquisitions do not squander assets but instead created generous increases which represented additions to financial proficiency.

Marr (2004) researched the impacts of mergers and acquisitions on employee morale: its implications for human resource development. Data was gathered utilizing subjective study and center gathering. The investigation found a connection between mergers/acquisitions and employee morale.

Okpanachi (2011) directed a relative investigation of the objective of the study utilizing net assets, gross income, and profit after tax of three chose banks, which were gotten from the financial statement of Wema Bank Plc, Access Bank Plc and First Bank of Nigeria Plc for the period of 2002 to 2008. The pre-merger period was from 2002 to 2004, while the post-merger period was from 2006 to 2008 and the base year was 2005. It was to know if there were any critical dis-tinctions between the productivity of the banks as far as a net asset, gross income, and profit after tax that this was done.

Figure 1 shows the research framework as can be drawn from the hypotheses and literature review.

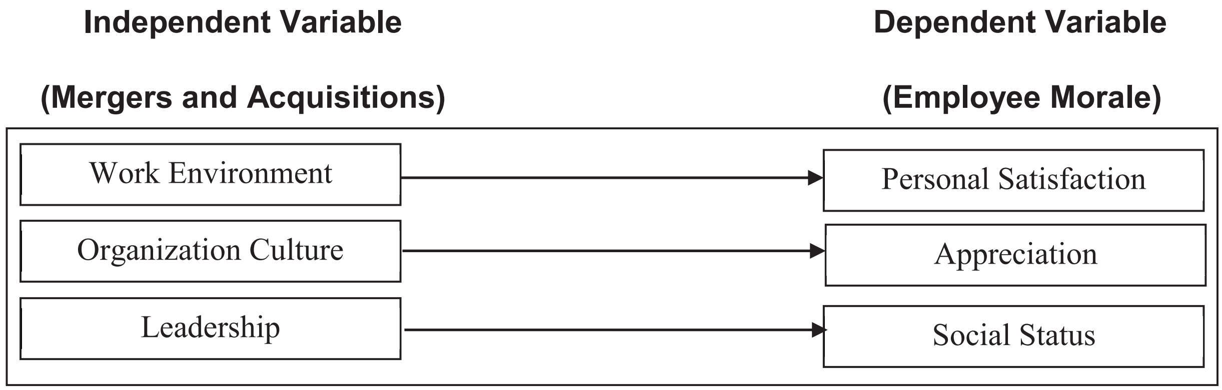

Figure 1. Research Conceptual Framework
Source**:** Researchers' Conceptualization

Research Gap

Previous researches about mergers and acquisitions typically focus on gratitude for improved finances, potential for faster company growth and the expectation of higher earnings for shareholders. Irrespective of the size, mergers and acquisitions have the prospective to inflict mayhem on employee morale. The stress and anxiety at the prospect of blending two cultures or even job loss, feelings of being unvalued, and changing environmental conditions can lower employee morale. There is thus a need to research the post-merged institutions to determine the effect mergers and acquisitions may have had on the employees of the two participating institutions focusing mainly on employee morale other than financial, legal, and strategic concerns.

MATERIALS AND METHOD

The study adopted a case study descriptive research design. Probability sampling technique was employed in selecting the sample elements. This was done by randomly selecting the staff of the banks under study. This sampling technique was considered as it allows all sample elements to enjoy an equal chance of being selected (Hussain et al., 2020). Data collection was done from a primary source through the use of a five points Likert-scale structured questionnaire. This questionnaire was duly validated, and its reliability was confirmed and deemed appropriate for use as recommended by Edi and Leony (2019) before it was administered on the sample elements. The study sample size of 51 was drawn from a population of 58 staffs in all the three branches of Access/Diamond Bank Plc (Access Bank PLC Gboko, Gboko Main Branch, J.S. Tarka Way, Access Bank PLC (Former Diamond Bank PLC) Gboko Branch, J.S. Tarka Way and Access Bank PLC Gboko Branch, Gboko – Makurdi Rd, Benue Cement Factory) operating in Gboko, Benue State. This sample size determination was statistically arrived at through the use of the Taro Yamane sample size determination formula (Hussain et al., 2020). This was done in order to arrive at an accurate sample size that is scientifically proven (Hussain et al., 2020). However, out of the 51 questionnaires distributed to respondents, only 48 copies were returned in a useable form; the other 3 were either not retrieved or wrongly filled. The 48 questionnaire responses were tabulated and then, subjected to analysis and testing of the study hypotheses using Linear Regression (Atul and Maryam, 2020), with the aid of Statistical Package for Social Sciences version 23 (SPSS v. 23.0).

The regression models developed for this study to capture the independent variables (work environment, organizational culture, and leadership) and the dependent variables (personal satisfaction, appreciation, and social status) are as below:

Regression Equation: $Y = a+b_1x+e$

Models Conceptualization Using Study Variables:

Model One : $WkE = a+b_1PeS+e$
Model Two : $OrC = a+b_1ApR+e$
Model Three : $LeP = a+b_1SoS+e$

Where;

WkE = Work Environment
OrC = Organization Culture
LeP = Leadership
a = Constant
b = Coefficient of Dependent Variables

Independent Variables

PeS = Personal Satisfaction
ApR = Appreciation
SoS = Social Status
e = Error Tolerance

Dependent Variables

Decision Rule: Null hypothesis is rejected if the p-value is less than 0.05, while the alternate hypothesis is accepted if the p-value is greater than 0.05.

RESULTS AND DISCUSSION

The Normal P-P Plots which shows whether the dependent variables satisfied the assumption of normality when the points follow the straight line, has reasonably shown an abnormal distribution of data because the residuals on did not follow the straight line.

In the regression model shown in Table 1, the correlation between the independent variables and dependent variables is not high and falls within acceptable limits of less than 10. In addition, to assess multicollinearity the Tolerance should not be less than 0.10 and Variance Inflation Factor (VIF) in the regression model must not be more than ten (10). When such arise, that means there is a multicollinearity problem. Looking at the results from Table 5, the VIF for Models 1, 2 and 3 are all less than ten (10), which means they all fall within acceptable limits.

Table 1. Tolerance and VIF Statistic.

Model	T	Sig.	Collinearity Statistics	
			Tolerance	VIF
1. (Constant)	4.555	.000		
Work Environment	2.223	.031	1.000	1.000
2. (Constant)	4.277	.000		
Organization Culture	2.568	.013	1.000	1.000
3. (Constant)	9.177	.000		
Leadership	-1.154	.254	1.000	1.000

Dependent Variables: i Personal Satisfaction, ii. Appreciation, iii. Social Status.
***Source*:** Author's Calculation through the analysis of SPSS v 23.

Table 2. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.308[a]	.095	.076	1.08350	.095	4.943	1	47	.031

a. Predictors: (Constant), Work Environment
b. Dependent Variable: Personal Satisfaction
***Source*:** Author's Calculation through the analysis of SPSS v 23.

Linear Regression Results

The first model shown in Table 2 implies that work environment is a significant predictor of employees' personal satisfaction with F (1, 47) = 4.943, p = 0.031. The R^2 explains a 0.095 or 9.5% of the variation in work environment and personal satisfaction of Nigerian bank employees, while the adjusted R^2 shows a variance of 7.6% which means the prediction power of the model is low.

On model two as shown in Table 3, organizational culture is a significant predictor of employees' appreciation with F (1, 47) = 6.594, p = 0.013. The R^2 statistics showing a 12.3% variation in the dependent variable (appreciation) while the adjusted R^2 is 0.104 (10.4%) of variance, which means the prediction power of the model is very low.

Also, for model three as can be seen in Table 4, leadership is not a significant predictor of employees' social status with F (1, 47) = 1.332, p = 0.254. The summary model also reports that, R = 0.166, R^2 = 0.028, Adjusted R^2 = 0.007. The R^2 statistics showing a 2.8.0% variation in leadership and social status of employees while, the adjusted R^2 is 0.007, which shows 7.0% of variance in the two variables. This means the prediction power of the model is low.

On the first null hypothesis which states work environment does not have an effect on employee personal satisfaction in the Nigerian Banking industry and with results of (b= 0.427, t= 2.223, p > 0.031), the hypothesis is rejected.

Table 3. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
2	.351[a]	.123	.104	.77222	.123	6.594	1	47	.013

a. Predictors: (Constant), Organizational Culture
b. Dependent Variable: Appreciation
***Source*: ** Author's Calculation through the analysis of SPSS v 23.

Table 4. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
3	.166[a]	.028	.007	.87132	.028	1.332	1	47	.254

a. Predictors: (Constant), Leadership
b. Dependent Variable: Social Status
***Source*:** Author's Calculation through the analysis of SPSS v 23.

Table 5. Hypotheses Testing.

	Parameters	B	Std. Error	T	Sig.	Decision
H_{01}	Work Environment	.427	.192	2.223	.031	**Rejected**
H_{02}	Appreciation	.405	.158	2.568	.013	**Rejected**
H_{03}	Leadership	-.101	.087	-1.154	.254	**Accepted**

Dependent Variables: i Personal Satisfaction, ii. Appreciation, iii. Social Status.
***Source*:** Author's Calculation through the analysis of SPSS v 23.

This indicates the alternative hypothesis which says work environment have an effect on employee personal satisfaction in the Nigerian banking industry is accepted.

Hypothesis two, which states that organizational culture does not have an effect on employee appreciation in the Nigerian Banking industry is also rejected at (b= 0.405, t= 2.568, p > 0.013) indicating that, organizational culture has an effect on employee appreciation in the Nigerian banking industry.

Lastly, the hypothesis three which states that leadership does not have an effect on employee social status in the Nigerian banking industry accepted at (b= -0.101, t= -1.154, p < 0.254).

Discussion of Findings

This study mainly aims to assess the effect of mergers and acquisitions on employee morale in the Nigerian Banking Industry taking the recent case of Access-Diamond Bank Plc. It proposed that mergers and acquisitions do not predict employee morale thus calls for empirical proof. To statistically verify the above statement, Linear Regression was used to analyze data and test the three hypotheses in line with the study.

On the first hypothesis, the researchers found that the work environment affects employee personal satisfaction in the Nigerian banking industry. This finding aligns with the findings of Kangetta and Kirai (2017) which states that mergers/acquisitions have a great impact on employee morale of insurance companies.

For hypothesis two, the researchers discovered that organizational culture can significantly influence employee appreciation, which is the same as the previous study by Marr (2004).

On the third hypothesis, the researchers statistically established that leadership has nothing to do with an employee's social status in the Nigerian banking industry.

Practical Implications of the Study

The research explored how an implementation of successful mergers and acquisitions will lead to positive changes in employees for the banks involved thereby improving the stability of the banking industry that could result in improved banks' desired outcomes and quality of services offered. Additionally, improved desired outcomes may lead to increased incomes and job opportunities for members of the communities the banks serve. This will result to a stable and robust industry.

Limitations and Future Research Opportunities

This study is not without limitations. 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. Further comparative studies should also be undertaken to investigate the effect in different sectors as a result of mergers and acquisitions. Since the majority of the merger/acquisition transactions are done recently, it would be imperative if a comparative study is done in the future to confirm whether the current findings will still hold given a change in time.

CONCLUSION AND RECOMMENDATIONS

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 M&As an effective means of building a large target market as well as the provision of services to customers. A positive significant relationship was discovered by the study between the two variables viz personal satisfaction and employee appreciation. One factor, however; leadership did not affect morale viz employee social status. The style of leadership adopted by the management after a merger/acquisition had no influence on employee social status viz a viz employee morale.

The study, therefore, recommends that; banks should provide a conducive work environment as it allows the employee feel personally satisfied on the job through achievement and personal advancement. The employee feels 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.

Managers should positively reinforce the attitude of their employees by adopting an organizational culture that allows the employee to be appreciated by the bank. Employee appreciation has been seen to boost morale and increase productivity.

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.

Conflict of interests

The authors declare no conflict of interest.

REFERENCES

Adhikari, S. (2014). Merger and Acquisition as an Indispensable Tool for Strengthening Nepalese Banking and Financial Institutions (Ph.D. Thesis). Lapland University of Applied Sciences School of Business and Administration, Nepal.

Alao, R. O. (2010). Mergers and acquisitions (M&As) in the Nigerian banking industry: An advocate of three megabanks. European Journal of Social Sciences, 15(4): 554-563.

Anderibom, A. S., & Obute, C. O. (2015). The Effects of Mergers and Acquisitions on the Performance of Commercial Banks in Nigeria: Evidenced from United Bank for Africa (UBA) Plc. International Journal of Education and Research, 3(4): 93- 112.

Anyanwu, S. A. C., & Agwor, T. C. (2015). Impact of Mergers and Acquisitions on the Performance of Manufacturing Firms in Nigeria. An International Multidisciplinary Journal Ethiopia, 9(2):156-165. DOI: http://dx.doi.org/10.4314/afrrev.v9i2.12.

Atul, B. & Maryam, A. I. A. (2020). The Perception of the Impacts of Mergers and Acquisitions on Shareholders' Value in the Banking Sector. International Journal of Scientific & Technology Research, 9(4): 2829-2839.

Bakari, A. S. (2011). The trend and growth implications of bank recapitalization in Nigeria. African Journal of Business Management, 5(14): 5938-5945.

Biørn, E. (2017). Taxation, technology, and the user cost of capital (Vol. 182). Elsevier.

Edi, E. & Leony, I. (2019). How Merger and Acquisition Affect Firm Performance and Its Quality. Journal of Accounting Finance and Auditing Studies, 5(3): 42-53. https://doi.org/10.32602/jafas.2019.30.

Gaughan, P. A. (2005). Mergers: What can go wrong and how to prevent it. Wiley Finance Editions, ISBN: 978-0-471-41900-6, 356p.

Hussain, S., Khoso, I. D., & Qureshi, F. (2020). Impact of mergers and acquisitions on shareholders' wealth: A study of Telecom sector of Pakistan. Indian Journal of Science and Technology 13(21): 2104-2110. DOI: https://doi.org/10.17485/IJST/v13i21.615.

Imala, O. I. (2005). Challenges of banking sector reforms and bank consolidation in Nigeria. CBN Bullion, 29(2): 26-37.

Kangetta, C. & Kirai, M. (2017). Effects of Mergers and Acquisitions on Employee Moralein the Kenyan Insurance Sector. The Strategic Journal of Business & Change Management, 4(1): 101-114.

Kumar, A. M. (2019). Impacts of Mergers & Acquisitions on Performance of Banking in Hong Kong. (Masters Dissertation) Dublin Business School. https://esource.dbs.ie/handle/10788/3615.

Mardianto, M., Christian, N., & Edi, E. (2018). The impact of mergers and acquisitions on the company's financial performance. Benefita Journal, 3(1): 44-52. DOI: https://doi.org/10.22216/jbe.v3i1.2434.

Marr, B. (2004). The Effect of Mergers and Acquisitions on Employee Morale: Implications for Human Resource Development. (Master's Thesis). St. John Fisher College.

Momodou, S. J., Massirah, M. & Abdul, B. (2017). The Effects Of Mergers & Acquisitions On Financial Performance: Case Study Of UK Companies. International Journal of Accounting & Business Management. 5(1): 74-92, DOI:24924/ijabm/2017.04/v5.iss1/74.92.

Obideyi, G. G. (2006). The Nigerian post-consolidation banks and competitive prospects in the global financial market. Oceanic Bank Economic and Financial Journal, Vol. 1, Issue 1, October-December, 2006.

Oirere, D. A. (2020). Effect of Mergers and Acquisition on Shareholders Wealth of Listed Firms at Nairobi Securities Exchange, Kenya. Journal of Economics and Finance, 11(1 Ser. II): 24-32.

Okpanachi, J. (2011). Comparative analysis of the impact of mergers and acquisitions on the financial efficiency of banks in Nigeria. Journal of Accounting and Taxation, 3(1): 1-7.

Ross, A. S., Westerfield, W. R. & Jordan, D. B. (2003). Fundamentals of Corporate Finance. 6th Edition. New York: McGraw-Hill Companies, Inc.

Saxena, S., Lourdunathan, F., Stalin, G. A., & Rajakamal, C. (2020). An Empirical Study: The Impact of Coronavirus Outbreak on Mergers and Acquisition on Financial Performance: A Special Reference to Tata Steel and Corus. Palarch's Journal of Archaeology of Egypt/Egyptology 17(7): 7476-7485.

SEC (2005). Security and Exchange Commission Quarterly Vol. 1, January – March 2005.

Sharma, V. (2010). Do Bank Mergers Create Shareholder Value? An Event Study Analysis. Award Winning Economics Papers. Paper 10. http://digitalcommons.macalester.edu/econaward/10.

Soludo, C. (2004). Economic Intelligence. Financial Times, July 20, 2004, p. 24.