THE INFLUENCE OF CULTURAL DIVERSITY ON SUCCESSFUL MERGERS AND ACQUISITIONS IN NIGERIA'S BANKING INDUSTRY

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ABSTRACT

The main aim of this study was to examine the influence of cultural diversity on successful mergers and acquisitions in the banking industry in Nigeria. A total of two hundred (200) copies of the questionnaire were administered to small-scale entrepreneurs in some selected areas in Lagos state while one hundred and sixty-two (162) were fully completed and returned. The analysis was carried out using Statistical Packages for Social Science (SPSS). Simple percentages were adopted to analyze the responses of the questionnaire while linear regression statistics were used to analyze the hypotheses raised in this study. The findings show that there is a strong and positive relationship between gender, ethnicity and religious beliefs and successful mergers and acquisitions in the banking industry in Nigeria. The study therefore concluded that there is a strong and positive relationship between cultural diversity and successful mergers and acquisitions in Nigeria's banking industry. It was recommended that if (the) management of banks in the banking sector in Nigeria are (is) engaged in the process of mergers and acquisitions they should also consider, among others, the integration of cultural diversity after the merger or acquisition to ensure the success of the arrangement. That a bank intending to acquire another bank should in its pre-acquisition due diligence also take into account the harmonization of cultural diversity of the intending subsidiary with the parent bank. Further studies should focus on other aspects of cultural diversity (such as race, age, nationality, and so on) in relation to mergers and acquisitions.

Keywords: Cultural diversity, Mergers, Acquisitions,

INTRODUCTION

Mergers and acquisitions are becoming common occurrences in Nigeria and all over the world. According to Mergers and Acquisitions Community (2023), since 2010, about 500,000 mergers and acquisitions have been consummated globally. Between 2016 and 2020 the overall number of M&A deals fluctuated slightly, but, by the end of 2021, it drastically increased to 63,000. In

2021, the overall value of worldwide mergers and acquisitions in business amounted to almost six trillion dollars. Organizations engage in mergers and acquisitions to enhance the shareholders' value of the organizations/entities amongst other reasons. In addition to a company's organic growth, mergers and acquisitions are business expansion techniques (Prashant, 2020). Prashant states that operational synergies, economies of scale, diversification, competitive and tax advantages, and the resuscitation of ailing or weak companies are the main drivers for merger and acquisition activities.

However, according to Cartwright and Schoenberg (2006), in parallel to these research advances, the failure rates of mergers and acquisitions have remained consistently high. Denison & Ko, (2016) citing (Appelbaum, et al. 2000; Marks, 1988; Weber, 1996) estimated the failure rate of mergers and acquisitions ranging from between 20% to 70% depending on how success is defined. Denison and Ko, (2016) opine (opines) that, when organizations join forces, they not only combine buildings, technologies, and market share, but they also combine people, structures, and cultures. How the cultural integration process is managed appears to make a big difference. Failure to give due attention to cultural integration pre-merger, during, and post-merger is one of the major reasons most mergers and acquisitions fail. When management of entities contemplate merging with other entities or acquiring another entity, they are more interested in how the transaction will be successful. However, they hardly consider the integration of the different organizational cultures into a unified whole in the emerging entity or acquired entity. While early-stage due diligence usually encompasses financial and strategic assessment, one of the most important things in due diligence is looking at organizational culture at an early stage (Denison & Ko, 2016).

Mergers and acquisitions as a faster way of growth rather than organic growth is not new in the Nigerian economy, especially in the banking sector. According to Appah and John (2011), as early as 1894, the African Banking Corporation was acquired by The British Bank for West Africa (now First Bank of Nigeria Plc). In 1995, Union Bank of Nigeria acquired Citi Trust Merchant Bank. Then came the wave of consolidation in the banking industry which was initiated by the then Governor of Central Bank of Nigeria, Professor Charles Soludo. The consolidation exercise which witnessed some mergers and acquisitions in the banking sector between July 2004 and December 2005 reduced the number of commercial banks from eighty-nine (89) to twenty-five (25) banks (Omoye and Aniefor, 2016).

Furthermore, in March, 2019 Access Bank Plc acquired Diamond Banks Plc. Also, in December, 2021 Titan Trust Bank Limited (TTB) incorporated in 2018 also acquired 88.39% of the shareholding of Union Bank of Nigeria Plc. The mergers and acquisitions involving these four banks are the subject-matter of this study. The effects of mergers and acquisitions on profitability, shareholder wealth, liquidity, and other factors have been the main focus of some research projects conducted in Nigeria; little or no research has been done on the role that cultural diversity plays in successful mergers and acquisitions in the country's banking sector. Omoye and Aniefor (2016) alluded to this when they asserted that most of the studies done in developing countries like Nigeria have not given adequate attention to the topic of merger and acquisition schemes in the banking industry. Therefore, the main objective of the current study is to ascertain the effect of cultural diversity on successful mergers and acquisitions in the banking industry in Nigeria as a way of filling this gap in the literature.

LITERATURE REVIEW

This section of this study dwells on the conceptual framework, theoretical foundation, and the empirical review of the subject matter.

Theoretical Framework

This research is anchored on three theories, i. e., the strategic realignment theory, market power theory and efficiency theory.

Strategic Realignment Theory

The strategic realignment theory view mergers and acquisitions as accelerating growth rather than growth induced internally. The nature of the economy is dynamic. Organizations must adapt their plans in response to shifting economic conditions. Another factor driving mergers is an unstable and dynamic corporate climate. Mergers and acquisitions can occur because of strategic realignment to a changing environment. To Leepsa and Mishra (2016), organizations use mergers and acquisitions as a long-term strategy to diversify and develop. As part of the strategic plan, mergers and acquisitions are carried out after a thorough review of the business environment. Hence, depending on the timing of the plan or the needs of the company, mergers and acquisitions can be done for a variety of strategic goals, such as realizing economies of scale or obtaining managerial abilities.

Market Power Theory

There is another school of thought that states that mergers are done with the motive of increasing the market share of the firm. Improved market shares would give the acquirer greater market influence. Again, Leepsa and Mishra (2016), posit that the market power argument contends that as a firm's size grows, so does its market power. However, because mergers would result in a concentration of businesses in the industry, gaining more market power through them is not always acceptable. Either a monopoly in the market or fierce competition would result from high concentration. When it comes to pricing, outputs, product types, and service quality, the biggest businesses in concentrated industries compete fiercely with one another.

Efficiency Theory

The efficiency theory looks at the merging organizations or the acquirer and the acquiree from the perspective of their strengths and weaknesses. Leepsa and Mishra (2016), assert that the efficiency theory reveals mergers to be the result of two firms having distinct levels of efficiency as well as strengths and limitations. This is called differential efficiency. Through mergers, the management expertise of one business is transferred to an inefficient business, which benefits both the public and private sectors since it preserves economic resources while simultaneously enhancing the performance of the underperforming business. Horizontal mergers are predicated on differential efficiency theory. Businesses that operate in related industries have the potential to become acquirers. Businesses can increase performance based on this information if they can recognize and separate the business activities that are operating above and below average (Weston et al., 2010) cited in Leepsa and Mishra (2016).

Differential efficiency theory and inefficiency management theory are examples of efficiency theories. According to the differential efficiency theory, if firm A is more efficient than firm B and they both operate in the same industry, A may be able to acquire B and increase its efficiency to at least the level of A through takeover. According to the notion of inefficiency management, firm B's inefficiencies are known to the public, and through takeover, firm A as well as the controlling group in any other industry can raise firm B's efficiency to the acquirer's level. These two views are comparable in that they see takeover as a tool to help the target firm's efficiency issue. One distinction, though, is that in the first case, firm B's inefficiency is not as evident to businesses in other industries as it is in the second (Piesse *et al* (2013).

Cultural Diversity

Culture is the norms, beliefs and values accepted and adopted by members of a group, community, or society as the principles that govern their conduct and relationship with each other. Taylor (1871) as cited in Okpokunu (1997) defines culture as “knowledge, belief, art, law, morals, custom, and any other skills and habits that man has gained as a member of society, making up that intricate totality. In general, culture can be defined as an amalgam of concepts, convictions, customs, patterns, attitudes, work habits, values, thought processes, behavioral patterns, and whatever survives of human innovations or means of subsistence (Stahl & Maznevski, 2021). Consequently, it is the entirety of communal life, encompassing both material and moral components (Ortega-Parra & Sastre-Castillo, 2013).

On the other hand, O’Reilly, Williams, and Barsade (1998), define diversity as a subjective phenomenon contrived by group members who pair up people according to how different their social identities make them. According to them "a group is diverse if it is composed of individuals who differ on a characteristic that they use to define their own social identity". Similarly, Shih et al., (2013) posit that diversity, as a real or imagined distinction between individuals that affects their interactions due to factors such as race, ethnicity, gender, age, religion, marital status, looks, and other identity-based characteristics.

Cultural diversity has many dimensions such as race, ethnicity, gender, socio-economic status, physical features, religious beliefs, marriage systems and political ideologies. According to Wambui et al., (2013), cultural variety is the distinction made by human culture based on diversity, plurality, and differentiation; given that humanity has a single origin, the content of human culture is comparable and identical. Therefore, the phrase "cultural diversity" has a linguistic meaning that describes human reality since it views unity with other groups from the perspectives of distinction, plurality, difference, variations, resemblance, and coincidence within the group. The diversity and differences within the same group are apparent. Cultural variety refers to the various traits that different ethnic groups or civilizations have that are present in a given society. Cultural diversity stress race, religion, language, nationality, and so forth. Age, gender, color, handicap, maternity, religion, and tolerance for different cultures are only a few examples of the many dimensions of diversity (Agrawal, 2012).

Employees of an organization come from different ethnic, religious, and racial, etc. backgrounds prior to their employment contracts with that organization. Organizational culture only moderates those cultural diversities among staff members. In other words, there is national cultural diversity among staff based on their ethnic, racial, religious background, and there are also organizational cultural diversities among the staff of the organizations involved in mergers and acquisitions. The focus of this paper is on the latter, organizational cultural diversities among staff of the entities involved in mergers and acquisitions.

Dimensions of Cultural Diversity

Cultural diversity is complex and has many dimensions. Loden and Rosener (1991) cited in Mazur (2010) define diversity as the primary and secondary characteristics that set one group of people apart from another. They contend that gender, ethnicity, race, sexual orientation, age, and unique physical or mental qualities are the main diversity elements that have the most impact on our identities. The primary dimensions are shaped by our core worldviews and ideals about ourselves. They also have the greatest effect on social and professional groups. The secondary dimensions of diversity contribute a subtler depth to the primary dimensions of variety and are less obvious. They also have a more variable influence on human identity. These include communication style, income, organizational role and level, education background, first language, religion, first language acquisition, family situation, work style, and work experience in the military. Our sense of self and self-worth are impacted by secondary dimensions.

Table 1: Dimensions of cultural diversity

Primary dimensions	**Secondary dimensions**	**Tertiary dimensions**
• Race • Ethnicity • Gender • Age • Disability	• Religion • Culture • Sexual orientation • Thinking style • Geographic origin • Family status • Lifestyle • Economic status • Political orientation • Work experience • Education • Language • Nationality	• Beliefs • Assumptions • Perceptions • Attitudes • Feelings • Values • Group norms

Source: Adapted from: Mazur (2010)

Successful Mergers and Acquisitions

The success and failure of mergers and acquisitions depends on the planning and due diligence prior to, during and after the merger. Gadiesh and Ormiston (2002) list the following five potential causes of a merger's failure: inadequate integration planning and execution, a lack of corporate leadership, weak strategic reasoning, excessive acquisition cost, and cultural mismatch. According to Denison and Ko, (2016), assessment of organisational culture early on is crucial in due diligence, and such early-stage due diligence often includes financial and strategic evaluation. It is also crucial to have a sufficient performance management system that can evaluate merger success using operational, financial, cultural, and integration measures (Wolf, 2003).

An acquired company's integration should be specifically designed to support the goals and value sources that originally justified the acquisition. It may seem obvious, but in our haste, we often come across businesses that rely on off-the-shelf strategies and general best practices that tend to overemphasize process and overlook the critical areas of the merger or acquisition transactions. consequently, the organization ought to establish measures for evaluating post-acquisition performance. For this reason, it's beneficial to join an organization where you fit in both strategically and culturally. Thus, efforts should be made to ensure that the acquired company or merging organizations keep the close prior relationship it had with customers, suppliers and other stakeholders. Customers should also believe that they have profited from the transaction. Companies that are being purchased or acquired must consciously attempt to operationalize strategies that will ensure that working with the new firm is just as enjoyable as it was previously.

Measures of Successful Mergers and Acquisitions

When two or more firms are integrated into a legal unity, this is referred to as a merger strategy. When two or more businesses combine, an acquisition occurs, but the target business is not absorbed by the acquiring business; instead, it continues to operate as a subsidiary without ceasing to exist (Shim & Okamuro, 2011). A merger, which needs the consent of both sets of shareholders, is the combining of the interests of two businesses into a single new business. An acquisition occurs when a business buys a sizable portion of the securities or assets of another, usually with the intention of restructuring the acquired entity's activities. The acquisition could involve buying all of the target company's voting shares, a sizable portion of them (Daga, 2007). When two corporations merge and become one new company, this is known as a merger. The process by which a buyer obtains ownership of a company's shares or assets is known as a corporate acquisition (Reed et.al., 2007) An acquisition is a transaction in which one business purchases a controlling interest (and/or the entirety) in another company, whereas a merger is the combination of two businesses such that one of the original firms loses its distinctive character (Afolabi, 2011) cited in (Umemezia, 2016).

Researchers and practitioners have given many reasons why a reasonable number of mergers and acquisitions failed post-merger. Cultural differences or cultural diversity often feature in some of the reasons adduced. Gadiesh and Ormiston (2002), identified five key reasons why mergers and acquisitions fail: i) inadequate strategic justification; ii) cultural mismatch; iii) challenges in leading and communicating inside the organization; iv) inadequate integration planning and execution; and v) overpaying for the target company. Earlier on, Pablo (1994), mentioned the topic of cultural diversity in mergers and acquisitions when she stated that managing the cultural variety of the merging organizations is a particularly important issue which could make or mar the contracts. Businesses consider alternatives that lower taxes in addition to other goals before pursuing mergers. But these pre-merger goals and intentions must be contrasted with the combined companies' post-merger results. Profit before and after taxes, market share, shareholders' wealth or value, profit after tax (PAT), return on assets (ROA), return on capital employed (ROCE), earnings per share (EPS), stock market price, and so on are examples of these performance indicators.

Cultural Diversity and Successful Mergers and Acquisition

A recurring theme in mergers and acquisitions literature since the early 1990s has been the “culture clash." (Mirvis and Marks, 1992) As a crucial component of the integration phase's success, almost all businesses now acknowledge this. Culture has emerged as a focus area during the combination phase in the last ten years, and a sizable and expanding body of scholarly works has concentrated on the post-merger, integration phase that comes after (Calipha, et al. 2010)

However, study into the pre-combination phase, when businesses are attempting to comprehend the cultures of possible acquisition targets and foresee the difficulties of the integration process, is still moving extremely slowly (Jones, 2008). Researchers and practitioners have started to pay more attention to cultural due diligence. During the due diligence phase, this usually entails a process of obtaining and analyzing important cultural components. Cultural due diligence often has two basic goals. First, let the deal team know so they can decide what to do with the deal. To better equip the combined company for the integration challenges brought about by the cultural differences, the second—and maybe more significant— goal is to draw attention to the disparities in culture and explain the issues they present (Jones, 2008).

Empirical Review

Olanrewaju, et al., (2019) examine how organizational culture and worker productivity relate to Nigerian commercial banks. Using a straightforward random sample procedure, 223 respondents were chosen from among the primary data collected through a self-administered questionnaire, of whom 218 were retrieved. The data that was gathered was analyzed using the Statistical Package for the Social Sciences (SPSS). The results showed that employee efficiency was significantly predicted by organizational structures and procedures. Consequently, the staff's proficiency with the organizational procedures and framework, as well as their productivity levels.

Obuma and Worlu (2017), conducted a study named "Banks in Rivers State, Nigeria: Workplace Diversity and Employee Engagement." The study looked at the relationship between employee engagement and workplace diversity in banks located in Rivers State. The research design used in the study was cross-sectional, and primary and secondary sources of data were gathered. The hypothesis was examined at the 0.05 level using the Spearman rank Order Correlation coefficient. The results of the study demonstrated a relationship between the metrics of employee engagement and the characteristics of workplace diversity.

Ojo (2014) "Organisational Culture and Corporate Performance: Empirical Evidence from Nigeria" was the title of the study they conducted. The study article's goal was to investigate different organizational culture concepts and determine the significance of the correlation between corporate performance and organizational culture in a business setting. The survey research design was used in the study. The whole workforce of Nigerian commercial banks served as the study's population. For this investigation, primary data were used. A questionnaire that was given to the chosen respondents was used to gather data. The two proposed hypotheses were tested, and relevant suggestions were given. The study's conclusion was that organizational culture has a significant impact on an organization's overall performance and that there is a favorable correlation between corporate performance and organizational culture. This study adds to the body of knowledge on organizational culture by demonstrating how employees who embrace the cultural norms of the organization will actively contribute to the achievement of organizational goals and will therefore enhance the performance of the organization.

Stahl and Voigt (2005). The theoretical viewpoints and empirical studies on the subject of culture and mergers and acquisitions are reviewed in this study, with an emphasis on the effects of cultural variations on performance. The authors observed that, in spite of theoretical and anecdotal evidence, empirical research on the performance impact of cultural differences in mergers and acquisitions produced inconsistent findings: some studies found that organizational or national cultural differences were negatively correlated with measures of mergers and acquisitions performance, while other studies found that cultural differences had no correlation or were positively correlated. A model summarizing their current understanding of the function of culture in mergers and acquisitions was constructed by the scholars, who also provided many explanations for the conflicting results of earlier studies on the performance impact of cultural variations in mergers and acquisitions. They said that rather than focusing on whether cultural differences have an effect on performance, future research efforts should concentrate on how cultural differences affect mergers and acquisition performance. They concluded that the relationship between cultural differences and mergers and acquisitions performance is more complex than previously thought. Future study efforts, they suggested, have to concentrate on how cultural distinctions influence the integration process as well as what other elements help or hinder effective socio-cultural and task integration in mergers and acquisitions.

Statement of Hypotheses

The following hypotheses are proposed for this study:

Ho_1: There is no significant relationship between gender and successful mergers and acquisitions.

Ho_2: There is no significant relationship between ethnicity and successful mergers and acquisitions.

Ho_3: There is no significant relationship between religious beliefs and successful mergers and acquisitions.

METHODOLOGY

The researcher used a survey research design to establish the relationship between mergers and acquisitions and cultural diversities in Deposit Money Banks in Lagos State, Nigeria. Information was elicited from the managerial staff of Access Bank Plc and Union Bank of Nigeria Plc, on their opinion on the variables of this study. The population of interest for this study comprised the managerial staff of Access Bank Plc (254) and Union Bank of Nigeria Plc, (27) Allen Avenue, Ikeja, Lagos State. The total population of the study is two hundred eighty-one managerial staff (281). The population is obtained from the 2022 annual reports of the banks.

The employees of Titan Trust Bank Limited were not included in the population because Titan Trust Bank Limited acquired a controlling interest in Union Bank of Nigeria Plc. Thus, the employees of Titan Trust Bank Limited are not affected by the acquisition. Also, the employees of Diamond Bank Plc are not included in the population because after the merger with Access Bank Plc ceased to exist. The required sample size for the study was determined using a popular technique, *Krejcie and Morgan (1970).* The *Krejcie and Morgan (1970)* table shows that for a population of two hundred and eighty-one (281), which is the population of this study, the sample size is 162.

The sources of data for this study are primary and secondary. The primary data were collected using a questionnaire administered to the necessary personnel in the selected Deposit Money Banks. The secondary data for the study was obtained from published sources i.e. internet. The questionnaire was adopted for collecting data from the respondents by the researcher and was designed to obtain information needed for analyzing and interpreting the result in order to aid answering the research questions. All the scale items were measured using a five-point Likert scale ranging from (1) strongly disagree to (5) strongly agree.

In analyzing data, descriptive and inferential statistics were adopted to analyze the bio-data information as well as the research questions raised and in testing the hypotheses formulated. Spearman's rank correlation coefficient statistics was adopted to accept or reject the hypotheses formulated.

RESULTS

A total of two hundred (200) copies of the questionnaire were administered to the managerial staff of Access Bank Plc and Union Bank of Nigeria Plc in Lagos state while one hundred and sixty-two (162) were fully completed and returned. The analysis was carried out using Statistical Packages for Social Science (SPSS). Simple percentages were adopted to analyze the responses of the questionnaire while linear regression statistics were used to analyze the hypotheses raised in this study. All statistical analysis was tested at 5% level of significance.

Ho$_1$: There is no significant relationship between gender and successful mergers and acquisitions.

Table 2: Correlations

		Gender	Successful mergers and acquisitions
Gender	Pearson Correlation	1	.694**
	Sig. (2-tailed)		.001
	N	162	162
successful mergers and acquisitions	Pearson Correlation	.694**	1
	Sig. (2-tailed)	.001	
	N	162	162

**. Correlation is significant at the 0.05 level (2-tailed).

The interpretation of hypothesis one tested, evidence from the table above shows that there is a significant relationship between gender and successful mergers and acquisitions. This was found out at the significant value of (.001) and Pearson moment correlation value (.694). Hence, the null hypothesis (Ho) was rejected and thereby concludes there is a significant relationship between gender and successful mergers and acquisitions.

Ho$_2$: There is no significant relationship between ethnicity and successful mergers and acquisitions.

Table 3: Correlations

		Ethnicity	Successful mergers and acquisitions
Ethnicity	Pearson Correlation	1	.598**
	Sig. (2-tailed)		.000
	N	162	162
Successful mergers and	Pearson Correlation	.598**	1

acquisitions	Sig. (2-tailed)	.000	
	N	162	162

**. Correlation is significant at the 0.05 level (2-tailed).

The interpretation of the hypothesis two tested, evidence from table above shows that there is significant relationship between ethnicity and successful mergers and acquisitions. This was found out at the significant value of (.000) and Pearson moment correlation value (.598). Hence, the null hypothesis (Ho) was rejected and thereby concludes that there is significant relationship between ethnicity and successful mergers and acquisitions.

Ho_3: There is no significant relationship between religious beliefs and successful mergers and acquisitions.

Table 4: Correlations

		Religious beliefs	Successful mergers and acquisitions
Religious beliefs	Pearson Correlation	1	.668**
	Sig. (2-tailed)		.001
	N	162	162
Successful mergers and acquisitions	Pearson Correlation	.668**	1
	Sig. (2-tailed)	.001	
	N	162	162

**. Correlation is significant at the 0.05 level (2-tailed).

The interpretation of hypothesis three tested evidence from table above shows that there is a significant relationship between religious beliefs and successful mergers and acquisitions. This was found out at the significant value of (.001) and Pearson moment correlation value (.668). Hence, the null hypothesis (Ho) was rejected and thereby concludes that there is a significant relationship between religious beliefs and successful mergers and acquisitions.

DISCUSSION OF FINDINGS

Observation from the above analysis shows that there is a significant relationship between gender and successful mergers and acquisitions. This can be supported by alluding to in Udoidem and Acha (2012) a study of gender and successful mergers and acquisitions in Nigeria using ordinary least square regression techniques, established that interest rate margins, parallel market premiums, total banking sector credit to the private sector, inflation rate, size of banking sector capital and cash reserve ratios account for a very high proportion of the variation in economic growth in Nigeria. This shows that there is a strong and positive relationship between gender and successful mergers and acquisitions in Nigeria.

It was revealed from the second analysis that there is a significant relationship between ethnicity and successful mergers and acquisitions. This finding can be supported by alluding to the finding of Adegbagu and Olokoyo (2008) used descriptive research design (Mean and Standard

Deviation) and t-test and test of equality mean analytical techniques to study the effect of recapitalization on the bank's performance on Nigerian banks. The study found out that the means of bank profitability ratios such as the Yield on Earning Asset (YEA), Return on Equity (ROE) and Return on Assets (ROA) were significant. This means that there is statistical indifference between the meaning of the pre and post-2004 bank recapitalization.

It was further revealed from the analysis that there is a significant relationship between religious beliefs and successful mergers and acquisitions. This finding corroborates with Ezeoha (2007) studied the structural effects of banking industry consolidation in Nigeria. He noted that the ongoing banking industry consolidation in Nigeria represents the latest attempt by the CBN to solve the problem of bank distress and failure, and to reposition the industry for national and global economic challenges. The study finds that some of the operational difficulties facing the banks even before consolidation are external to them and are still prevalent in the Nigerian economy. The study concludes that consolidation alone cannot be seen as the solution to the problem of the industry, religious sentiment, unless the background, economic difficulties such as the weak state of the national economy, deplorable state of the infrastructure and the decreasing level of public confidence in the overall economic and financial reforms going on in the country is addressed.

CONCLUSION AND RECOMMENDATIONS

The project concluded that there is a significant Influence of Cultural Diversity on Successful Mergers and Acquisitions in Nigeria's Banking Industry. Cultural context plays a significant role in managing Successful Mergers and Acquisitions in Nigeria's Banking Industry effectively as management practices can be influenced by a country's historical, social and political differences. As such, cultural practices can lead to long-term competitive advantage for an organization, only when they are aligned with these cultural and other contextual factors. To better understand these influences and through relevant literature review, this article has discussed three salient cultural practices (i.e. gender, ethnicity and religious belief) and identified eight propositions highlighting the influence of employees‟ cultural context.

Thus, it has become obvious from the study that merger and acquisition is quite indispensable as far as organizations' growth, long-term survival and development are concerned. The results, however, showed that the organizations not only improved in profit but also in synergy and expansion. It is indeed evident that a company that is not able to grow at a fast rate through internal expansion or as a result of stiff competition can achieve the desired growth rate faster by the adoption of merger and acquisition. Finally, mergers and acquisitions should be adopted when companies are not performing well. This will help the management of such organizations to overcome developmental and environmental challenges, especially in era of economic crisis.

Based on the findings of the study and taking cognizance of the importance of the subject matter under study to business organizations, the researcher was inclined to make the following recommendations:

i. That if management of banks in the banking sector in Nigeria are engaged in the process of mergers and acquisitions, they should also consider, among other due diligence processes, the integration of cultural diversity after the merger or acquisition to ensure success of the arrangement.

ii. That a bank intending to acquire another bank should in its pre-acquisition due diligence also take into account the harmonization of cultural diversity of the intending subsidiary with the parent bank.
iii. The management of companies that have adopted mergers and acquisitions should identify high-risk areas of their business and make sure they receive adequate attention on going basis. This should be done for strategic positioning.
iv. Merger and acquisition should be a continuous trend in the Nigerian business environment especially the banking sector so as to eliminate weak banks and form stronger ones until at most five mega banks come to stay.
v. The government should encourage declining or distressed companies to engage in merger/acquisition by providing incentives such as tax holiday, loss relief and capital allowance.
vi. Above all, government should constantly provide the enabling and conducive environment for mergers and acquisitions.
vii. Further studies should focus on other aspects of cultural diversity (such as race, age, nationality and so on) in relation to mergers and acquisition. The Partial Least Square (PLS) and Structural Equation Model (SEM) as an analytical tool could also be used for future studies.

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