The Impacts of Culture on Cross Border-Mergers and Acquisitions Post-Financial Performance in the Banking Industry Using Multi-Group Structural Equation Modeling

Tarek Taha Kandil

DOCTOR OF PHILOSOPHY

2011

THE IMPACTS OF CULTURE ON CROSS-BORDER MERGERS AND ACQUISITIONS POST-FINANCIAL PERFORMANCE IN THE BANKING INDUSTRY USING MULTI-GROUP STRUCTURAL EQUATION MODELING

By

TAREK TAHA KANDIL

A thesis submitted to the University of Plymouth
In partial fulfilment for the degree of

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School of Management
Faculty of Social Science and Business
Accounting and Finance group

2011

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DEDICATION

For the Egyptian young revolutionaries

Those who have established a new concept of change and freedom in the modern history of cultures

ABSTRACT

This thesis is concerned with the impacts of national culture on the cross-border-mergers and acquisitions performance in the banking industry across Egypt and UK through studying the role of the human side as a mediator variable. The main conceptual framework has been developed based on the GLOBE cultural project. It perceives the national culture as a multi-dimensional construct that interacts between levels. The thesis consists of a mixed methods approach which investigated cross-border M&As by banks in Egypt and the UK from 2004 to 2007. The data collection process was carried out between June 2008 and November 2009 and was divided into three Phases: 1) desk research on the Egyptian and British banking industries; 2) 6 interviews with middle managers in both countries, and 3) (876) returned questionnaires (in Egypt and in the UK) of three mediating multi-sample groups (middle managers, employees and customers).

The data analysis process involves analysing the case studies using pattern-coding, triangulation data methods and two distinct statistical methods: multiple regression analysis and multi-group structural equation modelling to test the hypothesised models. The analysis techniques used examined the significance of the differences of the two national cultures and their impacts on cross-border banks. For purposes of quantitative testing of bank-level cross-border M&A post performance was examined using two distinct multi-dimensional constructs: between multi-group (middle managers, employees and customers) and within groups (the two nations).

The findings seem to suggest that post-M&A performance in the banking industry across nations has been influenced by very distinguishable cross-cultural leadership behaviours in each country. The findings of the qualitative and quantitative data analysis are consistent. The multiple regression findings indicate that the impact of cultural distance on cross

border acquisition performance varies with the level of post-acquisition integration, with cultural distance reducing performance to a larger extent at high levels of integration. These findings are consistent with previous researchers. However, in the Egyptian banking sample, the impact on the Egyptian leadership style has more positive impacts of the Egyptian shared understanding vales of Egyptian banking staffs than the British banking leaders. On the other hand, the British leaders, in the British banking sample, show a strong interaction between banking managers and employees, and between the leadership and the perceived services quality of the British customers.

The multi-dimensional cultural interface developed from the literature has been supported by the findings of the research. It shows the complex interactions of national culture on the post-cross-border M&A financial performance in banking industry. The thesis suggests that by charting the culture-financial performance relationship, it may be possible to anticipate certain behavioural patterns of leaders, employees and customers for each country.

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I am thankful to all my colleagues at the PhD room who have shared with me the joys and worries of this long process.

Last but not least, I would like to thank my family, who kept me going through the PhD journey.

Author's Declaration

I declare that this thesis has not been previously submitted, either in this university, or any other university, for a degree or any other qualification. In addition, I declare that all of the work done in this thesis is my own work.

The following activities have been undertaken:

Attendance at research training courses and lectures

1-Practical Bayesian Data Analysis with **(BUGS)** using **(R)** – *University of Reading 2010*

2-Structural Equation Modelling for Cross-Sectional and Panel Data- *University of Southampton 2009*

3-Post Graduate Certificate in Learning and Teaching in Higher Education, *University of Plymouth* 2009

4-Multi-variance analysis- *University of Plymouth 2008*

5- Qualitative and Quantitative Methods – *University of Plymouth 2007*

2. Publications

Word count of main body of thesis: 65,124 words

Signed:.....Tarek Kandil.....

Date:....08/08/11.....

CHAPTER 1 INTRODUCTION TO THE STUDY

1.1 Introduction

This thesis is concerned with the impacts of national culture on the post Merger and Acquisition (M&A) financial performance of the banking industry. An examination of the previous researches about the cultural dimensions–post financial performance causal relationship of the in the cross-border mergers and acquisition of the banking industry indicates that, despite a plethora of post-M&A and cultural studies, knowledge of the interactions of national culture and their impacts on post-M&A performance was incomplete (Henningsson 2008). The previous studies appears to be uncompleted because a considerable bulk of the banking industry that carries out cross-border acquisitions studies focuses only on organisational cultural dimensions of the banking industry differences and influences on what are the results of the mergers and acquisitions on the post-financial performance, ignoring the national cultural dimension influences, and ignoring leadership behaviours (Henningsson, 2008).

This failure to address the national culture influences has reduced the value of the current literature (Barkema et al.,1996). Although some recent literature has emerged to address this gap, there is still a much wider gap (Jackson and Schuler, 2005) in the literature that is yet to be filled. In addition, the literature search conducted during the early stages

of this thesis reveals that the national culture dimensions embodied in the literature have often remained isolated (Krug and Aguilera, 2005). Hence, there seems to be a need for exploratory qualitative research resulting in the development of an appropriate conceptual approach.

In the present chapter has been divided into four sections. The first section discusses briefly the statement of aims and objectives of the research, conceptual framework and context. Section two addresses the reasons for studying national culture and post-financial performance of the banking industry between Egypt and the Uk. The third section discusses the philosophical stance of the present study. The final section reviews the structure of this thesis.

1.1.1 Research aims, objectives and research questions

The author strongly feels that this is an area which requires in-depth qualitative research and offers exciting possibilities for the development of an appropriate conceptual approach, the present research aims to

Model the national cultural dimensions' impacts on the post-financial performance in the Egyptian and the UK banking industry that carried out cross-border mergers and acquisitions, with mediating of the human side effects that have been neglected in the literatures across countries.

In other words, the study answers the following questions: "What are the cultural impacts on the banks' post-financial performance through mediating the effects of leadership behaviours, employees shared understanding values and customers perceived services quality?"

Therefore, the research objectives are concerned with:

The identification of national culture impacts on banking post-M&A performance in Egypt and the UK, through mediating the role of leadership behaviours, employee shared understanding values and customer perceived services quality from 2004 to 2007.

Table 1.1: Research Aims and objectives

Research Aim : To model the national cultural dimensions' impacts and the post-financial performance of the banking industry through mediating human side effects

RESEARCH OBJECTIVES(RO)	RESEARCH QUETIONS(RQ)	Methodology undertaken to achieve the research objectives and the research question		
		Secondary Research	Primary Research	
		Literature Review	In depth Interviews	Questionnaires
1-To identify a theoretical framework of modelling the cross-border M&A post financial performance which composites a multi-dimensional framework of national culture and multi- mediators through the causal relationship.	1-How does the dimensions of the Egyptian and British national cultures affect the banking industries post-financial performance through mediating human side effects? 2- What is the role of leadership style impacts on the banking industry post-financial performance?	✓		
2-To investigate the above through the primary research.	1-Based on findings of the primary research, do the frameworks apply? 2- Do national culture and Leadership behaviours interact in the banking industry in Egypt and the UK post-financial performance?	✓	✓	✓

Source: Author.

RESEARCH OBJECTIVES((RO)	RESEARCH QUETIONS(RQ)	Methodology undertaken to achieve the research objectives and the research question		
		Secondary Research	Primary Research	
		Literature Review	In depth Interviews	Questionnaires
3-To critically analyse those national cultural dimensions on the Egyptian and the British banks through mediating Employees shared understanding values and the banking customer perceived services quality values.	How do national culture dimensions and leadership styles influence cross-border M&A post –performance?	✓	✓	✓
4-To identify the responses (Middle managers, employees and customers) of each country in the Egyptian and British Post-financial performance the banking sector of the two nations..	Why do Egyptian and British leaders behave the way they do in the banking industry after mergers? Why do banking employees behave the way they do the banking industry after mergers? What are the perceived banking services quality values that the customers had the banking industry after mergers?	✓	✓	✓

Source: Author.

1.1.2 Why study national culture differences and influences in the banking industry?

The concern about national cultural fit has been investigated for the Egyptian and British banking industries, though more often national culture than organisational culture dimension. Ahammad and Glaister (2010) and among other studies have focused on M&As involving banks from a single national culture. It can be assumed that if a study looks at more than one national culture, the integration process would reflect higher levels of intensity due to wider cultural differences (Ahammad and Glaister, 2009).

1.1.3 Why study the effect of post-acquisition human behaviour and performance?

Most cross-national studies fail in identifying the actual mechanisms by which national culture affects leadership behaviours (see for example: House et. al., 2004). The literature describes how differences in corporate cultures have caused conflict and in some cases caused failures in acquisitions (Schweiger and Very, 2003). However, as far as the researcher knows, an understanding of the mechanisms of the human sides that affect integration behaviours and , the M&A post performance is still rather weak (Fischer, 2009).

1.1.4 The role of the GLOBE project in the thesis

This thesis uses the GLOBE cultural dimensions scales of measuring the effect of culture and leadership on the banking industry performance. The scales of the globe project give the thesis such a comprehensive approach to enhance the present thesis's contribution to the empirical test of the national cultural dimensions impacts on post- financial performance.

National culture dimensions studied by the GLOBE projects have been studied by using for the nine national or social cultural dimensions (House et al., 2004). The nine national cultural dimensions have been studied along with the definition of each dimension and the specific questionnaire item that has been carried out by the GLOBE project team (House et al., 2004).

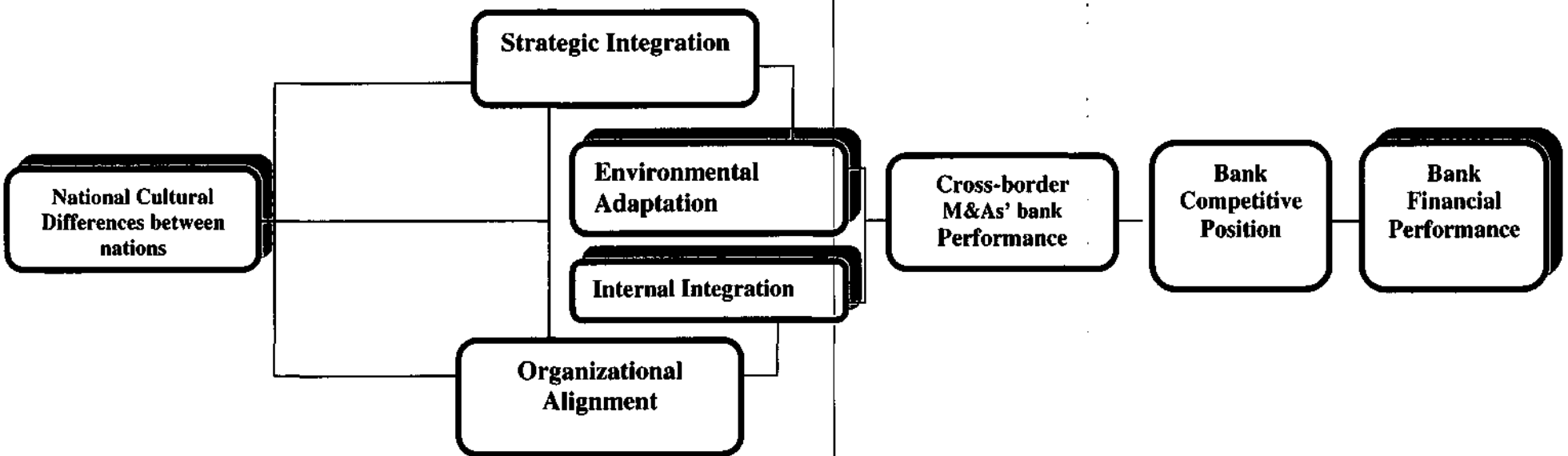


Figure 1.1: Theoretical Model "Impact of Culture on Cross-border M&A Post-performance

Source: Adopted from House et al. (2006), p.81.

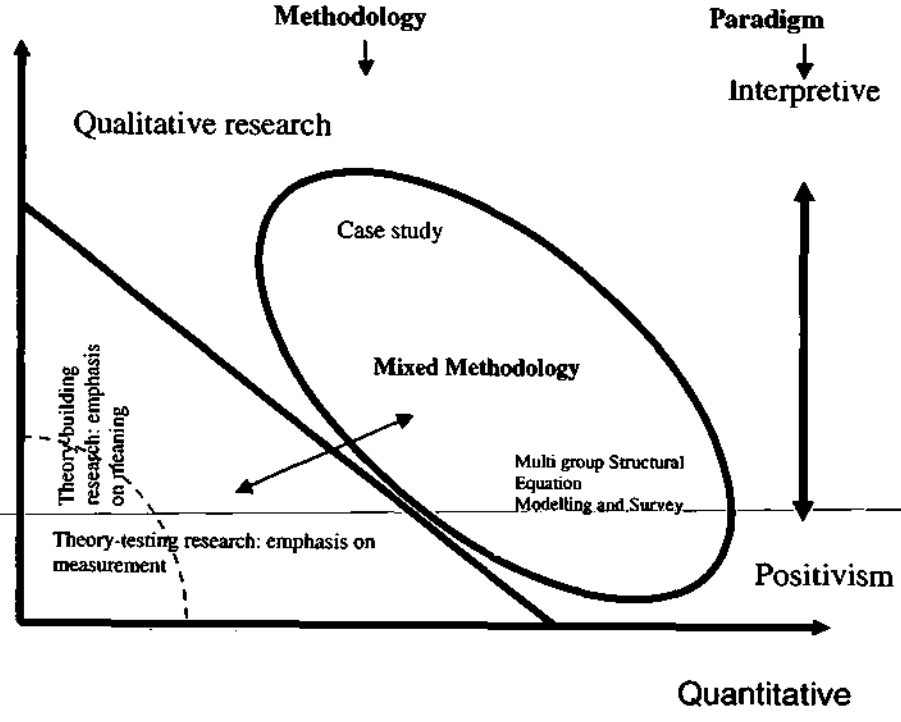
1.1.5 The philosophical stance of the present study

This study follows a multi-paradigm approach in addressing its research objectives; Figure (1.2) illustrates the philosophical stance of this study as incorporating elements of both *theory-building* and *theory-testing* research. In that respect, the present study avoids the two opposing paradigms of quantitative positivism and qualitative constructivism and follows a more balanced approach that combines qualitative and quantitative research. Indeed, the nature of this study's research questions is such that it combines "how" and "what" types of questions, hence rendering a mixed methods approach necessary (Li-Anne, 2003).

In particular, the approach of the *qualitative research methods* is needed to shade light on the theme of the research question and idea more intensive in order to investigate the nature of the causal relationship the study needs to answer.. Consequently, *a more qualitative, theory-building approach needs to be followed as a first stage of this study's research methodology in order to support the exploratory findings* (Li-Anne, 2003).

Such an approach can provide key insights into the broader theme of national culture and focus heavily on the general idea of the mediating the role of the banking human side in the causal relation between national culture and post financial performance. The following figure (1.2) shows the nature of the methodology used in the present research. It illustrates that the present study will use a mixed paradigm using both qualitative

and quantitative research methods in order to investigate the causal relationship between national culture of Egypt and the UK and post fimnal performance.



Source: the author, adapted from Li-Anne (2003) pp.135-139.

Figure 1. 2: The philosophical stance of the present research

Table 1.3: Summary of research design

Dominate-less Dominate	Mixed Mode of Data Collection		Purpose of each data collection source	Justification of Adoption
Dominate design: Case study (Of banks that carried out M&As 2004-2007).	In-depth interview with native managers whose banks were involved in banking industry acquisitions with other countries in each case study	Interview Managers, Employees (from all department) and Customers from acquired Banks within both Egypt and The UK (from Main Branches in the high street banks and 4-5 other small branches in different parts in each country.)	To obtain "stories" of the banking acquisitions post-performance from managers that has been involved in mergers	A useful way to obtaining large amount of data quickly
Less-Dominate: Survey(Human Side of Banks Post-M&As performance; Middle Managers ,Employees and Customers)	Semi-Structured Questioning Targets: In Egypt 68 Managers, 154 Employees and 205 Customers. In The UK 90 Managers, 154 Employees and 205 Customers.)		To measure the cross-cultural value and leadership styles that affected the post-financial performance	Allowed the researcher to look for instances of agreement and disagreement between the qualitative interviews and the quantitative data source in regards to the differing national culture involved in research study

Source: the Author.

1.2 Main contributions of the study

The present thesis contributes at three main levels:

1.2.1 At a theoretical level

The present approach highlights a more holistic conceptualisation and measurement of the GLOBE measures than Greet Hofstede's Cultural Dimensions measures as the GLOBE project national dimensions (House et al., 2004) show clearly the main criticism points in of the Greet Hofstader's national and organisational cultural dimensions.

1.2.2 At the empirical level

The present study provides key insights into the cultural factors that are most likely to affect cross-border M&A banks across nations as presented in figure (1.3). It further highlights how such factors can influence post-financial performance (Schweiger and Very, 2003).

As regards management at the corporate headquarters, it allows them to acknowledge particular M&A post-performance characteristics that could be more beneficial to the entire cross-border M&A banks. The present study sheds light into particular environmental decisions that need to be considered in order to develop the banking acquisitions between two nations, and also the importance of the human sides as mediator variables in the culture-post performance relationship.

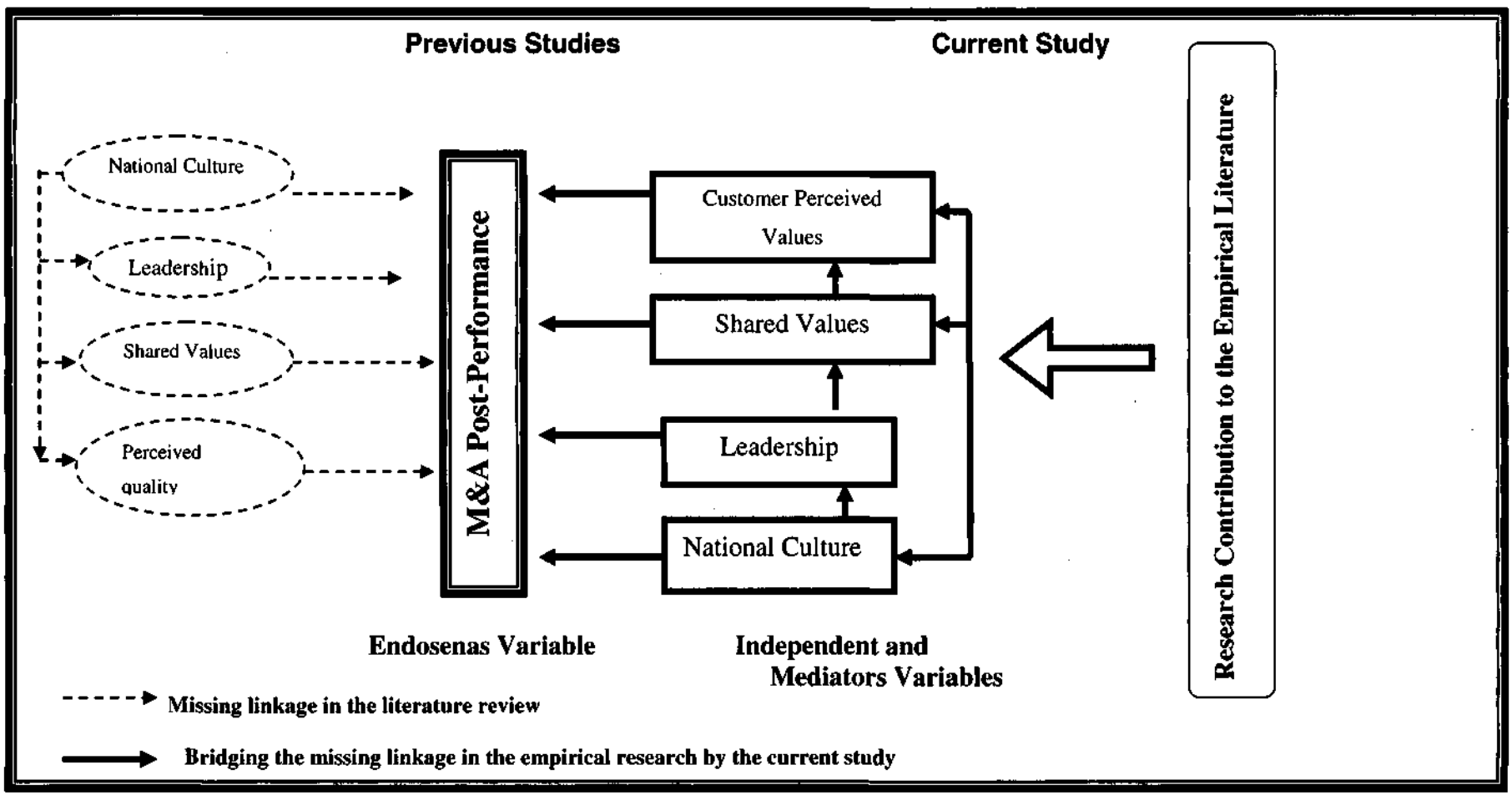


Figure 1.3: A comparison between previous studies and current study

Source: Author.

1.3 Structure of the thesis

The present thesis comprises seven chapters that are structured as follows:

Chapter one briefly explains the background of the research and introduces relevant literature in the fields of culture and post-financial performance in the banking acquisitions , In order to present the research framework and related aim and objectives of this study, it also provides a brief account of the methodological approach taken and the structure of the thesis.

Chapter two is concerned with providing a brief theoretical background of the cultural values and cross-cultural leadership styles in the banking mergers' post- financial performance.

Chapter three summarises the empirical framework of the study and then discusses the present study formal theoretical concepts.

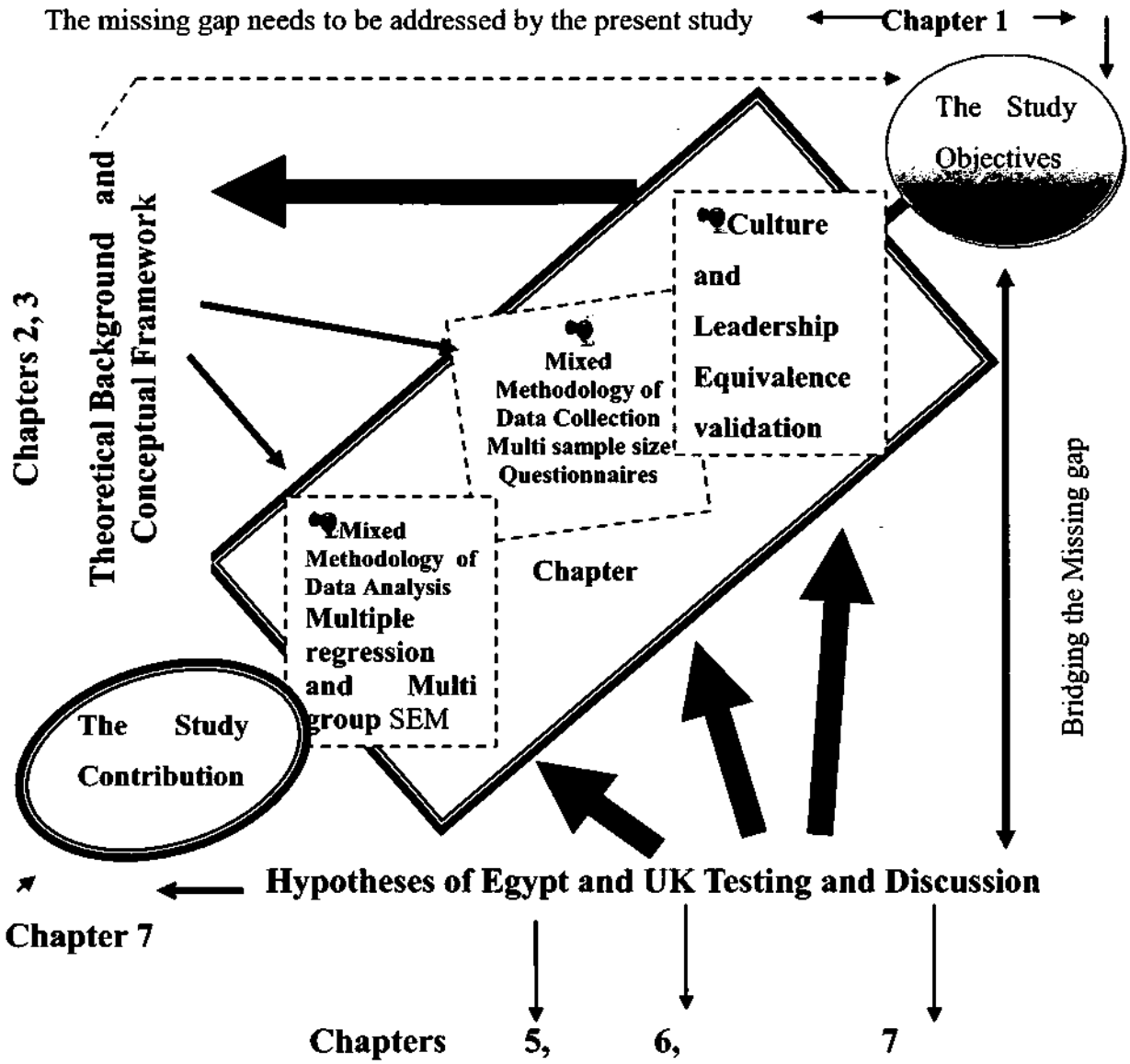
In chapter four the researcher attempts to addresses the framework of methodological considerations of the present research. In particular, it commences with an analysis of the philosophical stance adopted by this study and justifies the particular selection of a "mixed methods" approach as most suitable for satisfying the research purposes. Subsequently, it presents the qualitative research process. After substantiating the appropriateness of the exploratory

case-study method, it provides a detailed analysis of the procedures followed for case selection, collection and analysis of the multiple case-study data. The chapter concludes with a thorough examination of the quantitative research process. In particular, the large-scale mail survey method is presented, with detailed reference to the development of the questionnaire, key sampling decisions and the procedures followed for quantitative data analysis.

Chapter five presents the findings of the exploratory case-study analysis that was conducted for purposes of *theory building* during the first stage of the research methodology, and presents the findings of the quantitative research, which was conducted for purposes of *theory testing*. This chapter focuses on two distinct multivariate data analysis methods for testing the hypotheses derived during the exploratory qualitative stage: multiple regression analysis and structural equation modelling (SEM). This chapter initially explores the topic of national culture and post financial performance of the banking industry and provides a more holistic conceptualisation of the relationship. Subsequently, the chapter focuses on the direct and indirect relationship between culture and post financial performance at the acquired banks level. It identifies specific factors at the banks level, national culture and leadership behavioural contexts that are proposed as key drivers of post financial performance of cross-border M&A banks. The chapter further suggests a positive impact of culture

through mediating the role of the human side on post-performance. In this chapter, the author concludes the research pesentation by presenting the refined conceptual model of the culture-post financial performance relationship in developing related previous literatures hypotheses. However, in this chapter, the author attempt to discusses the findings from the present study of the UK banks in relation to the defined research objectives. This chapter constructively merges prior theory and insights of the qualitative and quantitative analysis to draw general conclusions regarding the antecedents and outcomes of culture and post-performance relationship.

Chapter six draws findings and conclusion of the research and highlights its contribution to the empirical literatures. It also highlights the link between the empirical results and literature. Moreover, this chapter draws conclusions and also presents the implications to practitioners. It further provides a number of research propositions, limitations and recommendations of the study. Figure (1.4) summarises the Study linkages, chapters and contributions.


The missing gap needs to be addressed by the present study
Chapter 1
The Study Objectives
Chapters 2, 3
Theoretical Background and Conceptual Framework
Culture and Leadership Equivalence validation
Mixed Methodology of Data Collection Multi sample size Questionnaires
Mixed Methodology of Data Analysis Multiple regression and Multi group SEM
Chapter
The Study Contribution
Bridging the Missing gap
Hypotheses of Egypt and UK Testing and Discussion
Chapter 7
Chapters 5, 6, 7
The Empirical Research Contributions
Bridging the Missing gap
The missing gap needs to be addressed by the present study

1.4 Summary

To sum up, Chapter one has provided an introduction to the framework of research components, which provides the context for this study. The existing literature emphasises the importance of national culture for successful M&As processes (Li-Anne, 2003). Ultimately, in this study the researcher claims that national culture affects the cross-border M&A banks performance in both nations. The next chapter sets the tone of the scholars on the theoretical background for studying national culture in the post-performance in banking industry of the two nation Egypt and the UK process.

CHAPTER 2 THE STUDY BACKGROUND

2.1 Introduction

This chapter is concerned with providing a brief theoretical background to the national cultural values and cross-cultural leadership styles and behaviours in Egypt and the UK and the effect of the international mergers and acquisition between two nations on the banking acquisitions.

Reviewing the previous literature on national and organisational cultural values effects the international cross-border acquisitions in banking industries between different cultures, indicated that, despite a plethora of post-financial acquisitions in the banking industries and cultural values studies are concerning with the interactions of cultures and their impacts on post-M&A performance was incomplete (Li-Anne, 2003). Li-Anne (2003) reveals that it appears incomplete because a considerable bulk of the M&As studies focus only on the impact of organisational or institutional culture differences and influences on post acquired banks performance in two nations with two different cultures (Li-Anne, 2003 Schweiger and Very, 2003).

In addition, There are a reasonable amount of research on leadership styles and behaviours in a national cultural studies context (see for example ; Hartogb et al., 2003; Li-Anne, 2003; Schweiger and Very, 2003). However, theorists and practitioners in organisational culture recognize the role of leadership has not been well articulated or studied

(Sitkin and Pablo, 2004). Sitkin and Pablo (2004) state that it would be only a slight exaggeration to suggest successful role of leadership behaviours and styles in mergers and acquisitions' decision making processes' success (Sitkin and Pablo, 2004) and failure has been ignored by scholars and practitioners alike (Sitkin and Pablo, 2004; Schweiger and Very, 2003).

There are two observations which motivate this chapter. *First*, a review of scholarly focused writing on National Culture and Cross-cultural Leadership behaviours suggest that others have referred to the critical aspects banking mergers in two different cultures' nations , Successful banking mergers and acquisitions throughout history require more than just the effective management of cross-border M&A tactics and activities (Sitkin and Pablo, 2004); also a better understanding of theoretical conceptions, cultural values and leadership behaviours (Hartog et al., 2004; Sitkin and Pablo, 2004; Schweiger and Very, 2003). *Second,* despite a very general acknowledgement of national culture and leadership's importance, past work on cross-border M&A studies have not examined or proposed any details (Sitkin and Pablo, 2004) concerning what constitutes cross-border M&A cultural values and leadership, nor have they specified how they might make a difference (Hartog et al., 2003).

The author explains in the present chapter the national cultural of Egypt and the UK–post performance relationship through investigating

theoretical concepts of culture, leadership and international banking acquired post-performance.

2.2 Theoretical concepts of culture

The most important challenge that faces the processes of post banks-financial performance in international acquisitions is "Globalization" (Gu and Xue 2004; Mehdi, 2006; House et al., 2006).

The literature offers multiple suggestions for describing culture. Culture is something that is learned and accepted from the national and social atmospheres (Hofstede, 2001, P.3). Culture has been studied as shared understanding concept of a complex norms, traditions, attitudes and beliefs that are characteristic of a group (Hofstede, 2001), which differentiate or distinguishes the human members of one group from another human groups with different nations or, "a control set of mechanisms for the governing of behaviour" (Hofstede, 2001,P.11).

culture is , also can be considered from social historical of one nation that can be described the nation from other nations in terms of different individual perspectives (Shahin, 2004) (Appendix A). Cultural differences may be examined by differences across geographic region, ethnicity, organisations, professions, religion, gender, generation and social class (David, 2003). The beliefs and practices gathered by the majority of those who have been belonging to a certain nation are commonly referred to as

'national' culture (Van, 2001; House et al., 2006). Every person has patterns of thinking, feeling and behaving which have been learned throughout their lifetime (Shahin, 2004).

According to the implied leadership behaviours theory "individuals have beliefs and behaviours that distinguish those who lead the organisation from those who are followers, for example, moral that can be found from those who could be considered as evil leaders, and effective from not effective managers" (House et al., 2004, p.78). These beliefs, convictions and assumptions are called Implicit Leadership Theories. They influence the value that members of a culture place on a selected leader's behaviour, attributes and motives (House et al., 1994); they also influence how others are perceived. Several authors have developed this further and have suggested that followers hold implicit cognitive prototypes of leaders and that leader behaviour is assessed in terms of its fit with these implicit prototypes (Bass, 1990; Hofstede, 2001; Van, 2001; Pablo, 2004).

2.3 Egyptian culture is the gift Islamic orders

The Egyptian culture and ancient civilisation are deeply rooted in time and place. Islam has influenced the Egyptian society. The high population density, combined with the influence of Islamic orders, encouraged close special relationships among people.

In the Egyptian family members, there are very close relationship between each family members, they keep respecting these relationships generations after generations. The father (or grandmother) has the family authority over the other family members. Concentration of power and social relationship among society member are ingrained features of the social life of the country.

Shahin (2003) urges that the Egyptian culture and leadership styles are a clear example of what Hofstede (2001) states about Arab countries? Egypt is considered to have high uncertainty avoidance. Resent researches conducted by Humphrey (1996) studies the difference between the UK and Egypt with respect to Hofstede's national culture dimensions. The results expressed in terms of national culture dimensions show that the Egyptian people scored moderate on power distance, high on uncertainty avoidance, low in individualism and finally, moderate in masculinity (Shahin, 2003).

2.3.1 the UK culture

The British Culture in the twenteth century has been changed during periods of the sencond world war. Change has been influenced, however, not just by war and conflict, but also by a number of other elements (House et al. 2006). First, the arrival of migrants from the

Commonwealth and many different parts of the world made England more multicultural type of society than before in the Second World War that England has involved in. Second, the baby boomers' power of those children that were born in the middel of the twenteth century has raised up in order to provid conditions in which national, social and economic reform was high on the political agenda (House et al. 2006). This generation was more willing than the previous generation to accept a greater tolerance of difference; they were less xenophobic and more committed to equality of opportunity. Third is, the rise of regional and ethnic influences. Regional differences began to grow in significance (Gallagher,1992).

Against this general background it can be seen that between 1945 and 2000 major cultural changes took place in England. Gallagher (1992). suggests that these changes are leading to the construction of new shared understanding meanings. The old ruling class has lost much of its once dominant position. For example, the main idea of the "stiff upper lip" was challenged by the remarkable public grief shown at the death of Princess Diana in 1997. Humor and self-mockery has been used by leaders in business as an effective way of cutting through hierarchies (Gallagher,1992) in order to establish relationships.

2.4 Summary

The author introduces, in this chapter, the theoretical concepts of the national culture, leadership and cross-border M&A performance. The theoretical frame work presented in this chapter provides the study with the background of any national culture concepts and leadership styles which provide the conceptual framework for the present study. The existing background about the national culture and leadership style in the banking acquisitions emphasised the importance of national culture for successful M&A post performance (Li-Anne 2003).

This chapter covers, also, the Egyptian and British national culture briefly Both the Egyptian and British national cultures are good mixed sources of values and dimensions that need to be investigated for investigating the main impact on the leadership and other organisational components (House et al., 2004).

Ultimately, in this study the researcher implies that national culture and leadership styles are active independent variables that affect the post organisational performance across nations (House et al., 2004). This chapter, finally, set the tone of the scholars on the theoretical background of studying national culture dimensions in the banking post acquisitions' performance. It supports the present study by a sold backbone of development and multi-dimensional cultural meditational

construct that the author will present in chapter three. In chapter three the author will present the literature review of the conceptual framework of the present study.

CHAPTER 3 LITERATURE REVIEW

3.1 Introduction

In this chapter, the author summarise the research theoretical framework that present study attempt to process its empirical research and then the mention the conceptual framework. International business researchers need to diagnose the cultural impacts that are relevant in mergers, joint ventures and acquisitions, where managers from different countries, industries, and companies need to cooperate to achieve the benefits of international alliances. Managers involved in cross-border M&As, for example, must expect to find some differences in the behaviour of individuals and groups within the two organisations during the integration process (Cartwright and Schoenberg, 2006).

The effects of culture on specific management functions are particularly noticeable in cross-border M&As because there is an attempt to impose one's own values and systems on another different society (Cartwright and Cooper, 2001). These different behaviours will affect the employees shared understanding values and perceived services quality. In this chapter, we attempt to shed the light on the effect of the cultural values directly on cross-border mergers and acquisitions, and indirectly by mediating the impacts of the human sides (Krug and Aguilera, 2005).

3.2 The direct relationships between culture and M&A

The literature on national cultural differences is derived from the leadership behaviour school of thought (Schweiger and Very, 2003). The effects of culture can take place in the early stages of the acquisition process but are especially crucial in the post-acquisition management and performance process (Cartwright and Schoenberg, 2006). However, few studies have researched both national cultures and leadership impacts on the post-acquisition process (Schweiger and Very, 2003; Cartwright and Schoenberg, 2006). Many of the studies on cultural differences in M&A are reflected in the management styles and practices. The differences can result from either national or organisational cultures (Dyck and Zingales, 2004).

There has been considerable debate as to the most appropriate and accurate way in which to assess M&A gains, both in terms of indices used and the appropriate time span over which to judge performance as discussed earlier in relation to the capital markets school of thought. Many studies found that M&A as a corporate strategy for most companies has dissipated instead of created value (Dyck and Zingales, 2004). Corporate strategy concerns two different questions: what businesses should the corporation be in, and how should the corporate office manage the array of business units?

The success of an acquisition depends on the ability to create added value after it has taken place. However, the mere existence of

potential value creation or synergism is no guarantee that this possibility will be realised. Research indicates that M&As have a negative impact on the economic performance of the new entity. Also, realising performance gains can actually take several years and commonly touted operating synergies such as economies of scale can turn out to be extremely complex and difficult management tasks (Larry et al., 2003; Dyck and Zingales, 2004).

Value is created when functional skills are effectively transferred between firms. It is the primary challenge of firms (Krug and Aguilera, 2005). The more strategic the skills to be transferred, the more difficult it will be to achieve the required understanding and cooperation in this teaching and learning process. The more difficult a capability is to imitate, the longer it will take to learn and apply. Horizontal transfer among managers at operational levels in both organisations takes place (Krug and Aguilera, 2005).

Cross-border banks M&A continue to be a highly popular form of international banking development for developed and developing nations. In 2007, 30,000 acquisitions were completed globally (Krug and Aguilera, 2005).

The generally low (or at least inconsistent) performance of M&A has often been attributed to cultural differences (Krug and Aguilera, 2005)

and the attendant diversity in managerial styles, incentive systems and decision-making procedures, a precursor of conflict among the merging firms (Schweiger and Very, 2003).

Culture determines the sources of information to which members selectively attend to, and the way in which this information is processed and used in the organizational context (Douwes et al., 2006). The target culture is assessed and interpreted by an acquirer using home country lenses to decide what adjustments should be made when operating in this environment (Cartwright and Cooper, 2001). As a result, we expect returns to target shareholders to show asymmetry, in other words, to vary significantly based on the direction of the investment flow.

Cultural differences have also been blamed for this high failure rate and for poor domestic and cross-border M&A banks post–financial performance. Within the cross-border M&A literature (Dyck and Zingales, 2004), some researchers have specifically researched the issue of whether cultural differences contribute to cross-border M&A banks post–financial performance (Appendix B).

3.3 The indirect relationship between culture and post-performance Mediating leadership behaviours

The indirect relationship of culture and cross-border M&A has been identified in the literature by six theories (anxiety theory, social identity theory, acculturation theory, role conflict theory, job characteristics theory, and organizational justice theory) (Seo and Hill, 2005). In order to explain problems in managing the M&A post-performance, these theories have implicitly or explicitly formed the basis for the past M&A literature (Seo and Hill, 2005). The previous literature integrates these theories in different stages of M&A performance. These theories discuss the psychological and behavioural effects of culture on employees, and prescriptions to address the cross-border M&A post problems (Seo and Hill, 2005). This will set a theoretical framework that can be used as a guide for M&A integration leaders to systematically plan interventions to smooth the human integration process. It also provides a foundation for future theoretical and empirical M&A post performance (Seo and Hill, 2005).

3.3.1 Understanding the six theories of human side of M&A

The theories include (Seo and Hill, 2005) (a) anxiety theory, (b) social identity theory, (c) acculturation theory, (d) role conflict theory, (e) job characteristics theory, and (f) organizational justice theory. Each theory

identifies distinct sources of problems that frequently emerge during M&A organizational change processes (Seo and Hill, 2005), predicts their psychological and behavioural effect on employees (Seo and Hill 2005; Mehdi 2006), and suggests relevant prescriptions to address the problems. The theories are now summarised (Seo and Hill, 2005):

3.3.1.1 Anxiety Theory

Cross-border M&A post-performance typically involves large-scale national change; it can be a significant source of anxiety. It is a general observation that employees experience a high degree of anxiety when facing the possible occurrence of M&A. Furthermore, this anxiety can manifest itself in different ways for different organizational members at different stages of the M&A process. However, this thesis focuses on anxiety experienced by the broad base of employees and customers after the decision for M&A has been made (Seo and Hill, 2005; Mehdi, 2006).

3.3.1.2 Social Identity Theory

According to social identity theory, there is a part of individuals' identity that derives from membership in groups, for example, organizations and professions. Several identities can be impacted after the cross-border M&A process, including organizational identity, professional identity, and work group identity (Seo and Hil,l 2005; Mehdi, 2006).

Social identity theory predicts that after the cross-border M&A process employees will react by trying to attain a positive position for their own group in the new organization. This can lead to strong ingroup/outgroup biases that can generate serious inter-organizational conflicts. On the other hand, M&A researchers have likened employee reactions in the acquired organisation to those following death and loss. Cross-border M&A leaders often try to promote a new identity by distributing items with the new bank name, logo, and value statement (Seo and Hill, 2005; Mehdi, 2006).

3.3.1.3 Acculturation Theory

Originally from anthropology, acculturation is defined as changes in both groups that occur as a result of contact between cultural groups. M&A researchers argue that the acculturation process applies in the post–performance stage that involves the combination of different organizational cultures (values, beliefs, or practices that define an organization). Furthermore, because organizations comprise leaders and groups are better described as "a network of integrated subcultures", within these networks the degree and rate of acculturation can vary between individuals and between subgroups within an organization (Seo and Hill, 2005; Mehdi, 2006).

3.3.1.4 Role Conflict Theory

A role is a set of expectations about the leadership behaviours fafter M&A. Role conflict theory suggests that psychological tension occurs

when individuals are engaged in multiple roles that are incompatible. Role ambiguity refers to uncertainty about what is expected in a role. M&A post-performance involves disrupting the existing cultural, structural, and job arrangements and creating new arrangements (Seo and Hill, 2005; Mehdi, 2006). However, the transitions are typically neither clear-cut nor short term, often meaning a long period of organizational drift which results in role conflict and ambiguity (Seo and Hill, 2005; Mehdi, 2006).

3.3.1.5 Job Characteristics Theory

Some researchers suggest that post- performance in cross-border M&A changes not only employee attitudes and behaviour but also in the way customer perceived their values of the new organisation. Following M&A this may simply reflect changes in their job characteristics and work environments after merger (Seo and Hill, 2005; Mehdi, 2006).

One theory that relates to changes in perception of the work environment is job characteristics theory. Job characteristics theory suggests that core job characteristics (skill variety, task identity, task significance, task autonomy, and task feedback) influence perceptions of the work environment and in turn influence motivation and job satisfaction. Whereas job characteristics theory is narrowly focused on core characteristics of the job task, we take a broader view of job characteristics to include other dimensions of the work environment,

such as career paths, work relationships, support networks, status differences, geographic transfer, and job security (Seo and Hill, 2005). These can all play a role in shaping employee and customer behaviour after M&A (Seo and Hill, 2005; Mehdi, 2006).

3.3.1.6 Organizational Justice Theory

Organizational justice theories provide important theoretical insights regarding how decisions can affect the surviving employees' behaviour and customers perceived services quality. Employee reactions to an organizational change such as M&A can be influenced by the following three types of fairness perceptions: (a) distributive justice, which is the fairness of outcomes received compared to an individual's standard of fairness; (b) procedural justice which is the fairness of procedures used to determine the outcomes; and (c) interactional justice which is how the organizational members are treated by those responsible for determining outcomes and procedures (Seo and Hill 2005).

These core elements of each theory are summarized in (Appendix C). An analysis of past work on leadership in mergers and acquisitions has led us to the following three summary conclusions about the M&A literature:

1. The denial of leadership behaviours can be traced to a disciplinary bias that has led analysts to discuss only what post-M&As-related

advice is quantifiable or lends itself to specific recommendations (Cartwright , 2005; Kavanagh and Ashkanasy, 2006).

2. Yet authors and practitioners know that leadership behaviour is important and therefore must be discussed (Schein, 1985; Schweiger and Walsh 1990; Schneider and Barsoux, 1997; Schweiger and Very, 2003; Cartwright, 2005; Kavanagh and Ashkanasy, 2006).
3. Thus, it is discussed, but only in the most general terms (Morosini and Singh, 1994).

Sociocultural needs are spoken to by these authors in that they address the need to manage culture, and attend to the psychological states of organization members as they endure the organizational combination experience. In the present thesis, we will mediate the effect of the human sides after the M&A process in order to investigate the direct and indirect impact of social cultural aspects and dimensions on post performance of cross-border banks (Cartwright and Cooper, 2001; Fauver, Larry et al., 2003; Dyck and Zingales , 2004).

A theme that runs throughout the prescriptions of these contributors is the need to plan early and comprehensively to bring about the required results in the combination, including paying specific

attention to group processes and change management issues (Marks and Mirvis, 1985; Olie, 1994).

To sum up, a review of scholarly and practitioner-focused writing on M&A post-performance suggests that others have referred to the critical importance of leadership in M&A performance (Marks and Mirvis, 1985; Olie, 1994), noting that successful mergers and acquisitions require more than just the effective management of M&A post-performance tactics and activities.

Moreover, despite a very general acknowledgement of leadership's importance, past work on M&A has not examined or proposed any details concerning what constitutes M&A post-performance leadership, nor has it specified how it might make a difference (Marks and Mirvis, 1985; Olie, 1994).

3.4 The indirect relationship between culture impacts and post-performance: Mediating leadership and employees shared values

Newburry and Zeira (2007) state that banks ,post M&As, are beset by numerous problems (Newburry and Zeira, 2007), with 50 per cent of domestic acquisitions – and 70 per cent of cross-border acquisitions – failing to produce intended results (Newburry and Zeira, 2007). Scholars have examined these problems in terms of strategic market entry choice (Stahl and Voight 2004)market valuations (Stahl and Voight, 2004) value creation (Haspeslagh and Jemison, 1991) and banks post-performance (Stahl and Voigt 11-13 December.2003; Shenkar et al., 1996; Vaara, 1999; Cartwright and Schoenberg, 2006; Tetenbaum August., 1999) , finding that difficulties in M&As trace to a lack of a compelling strategic rationale (Newburry and Zeira, 2007), unrealistic expectations of possible synergies and paying too much for acquired firms (Vaara, 1999).

However, although financial and strategic studies have significantly increased our knowledge of M&As, this research is incomplete, in large measure due to a failure to account for personnel issues (Shanley, 2000; Schweiger and Very, 2003; Sim and Amy, 2004).

Thus, in order to understand the role that employees play in contributing to the success of cross-border post-M&As (Richard,

2000) it is important to consider not only the fit between M&A strategy and employees-customers relationship strategy (Krug and Aguilera 2005), but also the contingencies at the national level (Richard , 2000) in the M&As process.

National contexts have been categorized along many dimensions (M.Grinblatt and Kelojarhu, 2001), such as legal (Richard, 2000) cultural (Hofstede, 1997), financial (Krug and Aguilera, 2005) employment systems, economic organization and control or corporate governance regimes (Newburry and Zeira, 2007) .

The strategic human side's role in literature posits the importance of aligning a bank's employees shared understanding values and perceived services quality values (Pitkethly et al., 1999). Pitkethly et al. (1999) argue that, for merging banks to integrate successfully, they need to align their HRM strategy to their post-M&As strategy (Pitkethly et al., 1999). Thus, it is important to have clear shared understanding values of M&As strategies (Haslam and Ellemers, 2005; Fischer, 2009; Coval and Moskowitz, 2001) to be able to specify the role of banking service quality customers should have (Pitkethly et al., 1999).

How can we explain differences in work behaviour and attitudes across employees from different cultural backgrounds? How big are cultural effects on management? And what do we mean and

understand by culture? These issues are of great importance for managers dealing with multicultural work forces (Fauver, Larry et al. 2003). Research addressing these questions spans at least two levels simultaneously (Fischer, 2009): the level of the individual (Larry et al., 2003), and the culture in which the individual is situated. Not surprisingly, the question of identifying variables at each level has been of central importance for the field.

Value is considered to be an important constituent of relationship marketing as the ability of a company to provide superior value to its customers is regarded as one of the most successful competitive strategies in the 1990s (Izquierdo and Gutie, 2005). This ability has become a means of differentiation and finding a sustainable competitive advantage (Izquierdo and Gutie, 2005) .

The cross-border M&A often leads to the revision of business units and therefore collective bargaining units. It is not uncommon for employers to seek to use the need to renegotiate agreements to revise levels of pay and working conditions in their favour, particularly if this goes hand in hand with the outsourcing of certain functions. Alternatively, as in the French example given above, mergers can lead to previously agreed points being reneged upon (Okonkwo, 2004; Pablo, 2004).

3.5 The indirect relationship between culture and post-performance: Mediating leadership and customer perceived services quality

It is virtually impossible to determine the exact impacts of specific mergers and acquisitions on levels of customer loyalty from the available evidence. This kind of information is highly sensitive, and is not easily released by firms. However, it is generally known that the industry sees declining levels of customer loyalty as a problem, although levels of customer mobility vary markedly between sectors. Levels of mobility are relatively high in price-sensitive sectors such as car and household insurance, whereas it is lower for more complex products such as mortgages and lower still for banking services (Gertsen, et al., 1998).

This is seen less as a boon and more of a burden for the financial services industry. Such developments add to the marketing costs of the industry as firms seek to develop attractive brands and retain and attract customers through advertising (Gertsen, et al., 1998). In addition, while these are exactly the kinds of customers firms would like to attract from other firms, as they are more likely to buy additional financial products, they are also the customers firms would least like to lose from their own customer rosters (Gertsen, et al., 1998).

The problem is complicated by the fact that in the case of products such as current accounts, customers rarely engage in activities as

clear and precise as closing one account and opening an alternative, substitute account elsewhere (Gertsen, et al., 1998). Rather, they tend to open additional accounts to run alongside their existing service and move their business across gradually, while maintaining the original account, to provide maximum flexibility and to leave open the possibility of reversing the account transfer should they need to in the future (Gertsen, et al., 1998). This adds costs to the banking sector as a whole, as additional accounts have to be serviced without a net addition of capital to the system.

This contradictory development is exacerbated by the development of packages to encourage and facilitate the movement of business from one account to another as firms agree to take responsibility for transferring items such as direct debits and standing orders (Gertsen et al., 1998). Perhaps the clearest evidence of customers abandoning firms in protest at strategic decisions made by financial services firms may be seen in the case of protests against bank branch closures in the UK. As banks have closed branches in communities, many individuals have 'voted with their feet' and moved their accounts from the 'runaway' branch to the branches that remain (Gertsen, et al., 1998).

The post-performance of the M&A process is highly critical for cross-border M&As. While research on post-M&A multi-human group

mediators, especially in cross-border M&A's bank performances, is limited, scholars have provided some important insights on this topic. The two major findings in this line of research are (Newburry and Zeira, 2007; Fischer, 2009).

(1) The cultural differences associated with acquirer and acquired banks' home countries create additional challenges for post-M&A performance (Dalton et al., 2004; Krug and Aguilera, 2005).
(2) The success/performance of acquisitions depends on the leadership behaviours influence on shared values of employees and customer perceived values (Cartwright and Cooper, 2001;Izquierdo and Gutie, 2005; Cartwright, 2005; Kavanagh and Ashkanasy, 2006; Newburry and Zeira, 2007)

3.6 The indirect relationship between culture and post-performance: Mediating leadership, shared understating values and customers perceive services quality

More research is clearly needed on the post-M&A performance addressing the important of the human sides. In particular, although national cultural differences attract major interest, many other issues, such as differences in corporate governance mechanisms should also be considered. The purpose of integration teams is to plan, coordinate, and implement the integration process understanding banks customer needs (Krug and Aguilera, 2005; Fischer, 2009). Second, although the

composition and responsibility of integration teams may vary, developing and using an effective integration team for cross-border acquisitions is important (Grinblatt and Kelojarhu, 2001; Izquierdo and Gutie, 2005; Kavanagh and Ashkanasy, 2006).

3.7 Banking Cross-border M&A

After explaining the theoretical aspects of cross-border M&A, we can shaded some lights on answering the question of: Why do Banks merge? (Carmelo, 2002) Banking services are consolidating at an accelerating pace: the integration of financial markets has blurred distinctions between activities such as lending, investment banking, asset management, and insurance (Okonkwo, 2004).

It is argued that international acquisitions not only provide access to important resources but also allow firms an opportunity to reduce the costs and risks of entering into new foreign markets. It is reported that geographical market diversification is a source of value in cross border acquisitions. This is because the sources of value, such as those associated with exchange rate differences, market power conferred by international scope, ability to arbitrage tax regimes, and are unique to international mergers (Very, 2001; Chen, 2003).

Moreover, as economic activities in different countries are less than perfectly correlated, portfolio diversification across boundaries should

reduce earnings volatility and improve investors' risk-return opportunities (Very, 2001; Chen, 2003; Danbolt, 2004). Lett (1990) defines the two terminologies in terms of cross-cultural research with this basic definition (Lett, 1990):

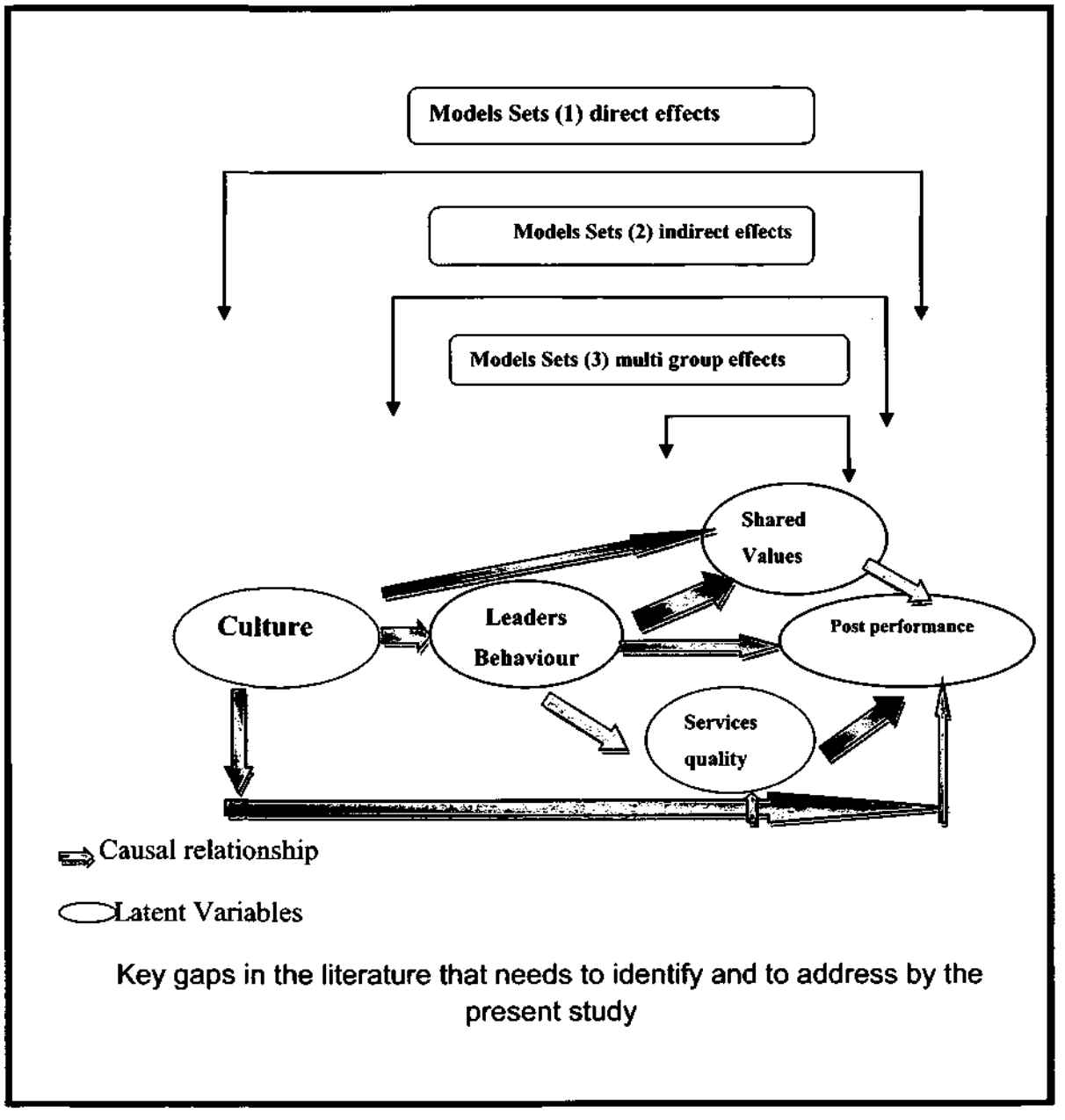
"Emic constructs are accounts, descriptions, and analyses expressed in terms of the conceptual schemes and categories regarded as meaningful and appropriate by the native members of the culture whose beliefs and behaviours are being studied. (Lett, 1990)- p.130. "Etic constructs are accounts, descriptions, and analyses expressed in terms of the conceptual schemes and categories regarded as meaningful and appropriate by the community of scientific observers" (Lett, 1990). (p. 130).

The core concept of the multi-group approach (emic and etic approach) is using factor analysis techniques in each country and comparing factor solutions across the countries. This allows the testing the same structure across different groups (within the group providing etic information) and to allow also the solution for modifications for the some countries (between group providing emic information) (Muthén, 1989; Vijver and Leung, 1997; Vandenberg, 2002; Muthén and Muthén, 2005; Stankov a and Lee, 2009; Tran 2009). In cross-cultural psychology would provide justification for an emic, rather than an etic approach (Stankov a and Lee, 2009).

The second approach that is strongly advocated in a study has been made by Stankov and Lee (2009) rests on the paradigm of Latent Trait Theory (LTT, also referred to as Item-Response Theory, IRT) (Lett, 1990; Holzmüller, 1995; Salzberger et al., 1998; Sinkovics et al., 1999; Vandenberg and Lance, 2000; Stankov a and Lee, 2009; Tran, 2009). However, to our best knowledge, no measurement application of cross-cultural research applications to international banking finance research as regards measurement cultural equivalence has been published so far. Subsequently, both approaches are discussed in a financial cross-border simulated data set (Goldberg et al., 2004).

3.8 Development of research conceptual model

Summarising what has been discussed previously in this chapter and chapter two, this study sheds light into a missing link in the literature that has studied the relationship between national culture and post financial performance. That link creates a gap between the literatures and the present study (Song et al., 2000; Fischer, 2009),(see figure 3.1).



Source: Author.

Figure 3. 1: Key gaps in the literature that needs to identify and to address by the present study.

3.9 The research gap

In the present study, the author develops aconceptual model based on the GLOBE project of culture and leadership and bridges the gap (see Table 3.1). The GLOBE cultural and leadership project presents the theoretical frame work (see Figure 3.3) that can be used in order to focus lights on the importance of human side (leadership, employees and customers) involved in cross-border M&As post performance. That causal relationship which is missing in the previous research can be filed in with the present study (House et al., 2004). The conceptual framework of this research is fundamentally important to the research design, and to the usefulness and applicability of the research results (House et al., 2004).

Table 3. 1: Key gaps in the literature

A-Culture- cross-border M&As post financial performance relationship	
Gap Identified	**Need Addressed**
1-Culture-cross-border M&As post financial performance relationship has neglected the role of leadership behaviours across nations.	1-Need for a more holistic conceptualisation and measurement of cross-culture leadership behaviours measurement scales as a mediator in Culture- cross-border M&As post financial performance relationship.
2-Culture-cross-border M&As post financial performance relationship focuses on Hofstede's cultural dimension measures only and focuses on transformational leadership (Bass 1994)	2-Need for a more holistic conceptualisation and Measurement the GLOBE measures rather than Hofstede's measures as the GLOBE study (House et al. 2004) attempted to address the criticism of Hofstede's measures in the following ways: 1) the GLOBE study also used qualitative methods to assist the development of quantitative survey instruments, 2) the GLOBE study is not based solely on nations (for instance, French and English-speaking Canada are separated), 3) the data is collected in 951 organizations instead of just one, 4) data collection is more recent than Hofstede's (1980), and 5) the GLOBE study has nine dimensions.6) the GLOBE study uses six cross-cultural leadership behaviours rather than one .
3-Culture-cross-border M&As post financial performance relationship neglecting human side combination as mediator variables.	3-Need for a more holistic conceptualisation and Measurement on multi group analysis of human side mediated in the Culture-cross-border M&As post financial performance relationship.
B-Cross-cultural Equivalence (shared meaning system)	
Gap Identified	**Need Addressed**
1-Remarkably little has been written about the Cross-cultural Equivalence (shared meaning system) in the study of Culture-cross-border M&As post financial performance relationship	1-The results of Culture-cross-border M&As post financial performance relationship between nations should be measured as shared meaning system between/within cultural groups (Emic and Etic Approaches) through cross validation tests.

Source: Author

In table (3.1) the present study fills the gap in the literatures reviewed in this chapter by creating three different model groups presenting three different relationships. The first relationship group models are the direct relationship that can be created between culture, leaders' behaviours, employees and customers; and post financial performance in Egypt and the UK.

The second groups represent the indirect relationships that create the causal relationship between culture and post-performance mediating one of the human side's effect. And finally, the multi group mediator's relationships between culture and financial performance by which we can model the effect of culture of post-performance mediating the human sides as mediators in the relationship.

3.10 Summary:

In this chapter, we discuss the direct and indirect impacts of national culture on post-performance in cross-border M&A banking industry. In the direct relationship, we present the literature review that studies the impacts of national culture on post- performance. It shows that national culture affects post-performance in the cross-border M&As between nations.

The literature review that studies the indirect relationship between national culture and post financial performance focuses on a theoretical framework based on six theories involve the human sides impacts on post-M&A performance. Those theories are: (a) anxiety theory, (b) social identity theory, (c) acculturation theory, (d) role conflict theory, (e) job characteristics theory, and (f) organizational justice theory. The review describes all the empirical studs and those summarises the main points in the literature review which are Culture and M&A Post-Performance: Mediating Leadership styles and Culture and M&As Post-Performance: Mediating Employees Shared Values and Customer perceived values.

In this chapter, we also, develop the theoretical framework of the model based on the GLOBE project of culture and leadership by which the present study bridges the gap in table (3.1). The causal relationship model presented in this chapter, attempts to fill the gap that is missing in the literature review (House et al. 2004) by mediating the effect of

leadership behaviours of the banking leaders, employees shared understanding values and customers perceived services quality. The conceptual framework of this thesis is very important to the research design, data collecting and analysis processes that will discuss in the chapter four, five and six.

In the next chapter, we will explain the methodological issues related to the cross-border M&A in banking industry within the conceptual framework we discussed in chapter three.

CHAPTER 4 METHODOLOGY AND DATA COLLECTION

4.1 Introduction

In this chapter, we will start discussing the mixed methods research that is inherent in social science research. Based on this discussion, a choice is made for the approach adopted by the current research. Following this selection, a conceptual framework is presented, based on the extensive discussion of the national culture–post-financial performance relationship, the studies utilizing these cross-cultural and financial performance models in regard to cross-border mergers and acquisitions in banking industry and the human side as a mediator variable in the relationships that were discussed in the previous chapters. Moreover, research hypotheses are drawn and operational definitions and the research instrument are presented. Finally, aspects of research design and methods are discussed, followed by issues pertaining to compatibility and equivalence, research ethics, data collection modes and statistical techniques.

4.2 Research philosophy

A paradigm is a set of assumptions that provides a conceptual framework or a philosophical one for world view, thus, enabling organized study of the world around us (Sanders et al.,2009).

There are several dichotomies and paradigms that have underlined research approaches used in the study of social science, e.g., positivism versus interpretive, quantitative versus qualitative, induction versus deduction, and exploratory versus confirmatory (Sanders et al.,2009). We now examine some of these issues within the context of the current research.

4.2.1 Interpretive versus Positivism

Positivism assumes that the research objectives have inherent qualities that exist independently of the researcher. Positivists regard the outcomes in light of a theory of truth, which states that the truth or falsity of a statement is determined only by how it relates to the world, and whether it accurately describes it.(Zulu, 2007).

The Interpretive approach assumes that social knowledge of the world is globally built through lived experiences or social construction of the world. Interpretivism subscribes to a notion of truth about their findings (interpretations) of a research phenomena when that interpretation confirms the meanings given to the research phenomena through the researcher have lived experience (Sanders et al.,2009).

Positivism assumes that the researcher and reality are separate, while interpretive assumes that the researcher and reality is inseparable (Zulu, 2007). There are an importance consideration in this research philosophy and approach in the identification of an appropriate theoretical paradigm

that we can use as the underlying basis for conducting scientific investigation. A theoretical paradigm is essentially a loose collection of logically held together assumptions, concepts, and propositions that orientates thinking and research" Similarly, a paradigm has been defined as the "basic belief system or world view that guides the investigation (Zulu, 2007).

4.3 Research strategy

The aim of this study is to model the relationship between national culture and cross-border M&A post-performance. Both qualitative and quantitative methods are used in the study in order to address longstanding debates in the study aim and questions.

4.3.1 Qualitative Versus Quantitative

The differences between the two paradigms extend beyond the philosophical and methodological debates to cover science language use differences (Sinkovics and Salzberger, 1998). The call for multi-method research is one solution to the paradigms' incommensurability. The first decision requires deciding which method would be the principal and which would be the subordinate, whereas the sequence decision addresses which sequence is chosen in that context (Sinkovics and Salzberger, 1998).

Over the years the terms multi-methods, triangulation and mixed methods appeared in the journals as approaches for facilitating a combination of qualitative and quantitative research that is intended to

end the pragmatic war (Cicic and Patterson 1999; Zulu 2007; Collins and Dressler 2008). The latter concept, mixed methods, was described as an outgrowth of the triangulation of methods movement (Dunning et al., 2008).

4.3.2 Mixed method

A mixed methods approach, viewing qualitative and quantitative methods as a continuum, would also consider a genuine separation between the two processes of induction and deduction unnecessary? Onwuegbuzie et al. (2005) suggest that both (prior theory and theory emerging from the data) are always involved, often simultaneously and that "it is impossible to go theory-free into any study" (Onwuegbuzie et al. 2005). Figure (4.1) presents the research process followed by the present study. The first stage of the research methodology involved conducting *exploratory case studies* in local retailing banks that have carried out domestic and cross-border M&A is for purposes of hypotheses building.

Based on a review of existing literature in the fields of culture and M&As (Chapter 3) and cultural theories in international finance (Chapter 2), relevant prior theory was taken into consideration during the qualitative phase (particularly for developing the interview guide and analysing the qualitative data). Exploration into the topic of the cultural – post-banks performance relationship (result of the qualitative research) assisted in the development of specific research hypotheses and the refinement of

the purely theory-driven conceptual model of the GLOBE project (developed in Chapter 3).

The findings of the case-study research provided significant input in to the development of the survey instruments (second stage of the research methodology). The second stage of the research methodology involved conducting a large-scale survey of cross-border M&A is located in Egypt and the UK. The present study discusses in-depth particular issues related to the implementation of the questionnaires in both countries.

Quantitative data analysis entailed hypotheses testing through multiple regression models (examining the two and three sets of relationships independently) using the SPSS (18) software. Given that nature of the conceptual model (involving multiple dependence relationships simultaneously) and the characteristics of the data collected (sufficient sample size and large number of constructs with multiple items per construct), the Multi-group Structural Equation Modelling approach was used.

To this end, the researcher spent considerable effort learning the AMOS (18) software and developing a concrete structural model. Data analysis using the SEM method was conducted in order to test the entire model (including all sets of dependence relationships) simultaneously. The last stage of the research methodology involved comparing the results across

the data analysis method (SEM) and drawing generalisable conclusions to address the research objectives of this study.

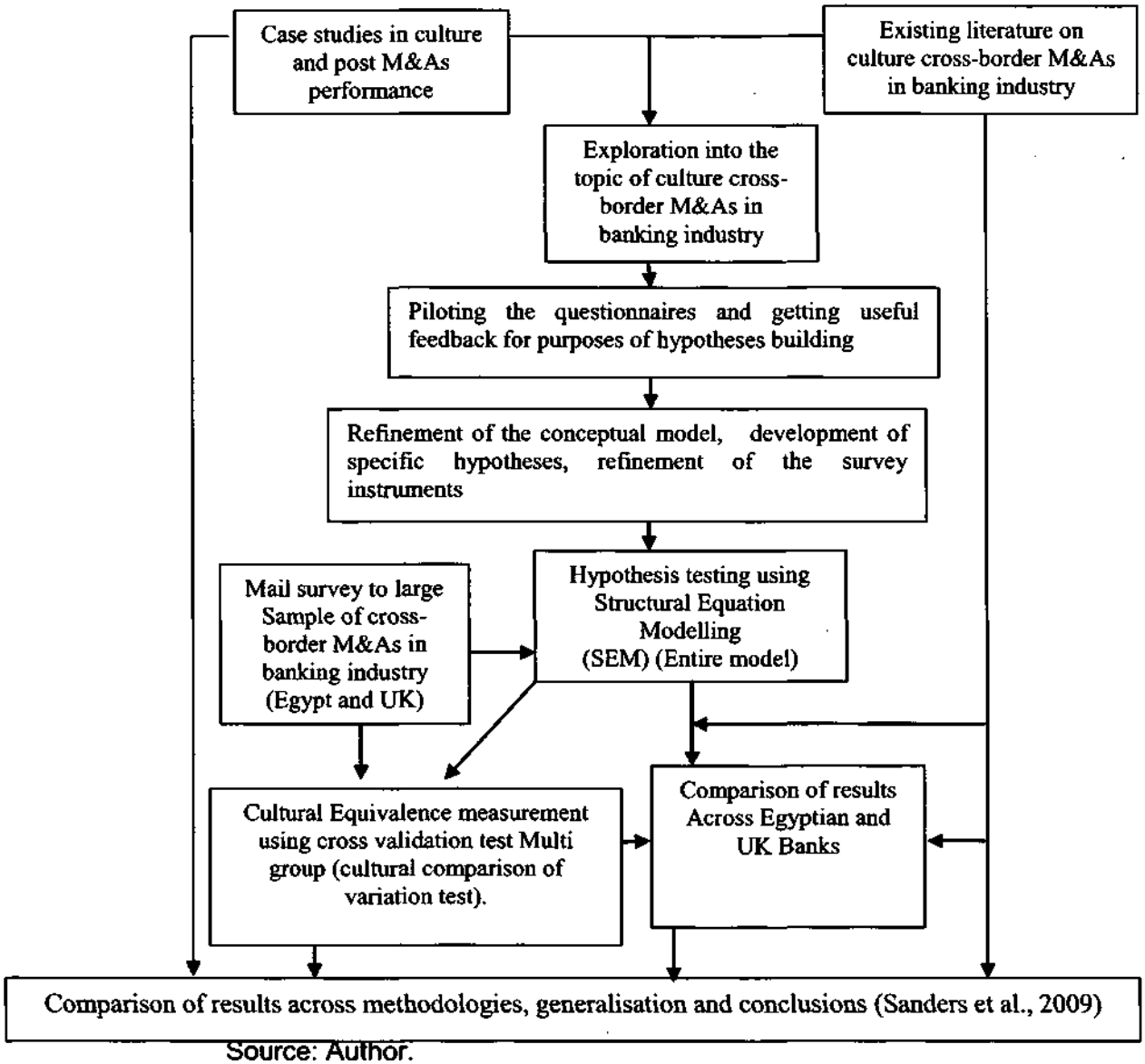


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Figure 4.1: The research process of the present study

4.4 Research strategies

The first stage of this study's research strategy involved conducting multiple case studies of cross-border M&A in Egypt and the UK. In particular, exploratory case studies were preferred over the other two types (descriptive and explanatory), given the scarcity of relevant

literature in the fields of cultural impacts on cross-border M&A post-performance. Exploratory studies are particularly useful when little extant knowledge exists and hence there is limited empirical data to form a sound basis for making predictions (Onwuegbuzie and Wilson, 2003).

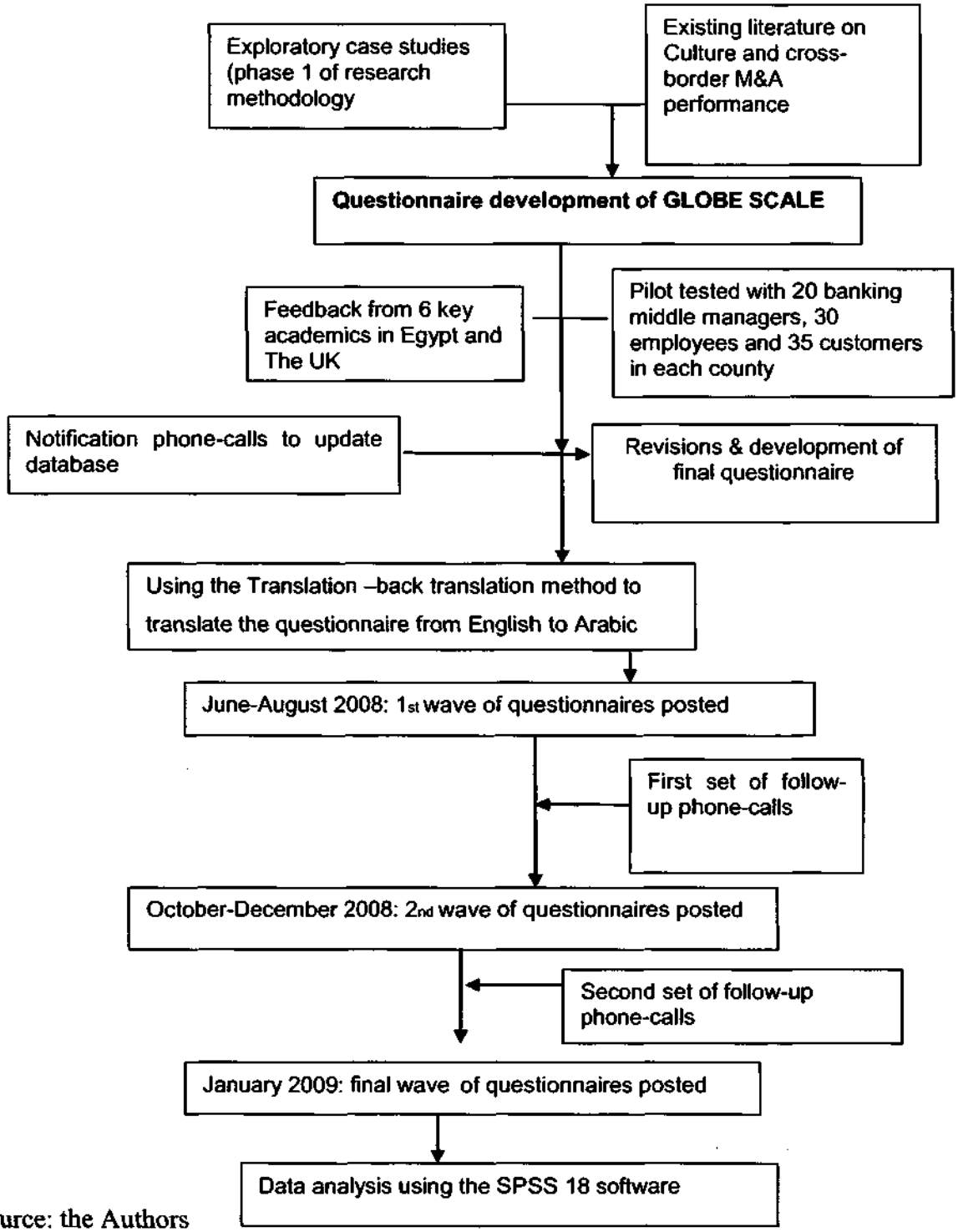
4.4.1 Research survey

Exploratory type of research was needed in order to address the "what" types of research questions (Yin, 2003). The exploratory case-study research process that was followed in the present study is illustrated in Figure (4.1). The first step of the process entailed clearly defining the research objectives identifying particular criteria for purposeful case selection. Subsequently, a Semi-structured Interview Guide was developed (Appendix D), which was based on the research objectives and a review of relevant literature. As has been explained previously, some prior theory was taken into consideration prior to conducting the qualitative research and during the analysis of the qualitative data. Indeed, conducting case study research in a methodologically sound way requires a preliminary identification of prior theory in the area of research (Yin, 2003). In that respect, prior theory can be viewed as additional evidence that can be used to triangulate on the external reality of the case-study research.

4.4.1.1 Quantitative Research: Multi-group Large-scale mail survey

The second stage of this study involves a large-scale mail survey for different groups in Egypt and UK. Figure (4.2) illustrates the survey

research process of the present study. The following sections analyse in detail the steps of the process.



Source: the Authors

Figure 4. 2: The survey research process

4.4.1.2 Development of the questionnaires: the present pilot study

The input of the exploratory case study research (first step of the research methodology) has been critical in the development of the cross-cultural survey instruments.

The present study has used the GLOBE scale designed for measuring culture and leadership behaviours across the world. Feedback was sought from six key academics in the fields of international business and finance in each nation to refine the questionnaire.

The pilot-testing of the three questionnaires in each country was conducted during 2008 through emailing an electronic copy to each cross border middle manager, explaining the purpose of the task and then receiving an electronic reply with his/her comments and discussing any important issues over the phone. Particularly for the questionnaires that were completed by managers in the subsidiaries that had participated in the exploratory case study research, responses in the pilot-questionnaires were compared to those expected (based on the insights gained during the interviews with these managers).

The final questionnaire for this study (see Appendix A) was eight pages long and contained seven pages of pre-structured questions.

Although relatively long, its size still lies within the proposed limit for manageable questionnaire size (Dillman, 2000).

4.4.1.3 Research Surveys used in culture impacts on banking performance.

Survey techniques usually involve methods in which participants are asked questions directly. This is a method of collecting information using a pre-formulated set of questions to a sample representative of the population (Sanders et al., 2009). The major advantage of this method is that, since the strategy is based on responses from a representative sample of respondents, its findings can be generalised to be representative of the whole population under consideration (Sanders et al.,2009 ;Yeh and Lawrence, 1995; Very, 2001; Fraenkel and Wallen, 2003; Gay and Airasian, 2003).

One of the disadvantages of the survey method is that it relies on breadth of study and not on the depth for its validity (Yin, 1994; Yeh and Lawrence, 1995; Very, 2001; Fraenkel and Wallen 2003; Gay and Airasian, 2003). However, it was considered that the method would be advantageous to this study, as it would provide a platform for collection of data from a large sample as required in the research.

This method was considered appropriate for this research, as surveys can be used to collect quantitative data, required for this research, within a shorter time than most other methods (Very, 2001; Fraenkel and Wallen, 2003; Gay and Airasian, 2003).

4.4.2 Qualitative research: Case study as the dominant strategy

Case studies are increasingly being used as a research tool (Gay and Airasian, 2003). The case study contributes uniquely to our knowledge of individual, organisational, social and political phenomena and is a common research strategy in psychology, sociology, political science, business, social work and planning (Fraenkel and Wallen, 2003; Gay and Airasian, 2003).

An advantage of adopting the case study method is that it allows an investigation to retain the holistic and meaningful characteristics of real-life events such as organisational and managerial processes- which this thesis is about (Gay and Airasian, 2003). Furthermore, the unique strength of a case study is its ability to deal with a wide variety of evidence such as documents, artefacts, interviews, and observations.

The research questions defined in this thesis were exploratory in nature and asked 'how' and 'why'. The case study approach is the preferred method for such questions to deal with operational links that are traced over time, rather than mere frequencies or incidence (as in a survey) (Very, 2001; Fraenkel and Wallen, 2003; Gay and Airasian, 2003).

Furthermore, case studies are used when the boundaries between a phenomenon and context are not clearly evident and when multiple

sources of evidence are possible (Yeh and Lawrence, 1995; Very, 2001; Fraenkel and Wallen, 2003; Gay and Airasian, 2003).

4.4.3 Techniques to improve the quality of case studies

The benefits of case studies over other research strategies can be maximised if a researcher applies three basic "quality control" techniques while conducting case studies. First, collect data from multiple sources so that the findings can be based on the convergence of information from various different sources, also known as the triangulation of data. Second, formal collection of evidence distinct from the final case study report should be made. Third, links of the questions, the data collected and the conclusions drawn should be explicitly established. This will enable a reader of the case study report to follow the researcher's initial research questions to the conclusions or vice versa.

4.5 The collection of data

Data collection design essentially involved in-depth interviews with key middle managers of finance, customer services and human resources. In particular, the first interview was conducted with each financial Manager, while subsequent interviews were carried out with other two or three banking customer services' representatives' members (upper and lower management positions).

A semi-structured interview guide was developed (see Appendix E), inviting respondents to elaborate on themes related to cross-border banks performance, culture and human side effects of the financial performance contexts. According to Huber and Power (1985) such a design stage of the data collection allows for superior understanding of themes and relationships emerging from on-site data collection and initiates reflection on qualitative data.

Also, the semi-structured interview guide incorporated mainly open-ended questions in order to allow interviewees to express their own views and not to guide them through their thinking.

The design of the questions for the interview was heavily influenced by the recommendations of Dilman (1978) and James, (2002) who both presented comprehensive reviews of the literature on questionnaire design. The interview questions generated were based on the aims of the study and literature review.

The questions were also checked against questions of similar studies (Dilman 1978; James and D. 2002). The questions for the interviews were divided into three main parts as follows:

- The first part was concerned with the banks' background (for example, markets, size etc.) as well as information about the motivation for the bank's decision to merge and its target selection criteria.

- The second part was about the strategic and culture consideration during the various stages of the M&As process.
- The last part dealt with questions relating to the role of culture, cross-cultural leadership and cultural fit in the merger and acquisition financial performance.

Between 2008 and 2009, six open and semi-structured interviews (three interviews in each country) were conducted with middle managers who, were either key decision makers or interface managers involved in the M&As. It is likely that these respondents are involved in strategic decision making relating to M&As in their respective companies.

4.5.1.1 Questionnaire Survey

This is a method of collecting information based on asking respondents to complete a questionnaire containing a pre-formulated set of questions in a pre-determined sequence (Denscombe, 2003).

This method can be grouped into two categories. These include; postal questionnaire where questionnaires are sent by the post to a selected respondents; and self-administered questionnaires where, similar to face to face interview, the researcher is in direct contact with the respondents and reads through the questions to the respondents (Denscombe, 2003). There are other types of surveys, which can be considered including internet surveys, and email based surveys (Denscombe, 2003).

Gray (2004) notes that standardised questionnaire are more powerful than interviews, where large numbers of respondents must be reached and where more reliable data is desired. Denscombe (2003) noted some of the advantages of questionnaires including; that it provides a wide coverage; that it is low cost in terms of time and money; that it provides an opportunity for pre-coding data and supplying standardised answers which can simplify the analysis of data; and, unlike the interview method, eliminates the effect of interpersonal interaction with researcher.

However, Denscombe (2003) also noted the disadvantages of the method, which include; poor response rates; incomplete or poorly completed answers; biased findings towards researchers view rather than respondents by limiting and shaping the nature of answers; and that it provides little opportunity to check truthfulness of answers (Denscombe, 2003).

The survey questions in this research were drawn mainly from House and Hanges, et al. (2006) GLOBE National Culture and Leadership Scales. The questionnaire incorporated other landmark cultural studies such as Hofstede (1980;2001). The questionnaire survey consisted of two main types of questions addressing: 1) the national cultural values such as personal attitudes to work and family life, and 2) the leadership behavioural values as derived from the works of various authors. The survey was mainly designed to address the range of nationality specific

dimensions of Egypt and the UK that is difficult to capture through interviews and personal observations only.

There are several methods of validating the cross-culture questionnaire:

4.5.1.2 One-way translation

This is the simplest of translation methods and involves the translator reviewing the instrument in its original language and then translating it into the target language. No back translation is involved. Therefore, although this may be less expensive and less time consuming than other methods, there is no comparison of the final survey, and there may be some loss of information in the literal translation.

4.5.1.3 Double translation: translation back-translation

In this method of translation there are at least two bilingual individuals who participate independently in the translation process. This process is effective because the instrument goes through a number of filters which are produced independently by researchers The steps in this translation process are as follow:

(1) The questionnaire instrument is translated from the original language by a first translator into the target language.

(2) A second independent translator takes the results from the previous step and independently translates the instrument back into the original language. The researcher now has two versions of the instrument in the

original language and can compare them for any inconsistencies, mistranslations, meaning, cultural gaps and/or lost words or phrases.

If any differences are found the researcher can consult with the translators to find out why this has occurred and/or how the instrument can be revised. This process has been described as one of the most adequate translation processes (Marin and Marin, 1991).

4.5.1.4 Translation by committee

This type of translation process is completed by asking two or more individuals who are familiar with both languages in the study to translate the text instrument from the original language to the target language (Marin and Marin, 1991). The researcher can then ask the two independent translators to arrive at consensus on a final format, or request that a third independent party choose a version that most closely captures the meaning of the original language.

Although this translation method is more effective than one-way translation and may use less resource than other methods, translators may be reluctant to criticize one another and/or may miss information relevant to the target group due to similar cultural backgrounds and education.

4.5.1.5 Decentring

Werner and Campbell (1970) proposed decentring as a way to develop instruments that would be culturally appropriate when cross-cultural

research is conducted. In this process, the original language instrument is not considered finalized until the entire translation process is completed. A translator believes that a grammatical structure or that a word or tense must be changed to fit the cultural group under study, the original instrument should also be changed to reflect these linguistic and cultural characteristics. This involves constant comparison of the two instruments, and modifications are typically made to account for the limitations of the target language.

Double translation only really considers the original language but decentring allows for a "culturally and linguistically equivalent" translation to evolve during the course of the interviewing/surveying period. In this sense this method involves revision of the original instrument to fit the new research situation. Although the questionnaire or research instrument may be more accurate culturally and linguistically, it may also be more costly in terms of time and resources. Moreover, the length of the instrument may be increased by this method of translating.

In this research, the research instrument was a questionnaire which was originally written in English. As Arabic language is the first language in Egypt, the questionnaire needed to be translated into Arabic. The back translation method was used to translate the questionnaire into Arabic. Back translation has been described and is recognized as one of the most adequate translation processes (and Malhotra et al., 1996). A

bilingual who is aware of service marketing terminology, translated the English version into the Arabic language.

A second independent bilingual, who also has a marketing management background, took the results from the previous step and independently translated the instrument back into English language. The two English versions of the questionnaire were then compared for any inconsistencies, mistranslations, meaning, cultural gaps and lost words or phrases. Some differences were found and revisions were made with the help of the two bilinguals.

4.5.1.6 Translating and Pretesting the Questionnaire in the present study

After developing the initial version of the questionnaire and before translating it into Arabic, two academics at Plymouth University checked the English version in order to improve it in terms of content and construct validity.

Table (4.1) summarizes the feedback received from the academics and the subsequent action taken regarding the questionnaire translation, Berry (1980) suggested that the goal of translation is to obtain instruments that elicit responses that convey similar meanings to members of various groups (i.e. conceptual equivalence). This means that a literal translation of an instrument is not always sufficient for conveying the equivalent meaning of an instrument.

Five academics form Egyptian universities checked the Arabic version of the questionnaire to ensure that the items would be meaningful and capture the issues that were to be measured. The Arabic version of the questionnaire was pretested by conducting nineteen personal interviews: four with senior managers of the selected four banks and fifteen with more junior staff. The respondents faced no apparent difficulty in understanding and answering the questionnaire.

Table 4. 1: Feedback and Action Taken After Checking the English Version of the Questionnaire

Feedback	Action Taken
Using 5-point Likert in order to reduce respondent bias.	1=strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= agree strongly agree.
Wording some statements negatively specially when using staff self-evaluation of external service quality in order to reduce respondent bias.	The wording of some items was changed from positive to negative. For example section one of the manager questionnaires that measure the national culture of the Egyptian managers, there are some items were negatively reworded.
Some terms should be explained to respondents for example "work methods" in item 33 (Changes in work methods made to improve the quality of external customer service are clearly communicated to all employees and departments) should be clear to the respondent	This item was reworded to "Changes in work methods (for example, the introduction of new technology to provide a speedier service) made to improve the quality of external customer service are clearly communicated to all employees and departments".

4.5.2 Variables Operationalization and Validity and Reliability Analysis

To facilitate comparison, the measures were adapted from previous studies in marketing management and psychology. A detailed explanation of how the research constructs were measured will be

presented in this section. This section will also examine construct validity and scale reliability. Malhotra and Birks (1999, P.307) defined the validity of scale as: "The extent to which differences in observed scale scores reject true differences among objects on the characteristic being measured, rather than systematic or random error". Burns and Bush (2000) similarly argued that validity is the accuracy of responses to a measure. Therefore, validity is an assessment of the exactness of the measurement relative to what actually exists. In reality, there are a number of different ways of validating measurements. Content validity and construct validity are the prominent two types of validity analysis and arespecifically discussed below.

4.5.2.1 Content Validity

Content validity, sometimes called face validity, is based on the extent to which the scale items represent a constructs' measuring (Parasuraman et al., 1988) and the rigour with which this measuring is specified by the generated items (Sanders et al.,2009). Malhotra and Birks (1999); and Nunnally (1979) argued that content validity cannot be determined numerically because it is subjective.

It is, nevertheless, a systematic evaluation of how well the content of a scale represents the measurement task. In this research, content validity checks were performed on the internal and external service quality constructs to ensure that the items would be meaningful and capture the issues that were to be measured.

These content validity checks were performed in the following ways: firstly, by an exhaustive review of the literature which identified the main issues. Secondly, a detailed evaluation of these issues by academics interested in the subject. Thirdly, nineteen personal interviews as part of the pretesting process.

4.6 Mergers and Acquisition Financial performance Measurement

Cross-border M&As' bank performance was measured using the acquiring management's assessment of the extent to which the original performance expectations for the acquisition had been met. The instrument comprised three financial performance criteria synthesised from theoretical and empirical studies of acquisition objectives. Each item was measured on a Likert-type scale, anchored from 1 ('not met') to 5 ('fully met'). An attempt was made to identify a parsimonious set of variables to determine the underlying dimensions governing the full set of three measures of post M&As performance. These three items can be summarized in the following way: item 1: Return on Equity ROE; item 2: Return on investments (ROI); item 3: Market value to book value (MTBV).

4.7 Structural Equation Modelling (SEM) approach

This research takes a Structural Equation Modelling (SEM) approach in evaluating this relationship. Although other evaluation criteria can be used, SEM was deemed the most appropriate method. Hair et al (2010) provided a framework, which can be useful when deciding the

appropriate multivariate technique as an analysis tool (Hair et al. 2010). Under this framework, firstly one needs to consider the kind of relationship being evaluated (Hair et al. 2010). This can either be a dependence or interdependence relationship. For this research the relationship being investigated is a dependence relationship between project management quality and project performance (Hair et al. 2010). Secondly, having decided on the dependence relationship, one has to examine the number of variables being predicted.

This research used structural equation modelling as a recommended approach because the dependence relationship being examined involved multiple relationships of dependent and independent variables (Elizabeth and Li-Anne 2003).

4.7.1 Steps in Structural Equation Modelling

Hair et al. (2010) recommend a seven-step process in SEM. These steps are (Hair et al. 2010): -

1-Developing a theoretically based model; 2-Constructing a path diagram of causal relationships; 3- Converting the path diagram into a set of structural equations and measurement equations; 4-Choosing the input matrix type and estimating the proposed model; 5-Assessing the identification of the model equations; 6-Evaluating the results of goodness-of-fit and; 7-Interpreting and making the indicated modifications to the model if theoretically justified (Chow et al. 2004).

It is recognised that SEM takes a confirmatory approach. This therefore implies that the theoretically justified model would ideally be fully specified by the researcher (Chow et al. 2004). The strength and conviction with which causal relationships between variables can be attributed, relies strongly on the justification provided in the underlying theory. The dependence on a theory based model therefore provides a strong basis for the assumptions of causal relationships in SEM (Lin, Chow et al. 2004).

4.7.2 Strategies for Structural Equation Modelling

There are three generic strategies for testing structural equation models (Goreskog, 1993), namely strictly confirmatory, alternative models, and model generating. Under the strictly confirmatory strategy, the researcher postulates a single model based on theory, collects appropriate data, and then tests the fit of the hypothesized model to the sample data. From the results of this test, the researcher either rejects or fails to reject the model; no further modification to the model is made. Under the alternative models strategy, the researcher proposes several alternative (i.e. competing) models, all of which are grounded in theory. Following analysis of a single set of empirical data, the researcher selects one model as most appropriate in representing the sample data. Under the model generating strategy, when a hypothesised model is rejected on the basis of its poor fit to the sample data, the researcher proceeds in an

exploratory (rather than confirmatory) fashion to modify and re-estimate the model.

The primary focus is to locate the source of misfit in the model and to determine a model that better describes the sample data. This study followed the rules of thumb laid out by Hair et al (2010), i. e. Skewness should be less than 2, and kurtosis should be less than 7.

4.7.3 Converting a path diagram to a set of structural equation

The next step in SEM, after developing the theoretical model and depicting it in a path diagram, is the conversion of the specified structural model into a series of equations defining the two relationships between variables in the model (Zulu, 2007).

4.7.4 Specifying the measurement model

Once the structural model has been defined, the next step is to specify the measurement model. This defines the observed or manifest variables that are used to measure the latent constructs (Zulu, 2007; Byrne, 2010). Byrne (2001) notes that the measurement model is similar to confirmatory factor analysis as opposed to the commonly used exploratory factor analysis; this is because in exploratory principle component factor analysis the researcher does not have control over the loading (Zulu, 2007; Byrne, 2010). Once the measurement model is specified the researcher has to examine the reliability of the indicators. Hair et al (2010) noted two approaches in which reliabilities can be

incorporated. The first method estimates reliabilities empirically (Zulu, 2007; Byrne, 2010). The second method involves fixing the reliabilities. However, note that this is only appropriate when using (1) single item measures (2) previously established scales with known reliabilities or (3) a two-stage analysis estimating first the measurement model and the structural mode (Zulu 2007; Byrne 2010).

4.7.5 Choosing the input matrix type and estimating the proposed model

There are two matrices that can be used in SEM as the basis for its input data. These are the variance/covariance or correlations matrices (Byrne, 2010; Hair et al., 2010). A decision has to be made between the two types. Hair et al (2010) contend that the covariance matrix has the advantage of providing valid comparisons between different populations or samples (Zulu, 2007; Byrne, 2010).

4.7.5.1 Selected computer Program

Although there are many computer programs that can be used for SEM analysis, such as EQS, LISREL and AMOS (Kline 1998), the AMOS 18 programme was used in this research (Zulu, 2007; Byrne, 2010). The reason for the use of this software was that it was the only one available to the researcher. AMOS was developed by Bryne (2010).

4.7.6 Assessing the Identification of the Structural Model

Model identification refers to the degree to which a unique set of parameters is consistent with the data obtained (Byrne, 2010). There are

three solutions in SEM with respect to identification (Zulu, 2007; Byrne, 2010). Thus a model can either be (1) over-identified, (2) just-identified or (3) under-identified. In SEM the primary goal is to have a model that is over-identified (Hair et al., 2010). The order condition and the rank condition are some of the necessary rules, which can be used to assess the identification of a model (Hair et al., 2010).

4.7.7 Data Preparation and Method of Estimation

The Maximum Likelihood (ML) estimation method was used to estimate the parameters of the models, since ML is superior in terms of bias in parameter estimates and ML-based fit indices outperform those obtained from other methods (Hair et al., 2010). However, the ML estimation method assumes that data are univariate and multivariate normal (Baumgartner and Homburg, 1996). Since univariate normality is essential but not sufficient for establishing a multivariate normal distribution (Newsom, 2005), tests for both univariate normality and multivariate normality were conducted (Hair et al., 2010).

4.7.8 Evaluating Model Fit

Having completed the estimation process, the next step is to assess the fit of the model in comparison to the data obtained. Hair et al., (2010) proposed a process of checking the fit of the model, which includes; first, the need to perform some initial checks against all SEM assumptions. These assumptions include (Zulu, 2007; Byrne, 2010); (1) independent observations (2) measurement model (3) linearity of all relationships.

Second, having checked that these assumptions are met the researcher should then go on to check if there are any offending estimates (Zulu, 2007; Byrne, 2010).

4.7.1 Overall Model Fit

The AMOS software has advantages (Zulu, 2007; Byrne, 2010) in that it provides modification indices, which suggest ways for improving results (Zulu, 2007; Byrne, 2010). (See Appendix (F)) that shows the fitting model indices that have been approved by previous researchers whose models run by using AMOS software).

4.7.2 Mixing modes of data collection in surveys in cross-cultural studies

Survey researchers can choose from a wide range of methods of collecting information from sample members (Jowell, 1998). The most commonly-used methods or 'modes' of data collection include (Jowell, 1998):

(1) *face-to-face interviewing*, in which an interviewer typically visits a respondent in their home or at their place of work and administers the questionnaire in person (either using paper-and-pencil personal interviewing (*PAPI*) or computer-assisted personal interviewing (*CAPI*) in which the questionnaire has been programmed into a laptop or handheld computer);

(2) *telephone interviewing (or computer-assisted telephone interviewing – CATI)*, in which respondents participate in a survey either via a fixed-line telephone or their mobile phone; and

(3) *self-administered questionnaires (SAQs)*, in which respondents are invited to complete either a paper questionnaire, often as part of a postal survey; or a questionnaire hosted on the Internet (sometimes referred to as web-based computer-assisted self-interviewing or web-CASI).

In longitudinal, panel or cross-national surveys –there may be additional motivations for mixing modes (Jowell, 1998). For example, different modes may be better suited to the various stages of a longitudinal survey, depending on the type of data to be collected at different time points. Similarly, panel surveys may also benefit from the use of a range of modes for different purposes. For surveys conducted in more than one country there are further considerations (Jowell, 1998). As multi-nation surveys depend for their reliability on a kind of 'principle of equivalence' (Jowell, 1998), which applies to all aspects of the survey process, the most ambitious multinational projects tend to require all participating countries to employ the same mode of data collection (Jowell, 1998). Yet national variations in survey practice – including the experience of using different modes, the available infrastructure for conducting surveys in different modes, and the level of coverage offered by different modes cross-nationally – means that insisting on the same methods in all

countries may not always be the best way of ensuring that equivalent methods are used (Jowell, 1998).

4.7.3 Research interviews

Consequently, although the interviews commenced with unstructured questions, some probe questions were also incorporated in the interview protocol to ensure that interviewees' perceptions about critical issues identified in prior theory were raised. Also, the analysis of the qualitative data was based to some extent on prior theoretical considerations that have been raised in the literature review chapters (Chapters 2 and 3).

Following the development of the interview guide, in-depth face-to-face interviews were conducted with banks of cross-border M&A members and data were analysed initially at a single-case and subsequently at a cross-case level (Salzberger, Sinkovics et al., 1999).

To reiterate, culture is inherently a multi-level phenomenon. Usually, models of culture differentiate between individual, organizational and national levels of culture (Thurstone 1940; Singh 1995; Singh 1995; Salzberger, Sinkovics et al. 1999). The limited generalizability of relationships found at one level to other levels (a.k.a. ecological fallacy) has been known for decades. Sinkovics et al. (1999) warned about the fallacy of imputing correlations found for groups to individuals and vice versa almost 70 years ago (Sinkovics et al. 1999). For instance, a relationship between Individualism and wealth at the national level does

not necessarily mean that such a relationship will be present at the individual level (Thurstone 1940; Singh, 1995; Singh 1995; Salzberger, Sinkovics et al., 1999).

Other closely related equivalence issues beyond relationship findings are those of data aggregation, equivalence of instrument properties across levels and across cultures, levels of item wording and scale interpretation equivalence across cultures. We discuss each of these one by one (Sinkovics et al., 1999).

Our review of the culture survey instruments shows a frequent lack of correspondence between item wording and the intended level of measurement. For example, while Hofstede (1980) focuses on the national level of measurement, virtually all items in his instrument refer to individual preferences and experiences (Nasser & Takahashi, 2003).

Furthermore, while items in some instruments clearly differentiate between individual and societal levels (House et al., 2004), others do not. For example, items referring to both individual and societal practices are mixed along a single dimension in the individualism measure developed by: "I would not share my ideas and newly acquired knowledge with my parents" (individual level) and "These days, parents are too stringent with their kids, stunting the development of initiative" (societal level) (Bandalos, 2002; Nasser & Takahashi, 2003).

In addition to establishing measure equivalence across levels, a cross-cultural scholar must verify that the measure is functionally equivalent across cultures. Because of the trans-border nature of cross-cultural research, it is almost certain that the instrument will have to be translated into different languages (Nasser & Takahashi, 2003).

There are a number of challenges associated with item translation and the linguistic aspects seem to be the least problematic. It has long been recognized that a simple word-for-word translation is not adequate, especially if the item wording involves idioms, proverbs, or slang. Simple effective rules have been offered to deal with the purely linguistic challenges of translation, but the problem of item equivalence is a much deeper one and the traditional back and forth translation may not be sufficient to effectively address this challenge (Finney, 2001; Nasser & Takahashi, 2003).

Two types of cross-culture measurement equivalence issues have been recognized. First is the equivalence of scaling metrics (Nasser & Takahashi, 2003). This issue refers to whether respondents perceive scale anchors and intervals in the same manner when responding to items in different languages. For example, a "four" representing "agree" on a five-point Likert scale may be perceived as referring to quite a strong agreement in one language, whereas in another language it may be interpreted as only marginal agreement. The interpretation discrepancy is likely to increase as the scale range increases.

This is essentially the issue of intercept differences and can be corrected with techniques similar to those used to correct for extreme response style bias (Nasser & Takahashi, 2003).

Second is the equivalence of factor structure and instrument properties across languages. This implies that the factor structure of a measure and the instrument properties, such as reliability, must be equivalent across languages (Nasser & Takahashi, 2003). Factor analysis and Structural Equation Modeling could be employed to confirm model structure equivalence across languages (Nasser & Takahashi, 2003). Only 30.5% of the studies reviewed indicated that the model structure and instrument property equivalence had been verified across respondent groups that used different languages.

While the issue had been virtually ignored in the studies of the 80's, more than half of the reports published in the most recent decade indicated that the cross-language factor structure and instrument property equivalence had been analyzed (Nasser & Takahashi, 2003).

4.7.3.1 The reliability and validity used of culture measures

Reliability data has been reported for the vast majority of the reviewed culture survey instruments. Generally, reliabilities are assessed separately for each dimension included in the model. Based on the reports provided by the authors of the instruments, the overall average internal consistency reliability, as measured by Cronbach's alpha, was 0.72, ranging from 0.41 to 0.94 (See for example: Singh, 1995; Singh

1995; Salzberger, Sinkovics et al., 1999; Salzberger, Sinkovics et al., 1999; Nasser & Takahashi, 2003). The number, however, is somewhat lower based on the reports of the scholars who subsequently used the instruments in later research (Nasser & Takahashi, 2003). Average Cronbach's alpha was 0.67, ranging from 0.41 to 0.82. The internal reliability of Hofstede's VSM, the most popular instrument for quantifying culture, was moderate, averaging 0.68 across the original four factors (Nasser & Takahashi, 2003).

Unfortunately, Cronbach's alpha is usually the only reliability coefficient reported for culture measurement instruments. Test–retest reliability was reported only in twelve papers representing roughly 10% of the reviewed measures, averaging 0.58 and ranging from 0.35 to 0.76. Split-half reliability was reported only for six, mainly earlier culture measurement instruments (average 0.69) (Nasser & Takahashi, 2003). Based on the information provided in the studies that introduced reviewed culture measurement instruments, measure validity assessment was conducted in less than 30% of the cases, usually in the larger projects (Nasser & Takahashi, 2003).

Item generation and selection was primarily guided by face validity, as evaluated by the authors of the instruments and sometime by external experts. Once the data were collected, the validity of the measure was usually evaluated using criterion-related and convergent validity indicators (Nasser & Takahashi, 2003).

Given that cross-cultural research does not seem to deal with the issues of life and death, a reliability of 0.95 may be too high a standard, but on the other hand, an observed average Cronbach's alpha of 0.69 seems rather low (Nasser & Takahashi, 2003).

The suspiciously low internal consistencies of many of the reviewed culture measurement instruments may be related to the challenges of culture definition. Essentially, poor internal consistency suggests that the items are measuring multiple unrelated or marginally related constructs. As discussed earlier, construct contamination seems to be a problem of many of the reviewed measures, with values and practices or seemingly unrelated types of values lumped into a single dimension (Nasser & Takahashi, 2003).

Commonly-observed mixing of items referring to individual and societal levels and items that seem to relate to constructs other than culture, for example personality, further elevates the problem. It is strongly advised that cleaner, more refined and specific measures of culture are sought to improve measure reliability and precision (Nasser & Takahashi, 2003).

We also advocate a more comprehensive assessment for reliability and validity. Given that culture by definition is shared, stable measures of respondent agreement and temporal stability of the measure are essential to establish that what is measured is indeed a shared and stable construct.

A sole measure of internal reliability is certainly not sufficient and a more rigorous assessment is strongly recommended. Similarly, culture survey instrument validation should be done comprehensively including an assessment of face, content, construct validity (Nasser & Takahashi, 2003), as well as validation against various criteria, such as indices from other cross-cultural comparison studies and relevant external constructs such as economic, political, demographic, and if possible behavioural indicators.

If possible, the reliability and validity assessment should be done separately at each individual, group, and country level of analysis, unless the scope of the research project and the dataset does not permit for doing so (Bagozzi & Edwards, 1998; Bandalos, 2002; Little et al., 2002; Nasser & Takahashi, 2003).

4.7.4 The selection of cases

The number of cases in the present study was determined by theoretical sampling, in which cases were added until the incremental learning derived became negligible (Yin, 1994; Yeh and Lawrence, 1995; Very 2001; Fraenkel and Wallen, 2003; Gay and Airasian, 2003). In other words, the addition of new case studies stopped when theoretical saturation was reached. Six cases were included in the thesis in this study, three cases in each country. The two cross-border banks in the UK and in Egypt are chosen for the purposes of the exploratory case study research have exhibited some degree of British and Egyptian Cultural experiences in

cross-border M&As across the two countries: they are Barclays Bank and HSBC bank in the UK and Misr Bank and El Ahly Bank in Egypt. These cases were particularly chosen on the basis of advice from knowledgeable cross-border M&A region Egyptian managers in banking industry in both countries[1].

This research also sought to address cost and time concerns by geographically restricting the selected banks in the UK and Egypt (Huber and Power 1985).

4.8 Data analysis

The analysis of the qualitative data was based on an *inductive logic approach* and drew on recommendations by Yin, (1994), In particular, single case analysis preceded cross-case analysis. In addition, data emerging from within and cross-case study analysis procedures were analysed following the *constant comparative analysis approach* (Yin, 1994).

According to this method, as the research proceeded, new data were collected, and were constantly compared to prior data and theory in terms of categories and concepts (Huber and Power, 1985). When new data yielded novel or inconsistent information, conceptual categories and emerging theory were modified to reflect changes in data.

[1] The selection of the two cases was based on the advice of Dr. Ahmed El-Ghandor cross-border M&As region Egyptian managers – United bank of Egypt, and Dr.Tariq Foda, City Bank –Cairo Egypt.

This process was repeated until theoretical saturation was reached, that is until no new categories/concepts were generated out of the comparison of more recent data with prior data and theory (Yin, 1994). Qualitative data were analysed using the procedures recommended by Yin (1994), which emphasise the use of tables and diagrams for reducing and visualising data.

As noted above, the replication logic (which was used for the selection of cases) also proved critical for rigorous analysis of the case study data. In particular, during the analysis process, data were systematically arranged into categories by means of the (N vivo 8) data management software.

Specifically, both interviews and field notes were transcribed and subsequently indexed, using the indexing function. Regarding the single case analysis, key concepts were identified and appropriate nodes and sub-nodes were created (corresponding to themes and concepts); these were arranged in hierarchical trees (Huber and Power, 1985).

Data from multiple respondents within each cross-border M&As bank were compared and input into the appropriate nodes (through text searches and combinations) (Huber and Power, 1985).

The output of the single case analysis was essentially a set of tables, each one referring to a key theme/concept, whilst obvious relationships amongst key themes and concepts were also established. Regarding the cross-case analysis procedures, tables were prepared with the cases placed along the

horizontal axis and the key themes/concepts on the vertical axis. Cases were reanalysed in turn and constantly compared to previous cases, until theoretical saturation was reached (Huber and Power, 1985).

4.8.1 Multi-group structural equation model and confirmatory factor analysis

In CFA, factors are correlated (being an issue of discriminate validity) (Sinkovics et al. 1999) and thereby account for inter-item correlations across factors loading (Sinkovics et al., 1999). Hair et al. (2010) reveal that the configurable invariance requires this analysis for cross-cultural research in order to be the same across cultures or equality constrain "while the salient loadings may vary in terms of their magnitude" (Hair et al. 2010, p.45). Thus, both studies carried out by Hair et al. (2010) and results that if the model fits configural invariance holds, (evaluated by fitting summaries and statistics as the chi-square, which is simply the sum of all intra-cultural chi-squares, and practical fit indices like the RMSEA, the TLI, CFI and many others) (Hair et al., 2010).

4.8.2 Integrity of the case study research

The present study sought to validate the quality of the case study empirical evidence and achieve integrity in conducting case-study research through applying many of the numerous techniques recommended in the literature (Huber and Power 1985) on case study research, *Data- and between method- triangulation* was applied by collecting and comparing insights from multiple informants (within each bank) and using multiple methods

(interviews, data from observations and archival data. In particular, archival data and company documents were used either to support or to disconfirm the material collected from the interviews and field notes (Yin, 1994).

Reliability was established through the development of a retrievable case study database (Yin, 1994), and a case study protocol, which included the use of "table shells" to record data.

Construct validity was established by using multiple sources of evidence, the creation of a chain of evidence at the end of each case study, and through circulation of the case study report and interview transcripts to respondents (Yin, 1994).

Internal validity was established through a pattern matching logic and explanation building through interpretation and sequential inclusion of cases in order to establish causal relationships (Yin, 1994).

External validity was established through using theory in single case studies and using literal replication logic in multiple case studies in order to establish generalisability in the findings (Huber and Power, 1985).

4.8.3 Phases of data collection in Egyptian banks' sample

In this analysis of banks that have recently undergone M&A in the Egyptian banking sector during the period of banking reforms, the sample included registered M&A is taking place in the Egyptian banking sector

during the period from 2004-2007. The sample focused on acquiring banks, not target banks, due to the lack of availability of financial information. The sample was composed of 10 banks in total and was divided based on the home-country of the acquiring bank, producing two main groups; Cross-Border M&A and Domestic M&A See Table (4.2).

Table 4. 2: Selected Banks from recent Mergers and Acquisitions in Egypt

Date	Acquirer	Target	Value (L.E. Million)
Sept 04	Banque Misr	Misr Exterior Bank	N/A
Jun 05	Piraeus	Egyptian Commercial Bank	133
Sept 05	NSGB	Misr International Bank	2.204
Sept 05	Arab African International Bank	Misr American International Bank	240
Oct 05	National Bank of Egypt	Mohandes Bank	N/A
Dec 05	Blom Bank	Misr Romania Bank	498
Mar 06	Audi Bank	Cairo Far East Bank	94
Aug 06	Union National Bank	Alexandria Commercial and Maritime Bank	245
Aug 06	Ahli United Bank	Delta International Bank	583
Dec 06	Intresa San Paolo	Bank of Alexandria	9.215

Source: *CASE (2008).*

Although the size of the sample was relatively small compared to other studies conducted in the UK or Europe, it must be noted that the total number of M&As in the Egyptian banking sector is not quite as large as other countries, with the total number of banks at time of publication totalling 40 banks (Central Bank of Egypt, 2008).

4.8.4 Response rates and sample characteristics

The response rates of the present study are provided in the following Figure:

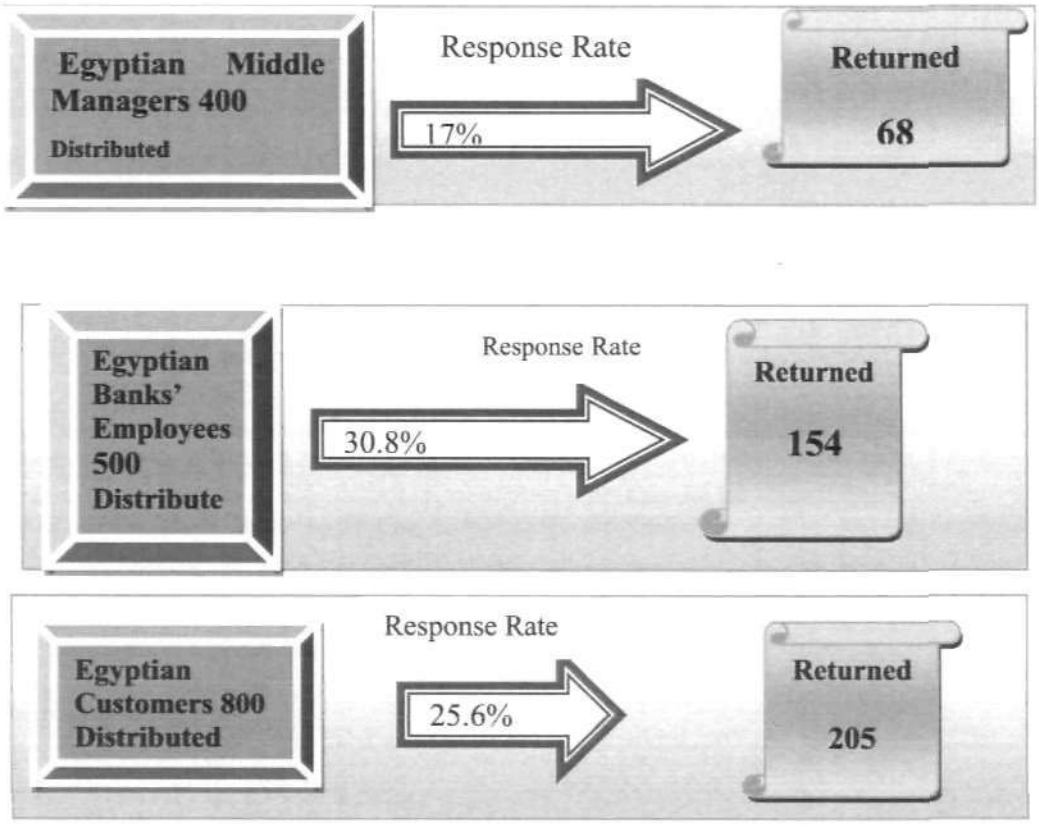


Figure 4.3: Response Rate

It is obvious that response rates vary for each group. However, it is still reasonable that we have (17%) as a response rates for the Egyptian middle managers. The overall response rate across the entire sample of Egyptian cross-border banks are (25.7%). The achieved rates are comparable to other recent studies involving large-scale surveys and targeting middle managers. Compared to the previous studies, the

response rates of the present study are highly satisfactory (James, 2002; Ahammad and Glaister, 2009).

4.8.5 Phase of data collection in the UK Banks, Sample

The Banking Industry in the UK has been subject to many external and internal forces since the 1980s (Nellis, 1998). Technology, in particular the Internet, is a key driver of internal changes. Internal change has been greatly amplified by the same factors such as internet, leadership and organisational structure and innovation.

The internal changes are causing major delivery changes. The synergies of these forces will bring about a major transformation of the banking sector. This part investigates briefly the definition and nature of retail banks in the UK and the financial services offered by these financial organisations. The total number and types of banks is also reported in this section as well as trends and developments of branches in the UK.

4.8.6 Numbers and Types of Banks in the UK

Casu et al (2006) report that the number of UK banks is relatively small compared with the other European countries. The total numbers of authorised banks fall from around 600 in 1985 to 346 by the end of February 2006. The decline in the total number of UK Banks is attributable to foreign banks which had UK operations.

*During the second half of the 1990s, a decline in the number of non-*European banks was offset by the increase of the presence of European

institutions. The investment banking industry is dominated by major US and European banks including Goldman Sachs, Morgan Stanley, Merrill Lynch, Lehman brothers, Deutsche Bank, UBS and Credit Suisse. In addition to that, the main UK banks have investment banking subsidiaries.

4.8.6.1 Development in Branches Number

Over the last two decades the UK banks and building societies have engaged in a significant reorganisation. This is associated with a decline in branch number that has occurred in the 1980s. Casu et al (2006) reports that there was a significant decline in the number of branches of UK retail banks while the introduction of ATMs at the branch and in remote locations grew significantly since 1985.

The reason for this shift from the branches to the other means of financial service delivery relates mainly to the UK retail financial organisation's desire to improve operating efficiency; and in addition to customers' demands to access banking services outside the traditional process through the branch.

Now, with the introduction of internet banking, customers can access their accounts and banking services anytime and anywhere that there are internet services, not necessarily during work hours. The decline in branches number and the restructuring of the system led to the decline in banks and building societies employment in the UK.

4.9 Analytical procedures used in the UK sample

The response rates of the thesis are provided in the following figure below:

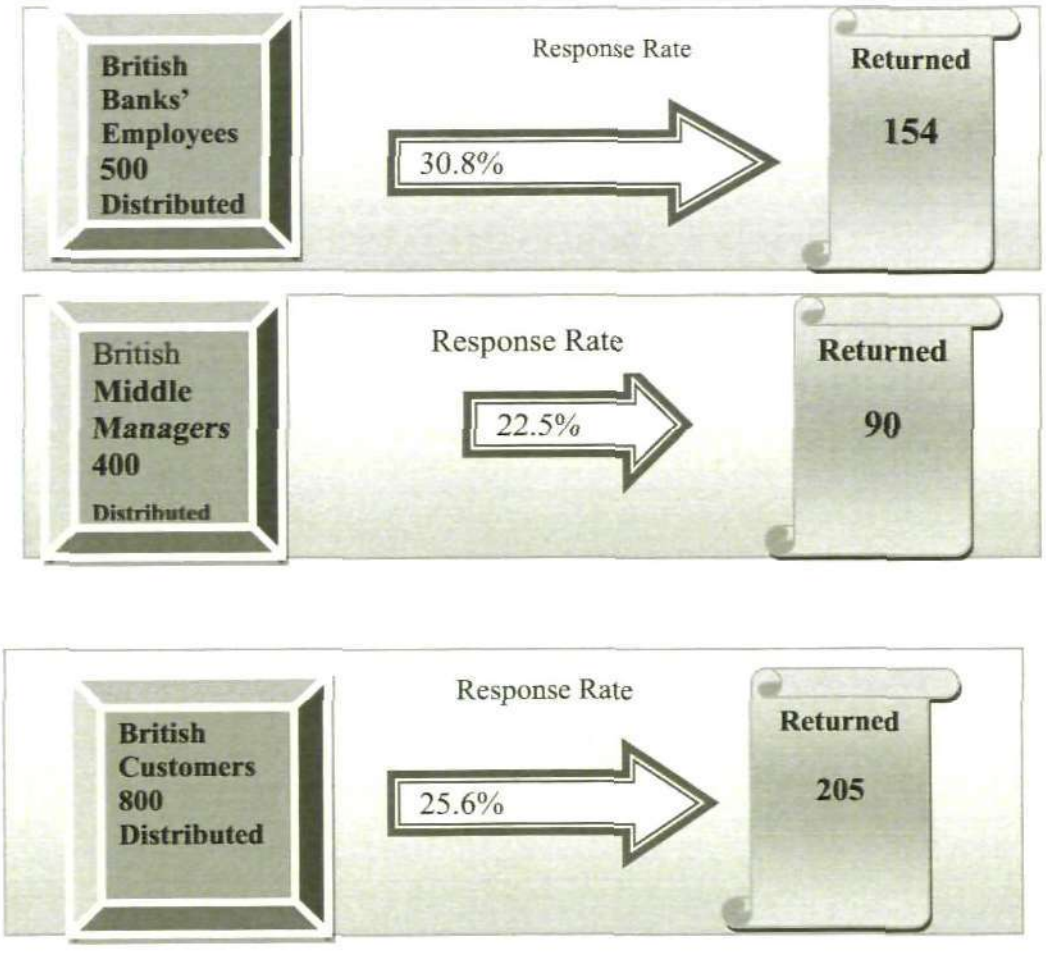


Figure 4. 4: Response Rate

It is obvious that response rates vary for each group. However, it is still reasonable that we have (22.5%) as a response rate for the British middle managers.

The overall response rate across the entire sample of British cross-border banks are (25.7%). The achieved rates are comparable to other recent studies involving large-scale surveys and targeting middle managers. Compared to the previous studies, the response rates of the present study are highly satisfactory (see Barkema, Bell et al., 1996; James, 2002; Ahammad and Glaister, 2009).

In general, the following factors are considered to have influenced the response rates in the UK: many of the cross-border M&As banks that declined participation in the study indicated that they had a corporate policy not to participate in mail surveys, since the number of questionnaires had become overwhelming. The general problem of research saturation has been acknowledged in relevant literature (Mohammad Faisal Ahammad and Glaister, 2009). In the following table (4.2) the researcher summarises the proxy variable used in the study for the Globe project national culture (House et al., 2006).

Table 4.2: Summary of proxy variables used in the study for independent Cultural Social based on GLOBE project (2006) and their definitions. PR = Predicted relationship between cultural constructs and as depicted by GLOBE authors and proxy variables (+) means positive relationships, (-) means negative relationships, and. Frequency of data M = monthly=quarterly, and A=annual.

NO.	Independent Variables	Definitions.	Specific Questionnaire Item.	PR
1-	Power distance	The degree to which members of a collective expect power to be distributed equally.	Followers are expected to obey their leaders without question.	(+)
2-	Uncertainty avoidance	The extent to which a society, organization, or group relies on social norms, rules & procedures to alleviate unpredictability of future events.	Most people lead highly structured lives with few unexpected events.	(+)
3-	Humane orientation	The degree to which a collective encourages & rewards individuals for being fair, altruistic, generous, caring & kind to others.	People are generally (should be generally) very tolerant of mistakes.	(+)
4-	Collectivism I:	The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.	Leaders encourage group loyalty even if individual goals suffer.	(+)
5-	Collectivism II	The degree to which individuals express pride, loyalty and cohesiveness in their organizations or families.	Aging parents generally live at home with their children.	(+)
6-	Assertiveness	The degree to which individuals are assertive, dominant & demanding in their relationships with others.	People are generally dominant.	(+)
7-	Gender egalitarianism	The degree to which a collective minimizes gender inequality.	Boys are encouraged more than girls to attain a higher education.	(+)
8-	Future orientation	The extent to which a collective encourages future-oriented behaviours such as delaying gratification, planning & investing in the future.	More people live for the present than for the future. (Scored inversely.)	(+)
9-	Performance orientation	The degree to which a collective encourages & reward group members for performance improvement & excellence.	Students are encouraged to strive for continuously improved performance.	(+)

Source: (House et al. 2006), p. 287

The first three scales are intended to reflect the same constructs as Hofstede's dimensions labeled Uncertainty Avoidance, Power Distance, and Individualism (House et al. 2006). The Collectivism I dimension measures societal emphasis on collectivism, with low scores reflecting

individualistic emphasis and high scores reflecting collectivistic emphasis by means of laws, social programs or institutional practices (House et al. 2006).

The Collectivism II scale measures group (family and/or organization) collectivism – pride in and loyalty to family and/or organization and familyand/or organizational cohesiveness. In lieu of Hofstede's Masculinity dimension, we developed two dimensions labeled Gender Egalitarianism and Assertiveness (House et al. 2006).

The previous chapters in this study emphasize the collectively shared, symbolic, and inherently, fuzzy characteristics of culture. In addition, the literature review in the present study has long suggested that cultural frameworks provide generalized guidelines or prescriptions for the way managers should interpret cross border M&As and interact with other followers of the group (House et al 2006).

According to House et al., (2006) culture is 'the pattern of shared beliefs and values that give members of an institution meaning, and provide them with the rules for behaviour in their organization" (House et al 2006 p.67). Researchers who focus on shared values as an integral part of culture have often attempted to link these values to measurable performance outcomes (Shahin, 2004); culture continues to be cited as an important

determinant of the success or failure of cross-border M&As performance (Shahin, 2004).

Shahin, (2004) similarly argues that 'the single most important determinant of corporate culture is the behaviour of the leadership. as leaders help followers negotiate, modify, and manage cultural similarities and differences in the post-merger environment (House et al 2006). The GLOBE leadership scales empirically examine cross-border post-M&A cultural leadership in an attempt to address the following research questions (House et al 2006):

1. What leader behaviours constitute leadership in Egypt and the UK?

2. Are there identifiable variants of cultural leadership?

3. Does leadership behaviour entail processes of post-cross-border M&A in banking environment?

Table (4.8) shows the expected relationship between each dimension of the leadership behaviours' twenty-one dimensions with the employees shared understanding values and the customers perceived services quality of the banking industry.

Table 4.3: The 21 GLOBE Leadership Scale

Scale Name	E .R¹	Items
Administratively Competent	(+)	Administratively skilled, Orderly, Organized, Good administrator.
Autocratic	(-)	Bossy, Autocratic, Domineering, Elitist, Ruler, Dictatorial.
Autonomous.	(+)	Autonomous, Independent, Unique, Individualistic.
Charisma 1: Visionary	(+)	Foresight, Intellectually stimulating, Future-oriented, Plans ahead, Visionary, Able to anticipate, Prepared, Anticipatory, Inspirational.
Charismatic 2: Inspirational	(+)	Enthusiastic, Positive, Encouraging, Morale booster, Motive arouser, Confidence builder, Dynamic, Motivational.
Charisma 3: Self-Sacrifice	(+)	Self-sacrificial, Convincing, Risk taker.
Conflict Inducer	(+)	Secretive, Intra-group competitor, Normative.
Decisive	(+)	Wilful, Logical Intuitive, Decisive.
Diplomatic	(+)	Diplomatic, Worldly, Win/win problem-solver, Intra-group conflict avoider, Effective bargainers.
Face-Saver	(+)	Indirect, Avoids negatives, Evasive.
Humane-Oriented	(+)	Generous, Compassionate.
Integrity	(+)	Sincere, Trustworthy, Just, Honest.
Modesty	(+)	Calm, Intelligent, Self-effacing, Patient.
Participative	(-)	Non delegator, Micro manager, Non-egalitarian, Individually oriented.
Procedural/Bureaucratic	(+)	Cautious, Habitual, Procedural, Ritualistic, Formal.

Source: House et al (2006).

The 21 GLOBE Leadership Scale ***Continue***

Scale Name	E .R	Items
Team 2: Team Integrator	(+)	Communicative ,Team-builder ,Coordinator Informed, Clear, Integrator, Subdued.
Self-Centred	(-)	Non-egalitarian, Unique, Longer, Asocial
Status Conscious	(-)	Status-conscious, Class conscious
Malevolent	(+)	Dishonest, Hostile Egotistical, Non cooperative, Dependable, Vindicative, Intelligent, Cynical.
Team 1: Collaborative Team Orientation.	(+)	Mediator, Loyal, Collaborative, Fraternal, Consultative, Group-oriented.
Performance-Oriented	(+)	Excellence-oriented, Performance-oriented, Improvement-oriented.

The author represents the national culture items of this thesis using the nine dimensions of the GLOBE project and leadership behaviours' items study as the following:

Table 4. 4: National culture items in the middle managers questionnaire

NO items	Statements
1.	In this society, orderliness and consistency are stressed.
2.	Most people lead highly structured lives with few unexpected events.
3.	In this society, societal requirements and instructions are spelled out in
4.	British society has rules to cover situations
5.	The way to be successful In this society is to plan ahead.
6.	In this society, the accepted norm is to plan for the future.
7.	In this society, social gatherings are planned well in advance.
8.	In this society, more people live for the present than for the future.
9.	A person's influence is based primarily on one's ability to the society.
10.	Followers are expected to obey their leaders without question.
11	In this society, people in positions of power try to increase their social distance.
12	In this society, rank and position in the hierarchy have special privileges.
13.	In this society, power is concentrated at the top.
14.	Males are encouraged more than females to attain a higher education.
15.	There is more emphasis on athletic programs for males.
16.	It is worse for a male to fail in school than for a female to fail in school.
17.	In this society, people are generally Physical.
18.	In this society, male is more likely to serve in a position of high office than female.
19.	In this society, people are generally very concerned about others.
20.	In this society, people are generally very sensitive towards others.
21.	In this society, people are generally friendly.
22.	In this society, people are generally tolerant of mistakes.
23.	In this society, people are generally generous.
21.	In this society, people are generally friendly.
22.	In this society, people are generally tolerant of mistakes.
23.	In this society, people are generally generous.
24.	People are generally assertive.
25.	People are generally dominant.
26.	People are generally tough.
27.	Leaders encourage group loyalty even if individual goals suffer.
28.	The economic system is designed to maximize individual interests.
29.	Being accepted by the other members of a group is very important.
30.	Group cohesion is valued more than individualism.
31.	Children take pride in the individual accomplishments of their parents.
32.	Parents take pride in the individual accomplishments of their children.
33.	Aging parents generally live at home with their children.
34.	Children generally live at home with their parents until they get married.
35.	Teen-aged students are encouraged to strive for continuously improved performance.
36.	Major rewards are based on performance effectiveness.
37.	Being innovative to improve performance is generally substantially rewarded.
38.	People place more emphasis on solving current problems.

Source: Author adopted from the work of House et al (2006)

Table 4. 5: The middle managers questionnaire

NO items	Statements	NO items	Statements
1.	Morale booster	31-	Egotistical
2.	Confidence builder	32-	Dictatorial
3.	Encouraging	33-	Elitist
4.	Trustworthy	34-	Non-egalitarian
5.	Honest	35-	Non-egalitarian
6.	Plans ahead	38-	Domineering
7.	Intelligent	39-	Logical
8.	Informed	40-	Communicative
9.	Foresight	41-	Team-builder
10.	Intellectually stimulating	42-	Group-oriented
11	Motivational	43-	Self-sacrificial
12	Enthusiastic	44-	Convincing
13.	Understand Shared Manager (new item)	45-	Motivational
14.	Motive arouser	46-	Dynamic
15.	Future-oriented	47-	Compassionate
16	Procedural	48-	Anticipatory
17	Formal	49-	Excellence-oriented
18	Patient	50-	Performance-oriented
19-	Orderly	51-	Improvement-oriented
20-	Cautious	52-	Loyal
21-	Egotistical	53-	Collaborative
22-	Collaborative	54-	Fraternal
23-	Habitual	55-	Consultative
24-	Avoids negatives	56-	Normative
25-	Good Administrator	57-	Decisive
26-	Just	58-	Ruler
27-	Calm	59-	Able to anticipate
28-	Self-effacing	60-	Wilful

4.10 Research Hypotheses:

In brief, the findings of the exploratory case-study research, synthesised with relevant previous literature, bring to light the relevance of the following research hypotheses:

Table 4.6: Hypotheses set (1) (culture effects on post financial performance- mediating by banking leadership behaviours in each country)

Hypothesis Description	
Egyptian Banks	**British Banks**
H1Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours in Egypt.	***H1UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours in the UK.
1.1 The Egyptian national cultural dimensions are strongly associated with the cross-border M&A post-financial performance in Egypt.	1.1 The British national cultural dimensions are strongly associated with the cross-border M&As post-financial performance in the UK.
1.2 The Egyptian national cultural dimensions are strongly associated with the Egyptian banking leaders' behaviours in the cross-border M&A banks In Egypt.	1.2 The British national cultural dimensions are strongly associated with the Egyptian banking leaders' behaviours in the cross-border M&A banks In the UK.
1.3 The Egyptian banking leaders' behaviours in the cross-border M&A banks are strongly associated with the cross-border M&As post-financial performance Egypt.	1.3 The British banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance in the UK.

4.11 Quantitative research: Survey as the complementary strategy

Cross-cultural research can provide helpful insights to executives facing global challenges. However, to be useful, cross-cultural research has to be based on sound theory and large-scale samples of a large number of cultures and Hofstede's (1980) seminal work was truly path breaking in this regard. In the following, the author summaries the validity and reliability tests of the case study.

4.11.1 Research sample

Given the importance of reaching generalizable conclusions from research work, the sampling issues become very important in determining the extent to which the research findings are generalizable. There are three vital decisions arising from sampling that should be considered, they are: the population and the sampling frame, the sample unit, and the sample size (Bums and Bush, 2000)..

4.11.2 The Population and the Sampling Frame

A population is defined as the entire group under study as specified by the objectives of the research project (Bums and Bush, 2000). The population in this study is all the cross-border acquired Egyptian and British commercial banks carried out M&As from 2004- 2007 in Egypt and the UK. The sample frame is a master list of all the sample units in the population.

Regarding the sample frame in this study, a list of the banks registered with the central bank of Egypt and central bank of England was used and the biggest four commercial banks were selected.

Four places have been chosen in each country in order to select the cross- border banking branches. In Egypt, All branches in Cairo, Alexandria, Giza and El-Daqahliya, also most of the branches in the UK which are located in London, Cardiff, Birmingham and Belfast were selected by the head offices of those four locations in Egypt and the

UK according to their size (small, medium and large branches) and location, in an endeavour to obtain a diverse sample. With respect to branch location, four locations in each country were selected.

Prior to posting the first wave of questionnaires, particular sampling issues had to be taken into account. Indeed, an important first step in conducting the mixed method research involved the particular selection of a representative sample of banks of cross-border M&A in different cultures.

Middle managers sampling decisions in this study differ from employees and banking customers. The authors uses mixed methods in collecting data from managers in the Egyptian and UK banks. The qualitative data collection used first from six case studies in Egypt and The UK. Then qualitative and quantitative methods were used by using questionnaire and cases studies. Finally, the large questionnaires survey was processed. In the following figure, Zone A consists of totally qualitative (QUAL) research with purposive sampling, whereas Zone E consists of totally quantitative (QUAN) research with probability sampling. Zone B represents primarily QUAL research, with some QUAN components (Charles Teddlie and Yu 2007). Zone D represents primarily QUAN research, with some QUAL components. Zone C represents totally integrated mixed methods (MM) research and sampling (see figure the following) (Teddlie and Yu 2007).

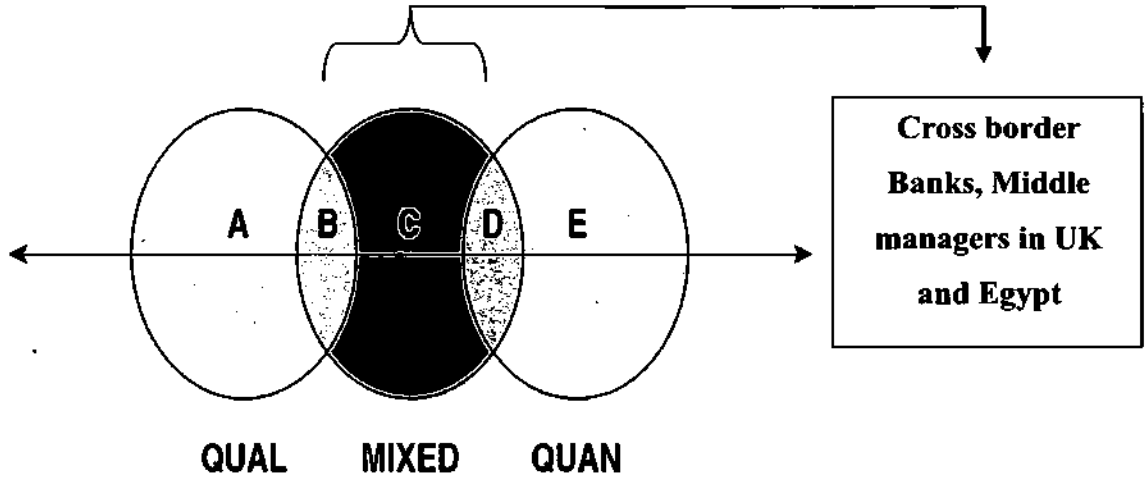


Figure 4. 5: Cross border Banks, Middle managers in UK and Egypt

The arrow represents the purposive-mixed-probability sampling continuum. Movement toward the middle of the continuum indicates a greater integration of research methods and sampling. Movement away from the centre (and toward either end) indicates that research methods and sampling (QUAN and QUAL) are more separated or distinct (Charles Teddlie and Yu 2007).

The selection of a sample of banking employees and customers involved decisions of the consideration of high street banks by geographical origin in Egypt and the UK. In the particular case of the present study, given a population of 43 acquired banks with 14,000 employees serving 150,000 customers and 52 banks in the UK with 15,000 employees and 150,000 customers in 2007, a ±7% precision

level and a 95% confidence level[2], a sample of a least 200 employees in Egyptian banks and 200 employees in the UK and 203 customers in each country was required (Glenn, 2003).

Non-response bias was checked by using two procedures (Hair et al 2010). (i) a test comparing early and late respondents along a number of key descriptive variables, (ii) a test comparing respondent and non-respondent firms with respect to their relative size and primary sector of operation. The t-tests of mean differences were insignificant, confirming no systematic bias between early respondents and late respondents, and the responding banks and non-responding banks (Hair et al 2010).

4.11.3 Employees Shared Understanding values dimensions

Table (4.7) shows the 16 items which were used to the measure management and employees Shared Values construct. The items were adapted from Schneider et al., (1998) that have drawn up a scale to measure the employees shared understanding values in the cross-border M&As of financial services companies in the European Union The study summarises the items used in the study measuring the employees shared understanding variable.

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[2] Sample size was determined based on combinations of commonly used criteria, such as precision confidence levels, and variability (Glenn, 2003). Sample sizes were derived using the following equation:

$$n = \frac{N}{1 + N(e)_2}$$

,where n = required sample size, N = size of population and e= level

Table 4. 7: Employees shared understanding values

NO	Statement
1.	Managers, in this bank, offer the necessary training to do my job well.
2.	Managers, in this bank, support my ability to deliver high standards of quality to the bank's customers.
3.	Managers, in this bank, provide my department with assistance in exchange for their efforts
4.	Managers, in this bank, provide me with feedback concerning my job.
5.	Managers, in this bank, cooperate to get the work done.
6.	My colleagues understand the results of banking service performance.
7.	Managers, in this bank, offer the opportunity to receive feedback to services delivered.
8.	Managers, in this bank, involve other employees in solving problems facing our department.
9.	Managers, in this bank, pay attention to the customer wants.
10.	Managers, in this bank, listen to employee suggestions.
11	Managers, in this bank, improve technology to meet customers' needs.
12	Managers, in this bank, talk enthusiastically about what needs to be accomplished.
13.	Manager, in this bank, directs his attention towards failure to meet standards.
14..	Managers, in this bank, communicate a clearly with us.
15.	Managers, in this bank, provide me with the necessary resources to do my job well.
16.	Managers, in this bank, set performance goals for my jobs.

In the following table (4.8) the author will present the second hypothesis of the thesis. The hypothesis tests the impact of national culture on post-performance through mediating the role of employees shared understanding values in the banking industry.

Table 4. 8: Hypotheses set (2) the impacts of culture on post financial performance- mediating the with the employees shared understanding values in each country

Hypothesis Description	
Egyptian Banks	**British Banks**
H2Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values in Egypt. 2.1 The Egyptian national cultural dimensions are associated with the employees shared understanding values in the cross-border M&As' banks In Egypt. 2.2 The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post-financial performance in Egypt.	***H2UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values in the UK. 2.1The British national cultural dimensions are associated with the employees shared understanding values in the cross-border M&As' banks In the UK. 2.2 The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post-financial performance in the UK.

4.12 Customers perceived services quality SERVQUAL in banking industry.

Parasuraman et al. (1988) developed a multiple item scale for measuring service quality called SERVQUAL SCALE fromthe exploratory research of Parasuraman et al. (1985) in which 10 dimensions of service quality were identified,. The works of other researchers examining Service quality served as the basis for the

development of SERVQUAL, a 21 items instrument for assessing banking customer perceptions of service quality in service and retailing organizations. In SERVQUAL, the 97 items relating to the 10 dimensions of service quality (Parasuraman et .al, 1985) are reduced to 22 items which relate to 5 dimensions (three original and two combined) An examination of these five dimensions suggests the following definitions:

(1) Tangibles: the appearance of physical facilities, equipment, personnel and communication materials.

(2) Reliability: the ability to perform the promised serviced dependably and accurately.

(3) Responsiveness: the willingness to help customers and provide prompt service.

(4) Assurance he knowledge and courtesy of employees and their ability to inspirit confidence.

(5) Empathy: the provision of caring individualized attention to customers. Of all these dimensions, reliability has emerged as the most important one from the customer's view point regardless of the service being studied (Berry et al., 1988).

Table 4. 9: Items List of SERVQUAL Measurement instrument

SERVQUAL Dimensions	Symbols	Items
Tangibles	TI	1. Has up-to-date equipment.
	T2	2. Physical facilities are visually appealing.
	T3	3. Employees are neat in appearance.
	T4	4. Materials are visually appealing.
Reliability	Rel 1	5. When promises to do something, it does so.
	Rel 2	6. Shows sincere interest in solving problems.
	Rel 3	7. Performs the service right the first time.
	Rel 4	8. Provides services at the time it promises.
	Rel 5	9. Keeps accurate records.
Responsiveness	Res I	10. Tells you when the service will be performed.
	Res 2	11. Gives prompt service.
	Res 3	12. Always willing to help.
	Res 4	13. Never too busy to respond to your requests.
Assurance	AI	14. Employees can be trusted.
	A2	15. Feel safe in your transactions with employee.
	A3	16. Consistently courteous.
	A4	17. Has knowledge to answer your questions
Empathy	EI	18. Gives individual attention.
	E2	19. Has operating hours convenient to you
	E3	20. Employees give personal attention
	E4	21. Has your best interests at heart
	E5	22. Employees understand your specific needs

SERVQUAL dimensions consist of 21 items (Berry et al., 1988). Half of these are intended to measure the consumer's expected levels of

service for a particular service (expectations). The other items are intended to measure the consumers perceived level of Service (perceptions) (Berry et al., 1988). The items are presenting a 5-point Likert response format and service quality is measured by calculating the difference between scores for the corresponding items (Berry et al., 1988) (i.e. perceptions minus expectations) contains the five dimensions and the (22) items of the SERVQUAL measurement instrument.

Table 4.10 Hypothesis set (2) the impact of culture on post financial performance-mediating the customer perceived services quality in each country

The SERVQUAL scale has been widely used by both academics and practicing managers to measure service quality (Berry et al., 1988). The thesis uses the scale to measure the impact of customer perceived services quality in the cross-border M&As on post-performance. The following table presents the third set of hypotheses that discusses the impact of national culture on the cross-border M&As post performance in the banking industry through mediating the role of customer perceived services quality.

Table 4.10: Hypotheses set (4) the impacts of culture on post financial performance- mediating the mediated by a combination of leaders' behaviours and employees' shared understanding values and the customers' perceived service quality in each country

Description	
Egyptian Banks	**British Banks**
H3Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values. 4.1The Egyptian Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks. ***H5Egy.*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and the customers' perceived service quality. 5.1 The Egyptian Leaders' behaviours are strongly associated with the customers' perceived service quality.	***H3UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values. 4.1The British Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks. ***H5UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and the customers' perceived service quality. 5.1 The British Leaders' behaviours are strongly associated with the customers' perceived service quality.
H6Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality.	***H6 UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality.
6.1 The Egyptian employees' shared understanding values are strongly associated with the customers' perceived service quality ***H7Egy.*** The Egyptian Leaders' behaviours are strongly associated with a combination of employees' shared understanding values and the customers' perceived service quality. 7.1The Egyptian Leaders' behaviours are strongly associated with a combination of	6.1 The British employees' shared understanding values are strongly associated with the customers' perceived service quality. ***H7UK.*** The British Leaders' behaviours are strongly associated with a combination of employees' shared understanding values and the customers' perceived service quality. 7.1 The British Leaders' behaviours are

employees' shared understanding values. 7.2The Egyptian Leaders' behaviours are strongly associated with a combination of and the customers' perceived service quality.	strongly associated with a combination of employees' shared understanding values. 7.2The British Leaders' behaviours are strongly associated with a combination of and the customers' perceived service quality.

The following table (4.11) presents the final hypotheses that tests the relationship between national culture impacts on the post-financial performance through mediating by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality in each country

Table 4. 11: Research full model hypothesis: the impacts of culture on post financial performance- mediating by a combination of leaders' behaviours and employees' shared understanding values and the customers' perceived service quality in each country

Description	
Egyptian Banks	**British Banks**
H8EGY. The impact of the Egyptian national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality in Egypt.	***H8UK.*** The impact of the British national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality in the UK.

In the following figure (4.6) the author shows the conceptual framework that summarises the thesis relationships and variables. It shows that the national cultural impacts on the post-financial performance in the banking industry measured both directly and indirectly.

Figure 4.6: Research Hypothesised structural model

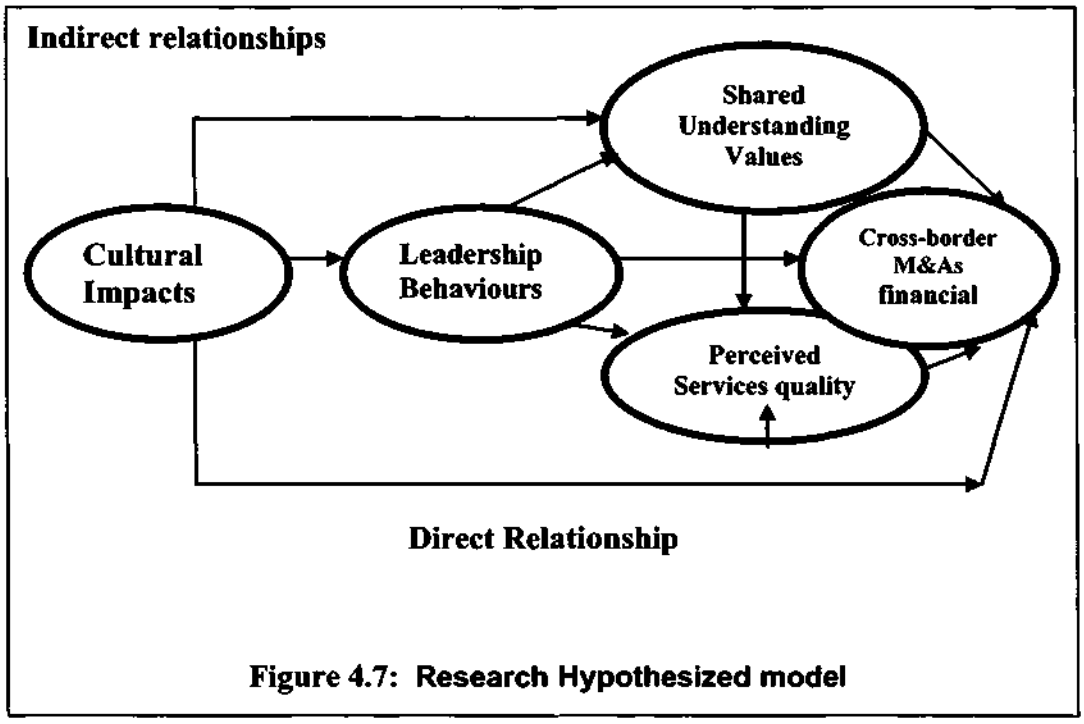


Figure 4.7: Research Hypothesized model

The direct measurement of the national culture dimensions impacts on post-performance presented in figure (4.6) below by one arrow that shows no mediator variable between the national culture and the post financial performance. The indirect measurement of national culture impacts on post-financial performance is through mediation of three variables; leadership styles, shared understanding values and customer perceived services quality. Each arrow that links between two main latent variables present hypnotized causal relationship of the thesis hypothesised structural model shown below.

4.13 Summary

This chapter described the research methodology followed in the present study in order to examine the topic of culture impacts on post financial performance. The methodological approach followed that is summarised in Table (4.12) below:

Table 4. 12: Summary of this study's methodological approach

Summary of this study's methodological approach	
Paradigm	• Multi-paradigm approach • Incorporates elements of both theory-building and theory-testing
Research design	Mixed methods: 1-Qualitative: exploratory case study research following an *inductive* logic for *hypothesis development* 2-Quantitative: large-scale survey research following a *deductive* logic for *hypothesis testing*
Data collection	1-Qualitative data: on-site observations, archival data, 6 *in-depth* interviews 2-Quantitative: middle managers, banks employees and customers responses of cross-border M&As' banks in each country.
Data analysis	1-Qualitative: within and cross-case analysis using the constant comparative method and content analysis 2-Quantitative: Multiple regression analysis and Structural Equation Modelling

This study followed a multi-paradigm approach in addressing its research objectives, incorporating elements of both theory-building and theory-testing research. Exploratory case-study research was particularly useful

for examining the investigated topic of culture post financial performance relationship (given the scarcity of relevant empirical literature) and as a sound basis for drawing specific research hypotheses. The case-study research was followed by a large-scale mail survey, allowing for the statistical testing of the derived hypotheses and also enhancing the generalisability of the findings.

Statistical analysis entailed two distinct approaches: first, examining each set of dependence relationships individually (using the SPSS software) and second, testing the entire model of interdependencies simultaneously (SEM using the AMOS (18) software). The findings of the Qualitative and quantitative researches in Egypt and the UK are presented in the following chapter (Chapter 5).

CHAPTER 5 DATA ANALYSIS

5.1 Introduction

This chapter summarises the data analysis techniques used to investigate the Egyptian and UK culture impacts on post cross-border M&As financial performance, discusses the results of the Egyptian and UK banks' sample and draws references to the current literature in relation to the research questions of this study.

The chapter is structured according to the theoretical framework developed by the researcher discussed in chapter three. This chapter classified into three sections. The first section present the qualitative methods results for the middle managers of the Egyptian and UK cross-border M&As' banks. The second section presents the findings of the Multiple Regression Analysis by SPSS (18) and Structural Equation Modelling (SEM) Analysis.

5.2 Qualitative research Procedure of Egypt and UK banks.

This part explains the procedures followed in the qualitative phase of the study of Egypt and The UK banks . An overview of the methodological design used in this qualitative phase is first presented followed by the research questions that guided the qualitative phase.

The underlying principle for deciding on the case study banks in Egypt and in the UK has been to select *"information rich cases"*, namely multinational subsidiaries, worthy of in-depth investigation (Patton, 1990, p. 181).

5.2.1 Qualitative Research Questions

The design of the questions for the interview phase was heavily influenced by the recommendations of Dilman (2002) who presented comprehensive reviews of the literature on questionnaire design (Dilman 2002). The interview questions generated were based on both the aims from the study and literature review. The questions were also checked against questions of similar studies (James, 2002).

5.2.1.1 How does the investigated cross-border M&A explain the impact of culture on post-financial performance?

Post-merger 'cultural differences ' are often blamed for disappointing cross-border M&As outcomes, but little research exists to guide organizations through the difficult process of cultural integration. In particular, the process of cultural leadership as an important influence on merging national cultures and subcultures has been only sporadically examined (Barkema, Bell et al. 1996; James 2002).

5.2.2 Qualitative data analysis: Egyptian Banks

The first cross-border M&A bank is Misr International bank. Misr International bank was established in 1975 as Egypt's second joint venture bank after Commercial International Bank (CIB). It was founded by the state-owned Banque Misr, First Chicago Bank of the US, Banca di Roma of Italy and British Arab Commercial Bank (BACB)(MIBank 2009). In 1993, first Chicago sold its stake to Banque Misr, which now owns a 26 percent share of the capital with a long-term plan geared towards satisfying its customers. MIBank expanded its retail services. Delta International Bank S.A.E. is main activity is providing all types of banking activities. Delta International Bank operates 26 branches across the country. Bank customers can expect that number to grow in the near future, as Ahli United Bank (Egypt) plans to execute an expansion strategy to serve the needs of customers throughout the country.

Between August 2008 and June 2009, six interviews in total three open and semi-structured interviews, three middle managers from Misr International bank two middle managers and financial manager's assistant from Delta International Bank and finally from Misr American International Bank Egypt S.A.E the author met 3 middle managers) 2 interviews were telephone and three interviews were personal. These were conducted with middle managers or their assistants who were either key decision makers or interface managers involved in the M&A. Using several sources of

information allows the author to triangulate data and thus improve the reliability and validity of the findings derived from the case material.

The interviews were recorded, transcribed, organised and grouped into meaningful categories. It was then coded in (N Vivo 8) software to help in the process of creating labelling and layering the connection between the identified categories.

We have summarized the culture- financial performance relationship in the third chapter of this study focusing on national cultural differences as determinants of acquisition performance (Teerikangas and Very 2006). However, instead of confirming the commonly expected and suggested negative impact of cultural differences on the performance of M&A, prior research has produced contradictory findings (Teerikangas and Very 2006).

Mr Ashraf Ahmed El-Ghamrawy (managing Director) from Misr International bank said that *"Culture refers to a shared and deeply held set of values and norms. Culture has a historical basis and through a process of socialisation, members within an organisation learn how to act accordingly. In my point of view, whilst cultural differences are frequently associated with poor performance for domestic M&As, the relationship seems to be inversed for cross border deals. Thus, differences in national*

cultures would appear not be an impediment, but a potential success factor for cross border acquisitions."

However, accourding toMr Mohamed Anwer (finance manager) from Delta International Bank" I *do believe that cross border acquisitions to perform better in banking industry as the distance between the national cultures involved increased. I suggest that the culture– performance relationship is more subtle and complex than is assumed theoretically".*

Dr Nabil El- besbeshy, financial manager of Misr American International Bank Egypt S.A.E, *argued that "I can say that the impact of national culture can result in the nationalistic bias of organizational members as human resources tend to react negatively to being acquired. However, the strength duration and dysfunctional effects of such reaction vary between different M&As. Nationalism could result from historical animosities and prejudices or pure chauvinism".*

The interviews carried out in Egypt, show that national culture has an effect on post performance of the banking industry in Egypt and that the impact is actually increased in the cross-border M&As process.

5.2.2.1 What are the importance of leadership behaviours on their followers in cross-culture Mergers and acquisitions in banking industry?

During the past thirty years of cross-border M&As research, it has been aurgued that cultural leadership behaviours play a vital role in the success and failure of many cross-cultural mergers and acquisitions However, there is no consensually agreed-upon definition of leadership (Bass, 1990) as has been explained in chapter three, a seemingly endless variety of definitions have been developed, but almost all have at their core the concept of influence-leaders who influence others to help accomplish group or organizational objectives (Bass, 1990).

The following quotes are indicative of such a causal relationship. During the Egyptian Middle banking managers' interviews, Mr Ashraf Ahmed El-Ghamrawy (managing Director) from Misr International bank said:

"Leadership is an instrumental culture, which concerns how leaders influence the accomplishment of work in any organizations. In addition, I point out that cultural leadership may be particularly likely to occur outside of formal leadership roles and independent of an organization's official hierarchy."

On the other hand, Mr Mohamed Anwer (finance manager) from Delta International Bank emphasized the importance of leadership on the followers and reported that a successful post-merger leader needs to be

able to explicitly recognize, understand, and utilize cultural differences at every step of a mergers and acquisitions or consolidation.

On the same track, according to Mr Mohamed Anwer (finance manager) from Delta International Bank and Dr Nabil El-Besbeshy financial managers of Misr American International Bank Egypt S.A.E, they started by mentioning that "*Arabs in general worship their leaders--as long as they are in power, and then they seek power and strength in their leaders.*"

Which shows that leaders in the Egyptian national culture is an important issues to be studded in the culture and performance relationship as they focus on the leadership impacts of Egyptians' performance in the Egyptian national cultural contents. Furthermore, based on their feedback, they recommended that "*Egyptian leaders might be advised early in the process to make a concerted effort to understand the histories and uniqueness of the groups involved, and keeps that knowledge at the forefront of any new initiatives*". Mr Mohamed Anwer (finance manager) from Delta International Bank describes his recommendations by saying that" *I think some of the problem came in is that we forgot the history. We weren't informed of what to expect, nothing. We didn't know there were those kinds of differences.*" His emphasis on historical background of the cultural relationship between leaders and Egyptian followers describes the importance of using the study of the Egyptian history to expect the nature and the behaviours of the Egyptian culture in the organisational practices.

To conclude, the Egyptian national culture has been recommended to be studed in terms of the Egyptian leadership behaviours which shape the followers values perceived in the organisational context. Organisational culture are more recommended to studied that social or national culture as the leadership behaviours in the Egyptian national culture are an important issues in the Egyptian employees and customer perceived values of the Egyptian banking system.

Cross-border M&As Banks In Egypt	Magnitude and Directionality	Mechanisms Used	Perceived impact on post-financial performance
Misr International bank	-Significant retalionship between culture and cross-border M&As post financial performance. *_Nationalistic bias of organizational members as* human resources and cross-border M&As post financial performance.	Corporate-wide meetings Cross-site teams	**Positive** *"....national cultures would appear not be an impediment, but a potential success factor for cross border acquisitions."* *"....national culture can result in the nationalistic bias of organizational members as* human resources tend to react negatively to being acquired..."
Delta International Bank.	Unknown relationship between culture and cross-border M&As post financial performance	Corporate-wide meetings Cross-site teams	**Neither positive nor negative** *"....I suggest that the culture–performance relationship is more subtle and complex than is assumed theoretically"*
The Misr American International Bank Egypt S.A.E.	the process of cultural leadership as an important influence on merging national cultures	Corporate-wide meetings Cross-site teams	**Positive** *"the process of cultural leadership as an important influence on merging national cultures"*

In the table (5.1), the author presents a summary of the interviews that have been handled in Egypt showing the points that the interviewees present while their answering on the questions. The answers show that

there is positive or negative effect of the Egyptian national culture on the post-performance of banking industry.

Table 5. 1: Causal relationships flow within culture-cross-border M&A post-Performance.

Source: the author.

The causal relationship between the national cultural impacts and post performance shows that there is a positive relationship between the national culture and post-performance. However, the Delta International Bank interview shows that the impacts of national culture are neither negative nor positive, in other words, there are no impacts from national culture on post-financial performance.

5.2.2.2 What is the importance of cultural equivalence as a shared meaning system in studying cultural fit impacts on post cross-border M&As in banking industry?

Given the crucial importance of measurement equivalence, as mentioned in chapter four, national cultural differences cause problems and harm cross border acquisition performance if the acquiring bank attempts to integrate the acquired unit into its corporate network (Mohammad Faisal Ahammad and Glaister, 2009).

As the severity of these difficulties increases with national cultural distance (Very et al., 1996), acquisition performance is likely to suffer to an increasing extent (Mohammad Faisal Ahammad and Glaister 2009). As mentioned in chapter three and four, when crossing cultural borders, the very meaning of a scale and classical quality indicators (Fischer, 2009) such as reliability may change . Thus, cross cultural researchers have been concerned with issues of equivalence (comparability or lack of bias of theoretical concepts and measures) in comparative individual level research (Fischer, 2009).

During the Egyptian Middle banking managers' interviews, Mr Ashraf Ahmed El- Ghamrawy (managing Director) agreed that culture represents an important element of mergers and acquisition process and its full strength is seen during an acquisition when two divergent cultures are forced to become one.

5.2.3 Qualitative data analysis: UK Banks

The first cross-border M&A bank is Barclays PLC. Barclays PLC is a global financial services company headquartered in London (Barclays 2008), United Kingdom. As of 2010, it is the world's 10th-largest banking and financial services group and 21st-largest company according to a composite measure. Barclays is organised within two business 'clusters' (Barclays 2008): Corporate & Investment Banking and Wealth Management, and Global Retail Banking (Barclays 2008).

The Corporate & Investment Banking and Wealth Management cluster comprises three business units: Barclays Capital (investment banking) (Barclay,s 2008), Barclays Corporate (commercial banking) and Barclays Wealth (wealth management) (Barclays 2008). The Global Retail Banking cluster comprises four business units: Barclaycard (credit card and loan provision), Barclays Africa, UK Retail Banking and Western Europe Retail Banking (Barclays, 2008).

The second cross-border M&A bank is Abbey National plc. Abbey National plc was a UK-based bank and former building society, which latterly traded under the Abbey brand name. It became a wholly owned subsidiary of Grupo Santander of Spain in 2004, and was rebranded as Santander in January 2010, forming Santander UK along with the savings business of the former Bradford & Bingley. Prior to the takeover, it was a constituent of the FTSE 100 Index (Barclays 2008).

In 1994, Abbey National purchased "James Hay" one of the UK's foremost independent providers of self-administered pensions and is one of the pioneer developments of SIPP's with the launch of in 1996 of the James Hay SIPP. James Hay then went on to grow and launched Abbey Wrap, the first Wrap service in which IFA's can keep the clients ISA, Offshore bonds and SIPP in one place. Abbey Wrap Managers was FSA approved in 2003. This was re launched as James Hay Wrap in 2005 (John Ayto and Crofton, 2005).

In August 1996, Abbey National merged with the National & Provincial Building Society, which was itself the product of a 1984 merger between the Provincial Building Society and the Burnley Building Society. This merger increased Abbey National's branch network by almost two hundred branches and brought in three million more customers (John Ayto and Crofton 2005).

In April 2000 Abbey bought Porter Brook from Stagecoach Group for £773 million. Porter Brook was one of the three railway rolling stock operating companies created from by the privatisation of British Rail, leasing rolling stock to the UK train operating companies (John Ayto and Crofton 2005).

The following sections, though incorporating tables that explicitly deal with each cross-border M&As bank in the UK, essentially focus on the findings of the cross-case analysis.

This was considered appropriate for the following two reasons: First, it is during cross-case analysis that stronger analytical findings can be produced, far beyond a mindless description of separate cases (Liouka 2007). Second, focusing on the results of the cross-case analysis addresses the research objectives of the present study without purposelessly extending the length of this thesis.

5.2.3.1 In the UK cross-border M&A banks

During the interviews the Barclays Bank middle managers emphasized that culture plays a key role in the integration process and consequently the overall success of M&As. Barclays Bank middle manager pointed out that ignoring cultural issues may impede seriously the merger process.

Also we find that cultural aspects of the post-M&A process are often given relatively little attention especially during the merger stages of the process. They reveal that differences in national culture are beneficial to an acquisition's performance if the level of post-acquisition integration is low—an argument in line with they emphasize on using the resource-based view, as seen in the next quote:

"*...argue that banks need to possess a diverse set of cultural practices in order to succeed.*"

Director Manager Assistant Barclays Bank

During the interviews with Abbey National plc, assistant middle managers started that think through cross-border mergers and acquisitions, banks gain access to a valuable set of new practices, which should enhance their performance. Abbey National plc, assistant middle managers emphasised the importance of building and maintaining national culture the British

banks as a strong national culture is a good tool for supporting cross-border mergers and acquisitions' post- performance in the British banking industry. On one hand, a culture and post –performance relationship was considered critical for organisational fit. Similarly, Nasser & Takahashi, (2003) recently defined cultural clash can be raised up dramatically in case the national culture is strongly differenced in the same industry. In order to improve banking post-performance and activities, national culture should be fit between cross-border mergers and acquisitions industries. Hence, a strong organisational cultural fit might enhance the organisational post-performance in the banking industry.

5.2.3.2 What are the importance of leadership behaviours on their followers in cross-culture Mergers and acquisitions in banking industry?

During the interview with the Abbey assistant Human Resources managers, the following quote expresser her point of view

"...leadership in a newly merged bank may entail a relatively complex interplay of both maintenance and innovation, as leaders help followers and customers negotiate, modify, and manage cultural similarities and differences in the post-merger environment..."

Human Resources Assistant Manager-Barclays Bank

The following quotes of the research cross-border M&A banks in the UK are indicative of such a causal relationship.

During the British Middle managers' interviews, ***Human resources assistant manager- Barclays Bank***

"Leadership is an instrumental culture, which concerns how leaders influence the accomplishment of work in any organizations. In addition, I point out that cultural leadership may be particularly likely to occur outside of formal leadership roles and independent of an organization's official hierarchy." ***Human resources assistant manager- Barclays bank***

5.2.3.3 What is the importance of cultural equivalence as a shared meaning system in studying cultural fit impacts on post cross-border M&As in banking industry?

Given the crucial importance of measurement equivalence, that we mentioned in chapter four mainly, the national cultural differences cause problems and harm cross border acquisition performance if the acquiring bank attempts to integrate the acquired unit into its corporate network (Ahammad and Glaister, 2009).

During the British Middle banking managers' interviews, ***Human resources assistant manager- Barclays bank*** recommends that Culture represents an important element of mergers and acquisition process and its full strength is seen during an acquisition when two divergent cultures are forced to become one. Combining different types of cultures, as mostly happens in M&A, is likely to have important consequences for organizational outcomes. And then he emphasise by asked:

"...So, How can we explain differences in work behaviour and attitudes across leaders, employees and customers from different cultural backgrounds?"

And:

"... Finally, the equivalence of research administration has to ensure that there are no specific variables (e.g., time-related factors like climate, political events like lections, and so forth..."

Human resources assistant manager- Barclays bank

The interview that made in the brtish banks show that all the interviewees say that the British national culture has a positive impacts of the post-performance.

5.3 Quantitative research and hypothesis testing

This part of this chapter presents the statistical analysis used in the quantitative research. In particular, two distinct multivariate data analysis methods are employed: multiple regression and multi group structural equation modelling (SEM). These two data analysis techniques are employed independently to test the proposed research hypotheses, as these were developed in the previous Chapter (Chapter 5), through a synthesis of relevant literature and the findings of the exploratory case-study research.

While multiple regressions are run to test particular dependence relationships amongst the constructs of the conceptual model, multi group

structural equation modelling (SEM) allows for testing all the direct and indirect causal relationship and, also the testing of the entire model simultaneously. Although the results of the two data analysis techniques to a great extent converge, some disparities are also evident.

5.4 Analytical procedures

Structural equation modelling has been used in this study in order to test the causal links specified in the theoretical model, what is not possible via standered regression analysis. The structural regression (SR) model has been tested following a two-step modelling approach where we first define an acceptable confirmatory factor analysis (CFA) and next an adequate SR model (Byrne 2010). Following Byrne (2010), we have specified a Structural Equation Model which consists of three main types of relationships. First, a measurement model is identified after performing confirmatory factor analysis.

5.4.1 Refinement of the constructs and measurement models (Confirmatory Factor Analysis).

The main concept of the confirmatory factor analysis (CFA) approach in cross-cultural analysis is a structural identity (Salzberger, Sinkovics et al. 1999) of the construct that the cultural researcher intended to be measured across cultures which is necessary and sufficient for conducting mean comparisons (Singh et al., 1990; Hambleton, Swaminathan et al,. 1991; Holzmüller, 1995; Mullen 1995; Singh, 1995; Singh, 1996; Sinkovics et al., 1999).

The measurement model in any research model has to apply to the relationships between latent variables(Salzberger, Sinkovics et al. 1999) and manifest variables (items in the questionnaires),and has to be defined first as a confirmatory factor analysis(Salzberger, Sinkovics et al. 1999) (CFA) model - driven by the substantive theory underlying the research (Salzberger, Sinkovics et al. 1999) project. This step is very important ,as it should be undertaken in any quantitative empirical (Salzberger, Sinkovics et al. 1999) research paradigm anyway and represents no additional research effort (Rasch 1960; Douglas and Craig, 1983; Balasubramian and Kamakura, 1989; Singh, Howl et al., 1990; Jain 1993; Mullen 1995; Singh, 1995; Singh, 1996; Usunier 1998; Sinkovics et al., 1999; Doll et al., 2008; Brady et al., 2009; Stankov and Lee, 2009).

However, to examine cross-cultural equivalence, these separate models need to be analysed simultaneously (Salzberger, Sinkovics et al. 1999) to test for cross-cultural invariance of the measurement model before fitting the structure model (Salzberger, Sinkovics et al., 1999).

For assessing *unidimensionality/consistency*, confirmatory factor analysis (CFA) was employed for the model, with indicators constrained to load only on their hypothesised underlying factors Table (5.2). A confirmatory analysis attempts to support a predefined hypothesised relationship, rather than examine all the possible relationships and select the one that has the

best statistical fit. Fit refers to the ability of a model to reproduce the data (essentially the variance-covariance matrix) (Zulu, 2007; Byrne, 2010).

To this end, confirmatory factor analysis was performed on a four-factor model, consisting of all the latent constructs proposed by the conceptual model (Zulu, 2007; Byrne, 2010). The issue of sample size was considered. It was noted that there was no clear recommendation as to the required minimum, though that there is need to have as many cases as possible (Zulu, 2007; Byrne, 2010).

It was anticipated that at least 100 cases would be achieved for the Egyptian middle managers. Therefore the response rate of 68 managers was below the expected minimum of 100 (Zulu, 2007; Byrne, 2010). Although the sample size of 63 was below the 100-200 recommended responses in structural equation modelling approach, it was still within the sample found in other studies (Zulu, 2007; Byrne, 2010).

Based on this, the sample size was considered as at least adequate to proceed with the use of SEM to evaluate the relationship between culture and cross-border post performance (Byrne, 2010 ; Hair et a., I 2010).

The effect of sample bias was also considered with respect to the significant number of non-responses. However the sample was drawn from banks that offered customer services management. Based on this, it

was considered that all potential respondents had the same characteristics and that both the banks that responded and those that did not respond had the same characteristics and therefore no non-response bias was expected (Byrne, 2010; Hair et al., 2010).

5.5 Item parcelling techniques in structural equation models for optimum solutions

The practice of item parcelling (combining items into small groups of items within scales or subscales) has received much recent attention in the structural equation modelling literature (Bandalos, 2002; Bandalos & Finney, 2001; Little, Cunningham, Shahar, & Widaman, 2002; Nasser & Takahashi, 2003). Perhaps, a reason for its recent popularity is its potential to serve as a data analysis panacea for a variety of data problems, primarily non-normality, small sample sizes, small sample size to variable ratio, and unstable parameter estimates (Bandalos & Finney, 2001). However, there are as many forms of item parcelling as there are reasons to conduct parcelling. In fact some of the proposed methods of item parcelling would appear to be having opposite effects (i.e., creating multidimensional parcels and creating unidimensional parcels).

5.5.1 Rationale Regarding Item Parcelling

Bandalos and Finney (2001) report that the three most common reasons researchers cite for using item parcelling are to: increase the stability of the parameter estimates (29%) improve the variable to sample size ratio (22.6%), and to remedy small sample sizes (21%).

However, the empirical evidence that parcelling is a desirable correction to these data problems is mixed,. In the majority of studies assessing the effectiveness of item parcelling to solve these data problems, item parcelled solutions have been compared to disaggregated analyses without item parcels. Bagozzi and colleagues, in a series of studies, reported that parcelling was actually preferred to disaggregate analyses in most cases because the measurement error is reduced with parcelled sets of items (Bagozzi & Heatherton, 1994; Bagozzi & Edwards, 1998). Yet, they recommend careful consideration of validity, uni-dimensionality, and level of specificity when constructing item parcels.

Nasser and Takahashi (2003) examined the behaviour of various fit indices as they varied both the number of parcels and number of items per parcel using Sarason's Reactions to Tests instrument. Their results support the use of parcels rather than individual items and using a strategy to construct item parcels in which there are fewer parcels but more numbers of items per parcel.

5.5.1.1 Establishing Measurement Validity and Reliability

For demonstrating the adequacy of the measurement model, unidimensionality/consistency (Indicators having one underlying construct and adequate model fit), reliability (indicators that are comparatively free of measurement error), and validity (construct manifestations actually measuring what they should) were examined:

1.Unidimensionality/consistency was assessed through confirmatory factor analysis and examination of the measurement model fit, i.e. its ability to reproduce the data (Hair et al 2010). 2. Reliability, was investigated using both the coefficient alpha (Cronbach's a), and the latent variable model - based Composite Reliability index (Fornell and Larcker, 1981). The latter measure is preferred in SEM, because it estimates reliability on the basis of actual measurement loadings (White et al, 2003). On the other hand, Cronbach's a underestimates reliability, essentially being a week lower bound reliability estimate (Byrne, 2010; (Hair et al., 2010). 3. Convergent validity was examined through the conservative measure of Average Variance Extracted (AVE) (Hair et al 2010), and based on the magnitude of factor loadings and the magnitude of accompanying t-values (Byrne 2010). 4. Discriminate validity was investigated by demonstrating that each construct AVE[3] is larger than its correlation with other constructs (Byrne 2010). Average Variance Extracted (AVE) $=\frac{(\sum \lambda i^2)}{(\sum \lambda i^2)+\sum Var\,(ei)}$, Where _ represents the squared multiple correlations and n represents the number of items (Hair et al., 2010).

[3] Average Variance Extracted (AVE) $=\frac{(\sum \lambda i^2)}{(\sum \lambda i^2)+\sum Var\,(ei)}$

5.5.2 Measurement models for National culture Confirmatory Factor Analysis in Egypt and the UK.

As mentioned above the first step of the study has been to achieve and carry out confirmatory factor analysis for the whole set of constructs culture and human side towered the cross-border M&A financial performance. GLOBE-scores have nine cultural dimensions: performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, gender egalitarianism, power distance, and uncertainty avoidance. GLOBE-scores have been developed for both practices and values. This study used the practices scores because they measure actual rather than ideal differences as we explained in chapter three of this study.

5.5.2.1 The confirmatory factor Analysis of the Egyptian national culture and leadership style:

In table (5.2), the author presents the Egyptian national culture dimensions and the Egyptian leadership styles using the GLOBE project scale measurements. The single and the second order confirmatory factor analysis using AMOS summarise the main dimension of the Egyptian national cultural dimensions into four dimensions they are: (1) power distance and uncertainty avoidance; (2) human orientation and gender egalitarianism; (3) Future Orientation Collectivism 2, 1; (4) Performance Orientation Assertiveness Societal Practices. The Egyptian leadership styles are as following: (1) Participative and Autocratic; (2) Orderly Organizer ;(3) Performance Oriented and Charismatic;(4) Administratively and finally (5) Diplomatic see table (5.3).

Table 5. 2: Single Factor Analysis of social culture of Egypt

Symbol	Egypt National Cultural Dimensions and items	Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
(1) Power Distance & Uncertainty Avoidance Societal Practices					
EN C229	A person's influence is based primarily on one's ability and contribution to the society.	0.938(34.7)	0.843	51%	0.76
EN C221	In Egypt, followers are expected to obey their leaders without question.	0.924(33.2)		55%	0.80
EN C222	People in positions of power try to increase their social distance from less powerful individuals.	0.911(31.6)		48%	0.78
EN C238	In Egypt, rank and position in the hierarchy have special privileges.	0.889(29.1)		58%	0.82
EN C213	In Egypt, power is concentrated at the top.	0.877(28.8)		60%	0.84
EN C205	In Egypt, children generally live at home with their parents until they get married.	0.859(28.1)		79%	0.91
EN C226	In Egypt, orderliness and consistency are stressed.	0.836(27.5)		50%	0.76
EN C210	In Egypt, most people lead highly structured lives with few unexpected events.	0.818(26.7)		49%	0.76
EN C235	Societal requirements are spelled out in detail so citizens know what they are expected to do.	0.808(26.3)		56%	0.76
EN C202	Egypt has rules to cover situation.	0.759(25.7)		48%	0.79
EN C233	The way to be successful in Egypt is to plan ahead.	0.722(26.2)		45%	0.71
EN C218	In Egypt, the accepted norm is to plan for the future.	0.714(24.3)		42%	0.72
EN C217	In Egypt, leaders encourage group loyalty even if individual goals suffer.	0.702(20.1)		55%	0.84

(2)	**Humane Orientation & Gender Egalitarianism Social practices**				
EN C203	In Egypt, people are generally physical.	0.871(19.5)	0.80	79%	0.91
EN C236	In Egypt, male is more likely to serve in a position of high office.	0.866(19.6)		60%	0.76
EN C211	In Egypt, there is more emphasis on athletic programs for males.	0.820(18.4)		51%	0.80
EN C227	In Egypt, it is worse for a male to fail in school than for a female to fail in school.	0.812(17.3)		55%	0.80
EN C237	In Egypt, people are generally sensitive towards others.	0.774(17.3)		48%	0.78
EN C212	In Egypt, people are generally friendly.	0.735(17.0)		58%	0.83
EN C228	In Egypt, people are generally concerned about others.	0.723(16.6)		68%	0.85
E N C204	In Egypt, people are generally tolerant of mistakes.	0.704(15.7)		79%	0.91
(3)	**Future Orientation Collectivism 2 ,1 Societal Practices**				
E NC208	In Egypt, children take pride in the individual accomplishments of their parents.	0.932(32.7)	0.84	56%	0.84
E NC224	In Egypt, parents take pride in the individual accomplishments of their children.	0.894(32.0)		52%	0.78
E NC216	In Egypt, aging parents generally live at home with their children.	0.857(30.4)		58%	0.82
E NC207	In Egypt, social gatherings are planned well in advance.	0.848(26.0)		60%	0.84
E NC223	In Egypt, more people live for the present than live for the future.	0.807(21.6)		76%	0.93
E NC215	In Egypt, people place more emphasis on solving current problems.	0.796(20.4)		58%	0.72
E NC225	The economic system in Egypt is designed to maximize individual interests.	0.753(19.2)		59%	0.71
(4)	**Performance Orientation Assertiveness Societal Practices**				
E N C206	In Egypt, teen-aged students are encouraged to strive for improved performance.	0.766(26.2)	0.72	75%	0.94
E N C214	In Egypt, major rewards are based on performance effectiveness only.	0.751(25.2)		50%	0.71
E N C230	In Egypt, being innovative to improve performance is generally nearly substantially.	0.731(23.7)		49%	0.68
E N C232	In Egypt, people are generally assertive.	0.714(23.1)		51%	0.76
E N C231	In Egypt, people are generally dominant.	0.698(22.2)		55%	0.80
E N C234	In Egypt, people are generally tough.	0.667(19.3)		67%	0.73

Notes: Extraction method: principal component analysis; Rotation Method: Varimax with kaiser Normalisation.

Table 5. 3: Single confirmatory factor analysis of Leadership behaviours in Egypt

Dimension (1)						Dimension (2)					
Participative and Autocratic		Standardized loadings (t-Value)	Cronbac h's α	Average Variance Extracted (AVE)	Composite Reliability (CR)	Orderly Organizer		Standardized loadings (t-Value)	Cronbac h's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
Symbol	Items			54%	0.73	Symbol	Items				
E LS 348	Bossy	0.940		53%	0.78	E LS 338	Procedural	0.938(33.7)		60%	0.79
E LS331	Autocratic	0.934		48%	0.78	E LS 322	Cautious	0.961(32.3)		79%	0.81
E LS357	Domineering	0.925		58%	0.82	E LS 330	Patient	0.956(31.2)		57%	0.76
E LS352	Elitist	0.915		58%	0.74	E LS 326	Orderly	0.942(31.1)		53%	0.72
E LS339	Ruler	0.901		79%	0.91	E LS 334	Egotistical	0.928(30.7)		51%	0.76
E LS323	Dictatorial	0.884	0.888	50%	0.76	E LS 351	Collaborative	0.80(29.8)	0.856	55%	0.78
E LS335	Non-egalitarian	0.862		50%	0.72	E LS 355	Habitual	0.776(18.5)		49%	0.79
E LS344	No delegator	0.793		51%	0.76	E LS 342	Avoids negatives	0.675(17.9)		71%	0.73
E LS356	Loner	0.723		55%	0.75	E LS 311	Good administrator	0.621(17.7)		59%	0.74
E LS312	Asocial	0.689		49%	0.76						
E LS327	Cautious	0.656		71%	0.75						
E LS318	Individually oriented	0.638		59%	0.73						
E LS306	Domineering	0.623		71%	0.74						
E LS308	Micromanage	0.607		77%	0.75						

Performance Oriented and Charismatic		Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
Symbol	**Items**				
E LS 333	Loyal	0.811	0.632	60%	0.78
E LS325	Collaborative	0.764		63%	0.80
E LS310	Fraternal	0.731		58%	0.75
E LS350	Consultative	0.704		56%	0.76
E LS354	Normative	0.680		53%	0.73
E LS346	Decisive	0.639		57%	0.79
E LS329	Excellence	0.625		50%	0.76
E LS341	Performance-oriented	0.620		50%	0.72
E LS337	Improvement-oriented	0.588		53%	0.73
E LS 319	Anticipatory	0.562		49%	0.77

Administratively Competent		Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
Symbol	**Items**				
E LS 332	**Self-sacrificial**	0.789(29.4)	0.623	53%	0.76
E LS320	Motivational	0.764(28.2)		58%	0.76
E LS328	Dynamic	0.718(27.1)		56%	0.73
E LS324	Organized	0716(26.1)		58%	0.72
E LS336	Anticipatory	0.715(25.0)		53%	075
E LS309	Formal	0.721(24.4)		46%	0.72
E LS345	Ritualistic	0.701(18.3)		52%	0.76
E LS340	Secretive	0.663(15.3)		52%	0.73

Dimension (5)

Diplomatic		Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
E LS 327	Diplomatic	0.814(24.1)	0.72	53%	0.73
E LS 352	Worldly	0.722(19.2)		49%	0.77
E LS 333	Effective bargainers	0.715(18.4)		52%	0.76

Notes: Extraction method: principal component analysis; Rotation Method: Varimax with kaiser Normalisation.

Table 5. 4: Egyptian national culture and leadership behaviours item parcels

Construct	Item parcel New Item	Dimension
Egyptian National culture (ENC)	**ENC 1**	Power Distance & Uncertainty Avoidance Societal Practices
	ENC 2	Humane Orientation & Gender Egalitarianism Social practices
	ENC 3	Future Orientation Collectivism 2 &1Societal Practices
	ENC 4	Performance Orientation Assertiveness Societal Practices
Egyptian Leadership Behaviours (ELB)	**ELB1**	Participative and Autocratic
	ELB2	Orderly Organizer
	ELB3	Performance Oriented and Charismatic
	ELB4	Administratively Competent
	ELB5	Diplomatic

All the culture and leadership constructs were measured by three indicators as proposed by Hair et al (2010). They indicate that solutions from parcelled data with more items per parcels results in more normality, validity, continuity, and reliability than from parcelled data with fewer items per parcel. Although, the items indicated that some indices ($\chi 2/df$ and RMSEA) were less consistent and generally had better fit when more parameters in the model were estimated. As Hong (1999) point out, parcelled solutions can be expected to provide better models of fit because a) they have fewer parameters to estimate, b) they have fewer chances for residuals to be correlated, and c) they lead to a reduction in sampling error.

Shahar, and Widaman (2002) list three reasons that parcelling can be advantageous over using the original items: 1) estimating large

numbers of items is likely to result in spurious correlations, 2) subsets of items from a large item pool will likely share specific sources of variance that may not be of primary interest, and 3) solutions from item-level data are less likely to yield stable solutions than solutions from parcels of items. However, if the latent construct is not unidimensional, it is likely that the item parcels will also be multidimensional that that it will be difficult to define what the latent construct (Nasser & Takahashi, 2003) actually is because the structure will be a confounding of the primary factor and systematic variance that is shared across parcels.

Table 5. 5: Single confirmatory factor analysis of the employees shared understanding values in Egypt

Items	Statement	Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
D1	**Egyptian Shared Understanding Value 1**		0.83		
1.	Managers, in this bank, offer the necessary training to do my job well.	0.929(29.9)		52%	0.71
2.	Managers, in this bank, support my ability to deliver high standards of quality to the bank's customers.	0.916(23.2)		50%	0.74
3.	My colleagues understand the results of banking service performance.	0.888(27.6)		49%	0.72
4.	Managers, in this bank, pay attention to the customer wants.	0.868(26.3)		51%	0.74
D2	**Egyptian Shared Understanding Value 2**		0.789		
5.	Managers, in this bank, listen to employee suggestions.	0.839(26.4)		58%	0.78
6.	Managers, in this bank, communicate a clearly with us.	0.811(24.6)		57%	0.74
7.	Managers, in this bank, provide me with the necessary resources to do my job well.	0.756(22.4)		48%	0.71

Notes: Extraction method: principal component analysis; Rotation Method: Varimax with kaiser Normalisation.

Table 5. 6: Single confirmatory factor analysis of customers perceived services quality in Egypt

SERVQUAL Dimensions	Symbols	Items	Standardized loadings (t-Value)	Cronbach 's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
Tangibles	TI	Has up-to-date equipment.	0.931(33.4)	0.823	54%	0.78
	T2	Physical facilities are visually appealing.	0.923(30.8)		51%	0.76
	T3	Employees are neat in appearance.	0.922(29.4)		55%	0.80
	T4	Materials are visually appealing.	0.871(29.2)		48%	0.78
Reliability	Rel 1	When promises to do something, it does so.	0.855(28.1)	0.819	58%	0.82
	Rel 2	Shows sincere interest in solving problems.	0.837(27.2)		57%	0.84
	Rel 3	Performs the service right the first time.	0.829(26.5)		59%	0.91
	Rel 4	Provides services at the time it promises.	0.816(25.7)		50%	0.76
	Rel 5	Keeps accurate records.	0.788(24.3)		49%	0.76
Responsiveness	Res I	Tells you when the service will be performed.	0.868(27.7)	0.81	56%	0.76
	Res 2	Gives prompt service.	0.859(26.5)		48%	0.79
	Res 3	Always willing to help.	0.842(24.2)		45%	0.71
	Res 4	Never too busy to respond to your requests.	0.834(23.7)		42%	0.72
Assurance	AI	Employees can be trusted.	0.948(33.8)	0.803	55%	0.84
	A2	Feel safe in your transactions with employee.	0.933(21.2)		50%	0.74
	A3	Consistently courteous.	0.928(30.6)		51%	0.76
	A4	Has knowledge to answer your questions	0.771(23.8)		55%	0.80
Empathy	EI	Gives individual attention.	0.795(24.1)	0.66	48%	0.78
	E2	Has operating hours convenient to you	0.777(22.9)		58%	0.82
	E3	Employees give personal attention	0.749(18.3)		60%	0.84
	E4	Has your best interests at heart	0.726(16.5)		79%	0.91
	E5	Employees understand your specific needs	0.731(15.4)		50%	0.76

Notes: Extraction method: principal component analysis; Rotation Method: Varimax with kaiser Normalisation.

The standardised factor loading (Regression weights),and composite reliability show acceptable results for the Multi-Sample Model as shown in the above tables Indeed, reliability of factor loadings are higher for all constructs in all countries (above 0.5) and t-values associated with the loadings are all significant ($p<0.001$), implying a satisfactory convergent validity (Hair et al, 2010).

Two additional parameters are important in examining the internal consistency of the model, which include composite reliability (which must be >0.7) that are 1- Egyptian Shared Understanding Value Managers, in this bank, pay attention to the customer wants in table 5.5 (D1,item 4 DR= 0.74); 2-. Effective bargainers (in table 5.3 DR= 0.71), internal consistency reliability, measured by Cronbach's a, (which must be >0.7), extracted validity (which must be >0.5) and discriminate validity (correlations among constructs <0.85) (Hair et al, 2010). For every construct, all composite reliabilities are greater than 0.7 and all Cronbach's a are over 0.7 but for construct E LS340 which is above 0.6, thus we can say that reliability is acceptable. Regarding the variance extracted, it is 0.50 or higher for all cases.

5.5.2.2 The confirmatory factor analysis of the British national culture and leadership style.

The following tables present the national culture the leadership styles of the UK banks as the following:

Table 5. 7: Single Factor Analysis of social culture of in the UK

Symbol	UKpt National Cultural Dimensions and items	Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
	(1) Performance Orientation & Humane Orientation Societal Practices				
UKNC203	In the UK, people are generally physical.	0.921(32.7)	0.829	56%	0.84
UKNC236	In the UK, male is more likely to serve in a position of high office.	0.924(32.3)		52%	0.78
UKNC211	In the UK, there is more emphasis on athletic programs for males.	0.891(30.5)		58%	0.82
UKNC227	In the UK, it is worse for a male to fail in school than for a female to fail in school.	0.889(29.1)		60%	0.84
UKNC237	In the UK, people are generally sensitive towards others.	0.877(28.8)		76%	0.93
UKNC212	In the UK, people are generally friendly.	0.859(28.1)		58%	0.72
UKNC228	In the UK, people are generally concerned about others.	0.831 (27.5)		59%	0.71
UKNC204	In the UK, people are generally tolerant of mistakes.	0.848(26.2)		55%	0.75
UKNC203	In the UK, people are generally physical.	0.828(26.3)		75%	0.94
UKNC202	UK has rules to cover situation.	0.729(25.7)		50%	0.71
UK N C206	In the UK, teen-aged students are encouraged to strive for improved performance.	0.723(26.2)		49%	0.68
UKN C214	In the UK, major rewards are based on performance effectiveness only.	0.710(24.3)		51%	0.76
UK N C230	In the UK, being innovative to improve performance is generally nearly substantially.	0.700(19.1)		55%	0.80

Notes: Extraction method: principal component analysis: Rotation Method: Varimax with kaiser Normalisation.

(2)	**Future Orientation Collectivism 2 ,Societal Practices**				
UKNC203	In the UK, people are generally physical.	0.861(20.5)	0.818	76%	0.80
UKNC236	In the UK, male is more likely to serve in a position of high office.	0.846(19.6)		54%	0.74
UKNC211	In the UK, there is more emphasis on athletic programs for males.	0.832(18.9)		51%	0.80
UKNC227	In the UK, it is worse for a male to fail in school than for a female to fail in school.	0.842(17.3)		55%	0.80
UKNC237	In the UK, people are generally sensitive towards others.	0.774(17.3)		48%	0.78
UKNC212	In the UK, people are generally friendly.	0.725(16.0)		58%	0.83
UKNC228	In the UK, people are generally concerned about others.	0.713(16.6)		68%	0.85
UKNC204	In the UK, people are generally tolerant of mistakes.	0.702(14.7)		78%	0.82
(3)	**Power distance social practices**				
UKN229	A person's influence is based primarily on one's ability	0.852(30.7)	0.805	79%	0.91
UKNC221	In the UK, followers are expected to obey their leaders without question.	0.834(30.0)		60%	0.76
UKNC222	People in positions of power try to increase their social distance from less powerful individuals.	0.857(29.4)		51%	0.80
UKNC238	In the UK, rank and position in the hierarchy have special privileges.	0.848(25.0)		55%	0.80
UKNC213	In the UK, power is concentrated at the top.	0.807(24.6)		48%	0.78
UKNC205	In the UK, children generally live at home with their parents until they get married.	0.796(20.4)		58%	0.83
UKNC226	In the UK, orderliness and consistency are stressed.	0.753(18.2)		68%	0.85
(4)	**Assertiveness Societal Practices**				
UKN C221	In the UK, followers are expected to obey their leaders without question.	0.741(24.2)	0.774	50%	0.71
UKN C222	People in positions of power try to increase their social distance from less powerful individuals.	0.721(22.7)		49%	0.68
UKN C213	In the UK, power is concentrated at the top.	0.708(21.2)		55%	0.80

Notes: Extraction method: principal component analysis; Rotation Method: Varimax with kaiser Normalisation.

Table 5. 8: Single confirmatory factor analysis of Leadership behaviours in the UK

Dimension (1)						Dimension (2)					
Performance Oriented and Charismatic		Standardized loadings (t-Value)	Construct's α	Average Variance Extracted (AVE)	Composite Reliability (CR)	Diplomatic		Standardized loadings (t-Value)	Construct's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
Symbol	Items			54%	0.73	Symbol	Items				
UK333	Loyal	0.811		53%	0.78	UK327	Diplomatic	0.814(24.1)		53%	0.73
UKLS325	Collaborative	0.764		48%	0.78	UK352	Worldly	0.722(19.2)		49%	0.77
UKLS310	Fraternal	0.731		58%	0.82	UK333	Effective bargains	0.715(18.4)	0.856	52%	0.76
UKLS350	Consultative	0.704		58%	0.74						
UKLS354	Normative	0.680	0.888	79%	0.91						
UKLS346	Decisive	0.639		50%	0.76						
UKLS329	Excellence	0.625		50%	0.72						
UKLS341	Performance-oriented	0.620		51%	0.76						
UKLS337	Improvement-oriented	0.588		55%	0.75						
UKLS312	Asocial	0.689		45%	0.76						
UKLS327	Cautious	0.656		71%	0.75						
UKLS313	Individually oriented	0.638		59%	0.73						
UKLS306	Domineering	0.623		71%	0.74						
UKLS308	Micromanage	0.607		77%	0.75						

Dimension (3) Participative and Autocratic		Standardized loadings (t-Value)	Cronbach's α	Average Variance Extracted (AVE)	Composite Reliability (CR)
Symbol	Items				
E LS 348	Bossy	0.852(30.7)		60%	0.78
E LS331	Autocratic	0.834(30.9)		63%	0.80
E LS357	Domineering	0.857(29.4)		58%	0.75
E LS352	Elitist	0.848(25.0)		56%	0.76
E LS339	Ruler	0.807(24.6)		53%	0.73
E LS323	Dictatorial	0.796(20.4)	0.632	57%	0.79
E LS335	Non-egalitarian	0.753(18.2)		50%	0.76
E LS344	No delegator	0.741(24.2)		50%	0.72
E LS356	Loner	0.721(22.7)		53%	0.73
E LS312	Asocial	0.715(18.4)		49%	0.77
Dimension (4)Orderly	Standardized loadings (t-Value)	Average Variance Extracted (AVE)	Cronbach's α	Composite Reliability (CR)	
OK 327	Diplomatic	0.814(24.1)		53%	0.73
OK352	Worldly Effective	0.722(19.2)		52%	0.71
	bargains	0.715(18.4)		52%	0.70

Notes: Extraction method: principal component analysis; Rotation Method: Varimax with kaiser Normalisation.

Table 5. 9: UK national culture and leadership behaviours item parcels

Construct	Item parcel New Item	Dimension
UK National culture (UKNC)	**UKNC 1**	Power Distance & Uncertainty Avoidance Societal Practices
	UKNC 2	Humane Orientation & Gender Egalitarianism Social practices
	UKNC 3	Future Orientation Collectivism 2 &1Societal Practices
	UKNC 4	Performance Orientation Assertiveness Societal Practices
UK Leadership Behaviours (ELB)	**UKLB1**	Performance Oriented and Charismatic
	UKLB2	Diplomatic
	UKLB3	Participative and Autocratic
	UKLB5	Orderly Organizer

Notes: Extraction method: principal component analysis: Rotation Method: Varimax with kaiser Normalisation.

5.5.3 Cultural distance and post-acquisition integration using multiple regression analysis

The GLOBE study (House et al. 2004) attempted to address the criticism of Hofstede's measures by using nine dimensions of the GLOBE-practices scores, this study built an index of national cultural differences following. The index represents the aggregate national cultural distance of the two acquisition parties:

$$CDj = \sqrt{\sum (Iij - Iik)^2}$$

Where:

CD_j *:* The cultural differences for the *j*th country

I_{ij} *:* GLOBE score for *i*th cultural dimension and *j*th country

k : Indicates UK and in Egypt.

Operationalization of the level of integration is based on measure of the degree of integration. The degree of integration was assessed using a composite measure linked to the occupancy of key positions by acquiring bank appointees including those of middle management level.

To avoid multicollinearity problems, the study first centred the cultural distance and post-acquisition integration variables before multiplying them (following Slangen 2006). Although this procedure does not affect the interpretation of the regression coefficient of the interaction effect(Aiken and West 1991), it does change the interpretation of the two main effects

when all three terms are included in the same model. Specifically, the main effects no longer represent constant effects, but rather the effects of the variables on acquisition performance at the mean of the other variable (Aiken and West 1991).

5.5.3.1 Control variables

Three control variables were included in the analysis: (1) relative size of the cross-border M&As bank, (2) the cross-border M&A bank's experience, and (3) the relatedness of the acquisition (see table 5.7). Large M&As tend to be more important to cross-border M&A and hence generally receive more attention and support to ensure good performance. We control for the relative size of the cross-border M&A banks (measured by number employees) as indicated by respondents middle managers in each cross-border banks each country.

Cross-border M&As experience was measured by computing the number of M&As completed by the cross-border banks (Singh, 2004) to indicate the total number of domestic and cross border M&As completed before the focal cross-border M&A (Zollo and Singh, 2004). A bank with no prior cross-border M&A is considered to have no M&A experience (Zollo and Singh, 2004). M&As banks.

5.5.4 Multiple regression findings

In order to test the hypothesis a multiple regression analysis was employed (See Appendix E). For each dependent variable, Model 1

includes only the control variables; Model 2 includes the control variables and the explanatory variables; Model 3 adds the interaction effect of cultural distance and the level of post-M&A performance to the control variables and explanatory variables.

H1Egy.1 the Egyptian national cultural dimensions are strongly associated with the cross-border M&As post-financial performance in Egypt. Table 5.8 shows that all the three regression equations (Model 3) relating to M&As performance has significant F values ($p < 0.01$ or $p < 0.05$). In terms of explanatory power, the regression equation (Model 3) with Market value to book as the dependent variable prevails with the largest adjusted R^2.

In this regression equation, 32% of the variation in the acquisition performance (market share & sales growth) is explained by the explanatory variables. This compares with 15% of the variation of ROE and ROI (Model 3) explained by the independent variables, and about 15% of the variation in ROI (Model 3). The Model 2 regressions show that national cultural distance does not have a significant impact on any of the measures of M&A post-performance.

These findings are not out of line with prior studies which have reported that national cultural distance may either have a positive or negative impact on acquisition performance. Given the contradictory nature of the findings of prior studies, a finding of no significant impact of national cultural distance on acquisition performance is not surprising. To test the

hypothesis, Model 3 adds the interaction effect of cultural distance and the level of post financial performance.

For Model 3 the regression on market value to book value has a negative and significant coefficient on the interaction effect of cultural distance and the level of integration ($p < 0.01$). Similarly, in Model 3, the regression on ROI shows a negative and significant coefficient on the interaction effect of cultural distance and level of post-performance ($p< 0.10$).

However, the regression on ROI and Market value to book value shows no significant coefficient. Two of the three regression models show a significant and negative coefficient on the interaction effect of national cultural differences and level of integration. This provides reasonably strong support for the hypothesis.

Our findings indicate that the impact of cultural distance on cross border acquisition performance varies with the level of post-acquisition integration, with cultural distance reducing performance to a larger extent at high levels of integration (Very et al. 1997). This finding is consistent with Very et al. (1997). who argued that higher levels of post-acquisition integration negatively affect cross border acquisition performance, and this effect is stronger when national cultural differences are large.

5.5.5 Testing Factorial Validity of Measurement models (multi-group sample confirmatory factor analysis)

Hair et al (2010) recommend the use of three items per construct as a minimum. Therefore reducing the number of items to three per construct would be within the acceptable limits. The Egyptian and the British culture dimensions are four constructs each constructs containing three manifest variables or items to make it easier to be fitted. Although those constructs are in different names, they are containing the same items, as each new manifest variable is the average of all the items bundling together in one new item.

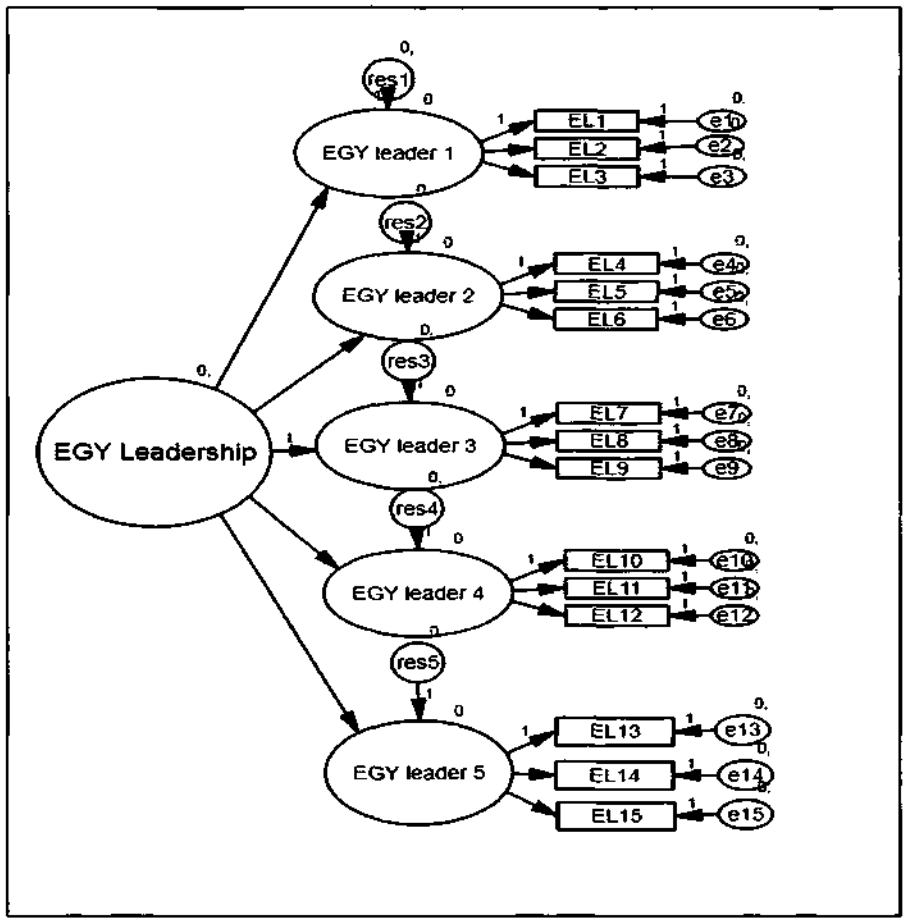
5.5.6 A need for higher-order modelling

There are several constructs which can be meaningfully conceptualized at higher orders of abstraction. In such cases, a higher-order modelling approach would be the most suitable technique that can represent such structures. A higher-order model can be posited and can relate the manifest variables to their respective first-order latent variables which can then be related to their second-order latent variable(s) (Enophon Koufteros, Sunil Babbar et al., 2009).

The contribution of each dimension to a higher- level construct can be assessed and delineated as compared to bundling all items together in a single composite score (Enophon Koufteros, Sunil Babbar et al. 2009).

If all items are bundled together (through just one first-order latent variable for example), the explication of the resultant construct is incomplete (Enophon Koufteros, Sunil Babbar et al. 2009) and the contribution of various content domains to the final scale score will not be known.

Figure 5. 1: models for leadership behaviours (leadership behaviours Confirmatory Factor Analysis).



A review of the academic and practitioner literatures ,mentioned in chapter three, on post-M&A reveals that the primary determinants of M&A post-performance and outcome rarely even mention leadership and (Schneider and Barsoux 1997; Shanley 2000; Schweiger and Very 2003), when they do refer to leadership, they tend to focus exclusively on a highly rationalized notion of strategy development (Schweiger and Very 2003).

The Globe project identified six global leadership dimensions of culturally endorsed implicit theories of leadership (CLTs). Preliminary evidence indicates that these dimensions are significantly correlated with isomorphic dimensions of national culture. Five leadership indicator variables have been addressed in Egyptian banking industry, they are:

- Participative and Autocratic ⟶ EGY leader1
- Performance-Oriented and Charismatic ⟶ EGY leader 2
- Orderly Organizer ⟶ EGY leader 3
- Administratively Competent ⟶ EGY leader 4
- Diplomatic ⟶ EGY leader 5

5.5.7 Measurement Model of Shared Understanding Values

As we explained, in chapter four, to survive and prosper in the rapidly changing business environment, banks have an interest in increasing the capability of employees and thus service quality. In order to become an effective bank(Dong Kyoon Yoo and Park 2007), it is vital to develop a shared understanding of the underlying values, processes, and standards among employees see figure.

As management sets goals, its intent should be understood by the body of employees. Each department may develop new processes for the purpose of providing high-quality services and attaining customer satisfaction(Dong Kyoon Yoo and Park 2007). Accordingly, the other departments need to understand what each is doing. Uniquely held understandings may not affect the overall performance of the bank(Dong Kyoon Yoo and Park 2007).

On the other hand, widely understood quality standards and performance results will facilitate processes, functions, and outcomes in a bank. As such, it is essential that management communicates with employees and employees foster a climate to build a shared understanding.

Organizations need to develop a shared understanding of what they try to achieve (i.e. goals), how they attain them (i.e. work processes), what they need to do (i.e. tasks)(Dong Kyoon Yoo and Park 2007), and what employees bring to the tasks. A shared understanding is defined as the extent to which employees understand their visions, service standards, and service performance results (Kyoon Yoo and Park 2007).

5.5.8 Measurement Model of Perceived service quality

The bank's ability to create and provide a high level of service quality is a key to sustaining competitive advantages amid severe competition. The intangibility nature of service, however, makes it hard to set standards (Parasuraman, Zeithaml et al. 1994).

The simultaneous production-delivery-consumption element of service makes it difficult to detect and correct defects in service encounters (Parasuraman, Zeithaml et al. 1994). In spite of the difficulties, Parasuraman et al. (1988) present five sub-dimensions of service quality– reliability, tangibles, responsiveness, assurance, and empathy. SERVQUAL, developed and tested by Parasuraman et al.1994), is a

widely used measure for service quality(Parasuraman, Zeithaml et al. 1994).

Table 5. 10: Measurement models for shared understanding value and perceived services quality

Goodness of fit indices for alternative models of factor structure	**Measurement models (Second-Order)**	
	Egyptian Banks N=154	**Egyptian Banks** N=205
	Model 5 Shared Understanding value two second-order factors_ correlated	**Model 6 customer perceived services quality** Five second-order factors_ correlated
Chi-square (df)	47	69
Chi-square/df(X^2/df)	1.92	2.291
Normed-fit index (NFI)	.973	.959
Non-normed fit index (TLI)	.963	.944
Comparative fit index (CFI)	.970	.953
Incremental Fit Index (IFI)	.968	.949
Standardized root mean square (RMSEA)	.033	.046
Relative fit index (RFI)	.957	.924

The six models meet the widely accepted goodness of fit standards for the Multi-group sample confirmatory model (unconstrained model) indicating that the six conceptual models satisfactory fit the data (see Table 5.9, 5.10 and 5.11). However, it must be pointed out that the Chi-square was significant, x2/df is smaller than 3, demonstrating a good model fit (Hair et al 2010.The Root Mean Square Error of Approximation (RMSEA) is less than 0.5, which is well under the 0.5–0.8 limit interval offered by Hair et al.

(1999) and Kline (2005). The Goodness-of-Fit Indices all were greater than 0.90 as offered by Byrne (2010); Hair et al (2010).

Table 5. 11: Measurement models for shared understanding value and perceived services quality

Goodness of fit indices for alternative models of factor structure	**Measurement models (Second-Order)**	
	Sample N= 154	**Sample N=205**
	Model 5 Shared Understanding value two second-order factors_ correlated	**Model 6 customer perceived services quality** Five second-order factors_ correlated
• hi-square (df)	56	74
• hi-square/df(X^2/df)	2.159	2.344
• ormed-fit index (NFI)	.971	.967
• on-normed fit index (TLI)	.956	.943
• omparative fit index (CFI)	.976	.966
• ncremental Fit Index (IFI)	.978	.957
• tandardized root mean square (RMSEA)	.046	.055
• elative fit index (RFI)	.965	.938

5.5.9 Structural Equation Models of the research

Having established measurement model fit and validity, the next step is testing the structural model; that is testing the hypothesized theoretical model or the relationships between latent constructs.

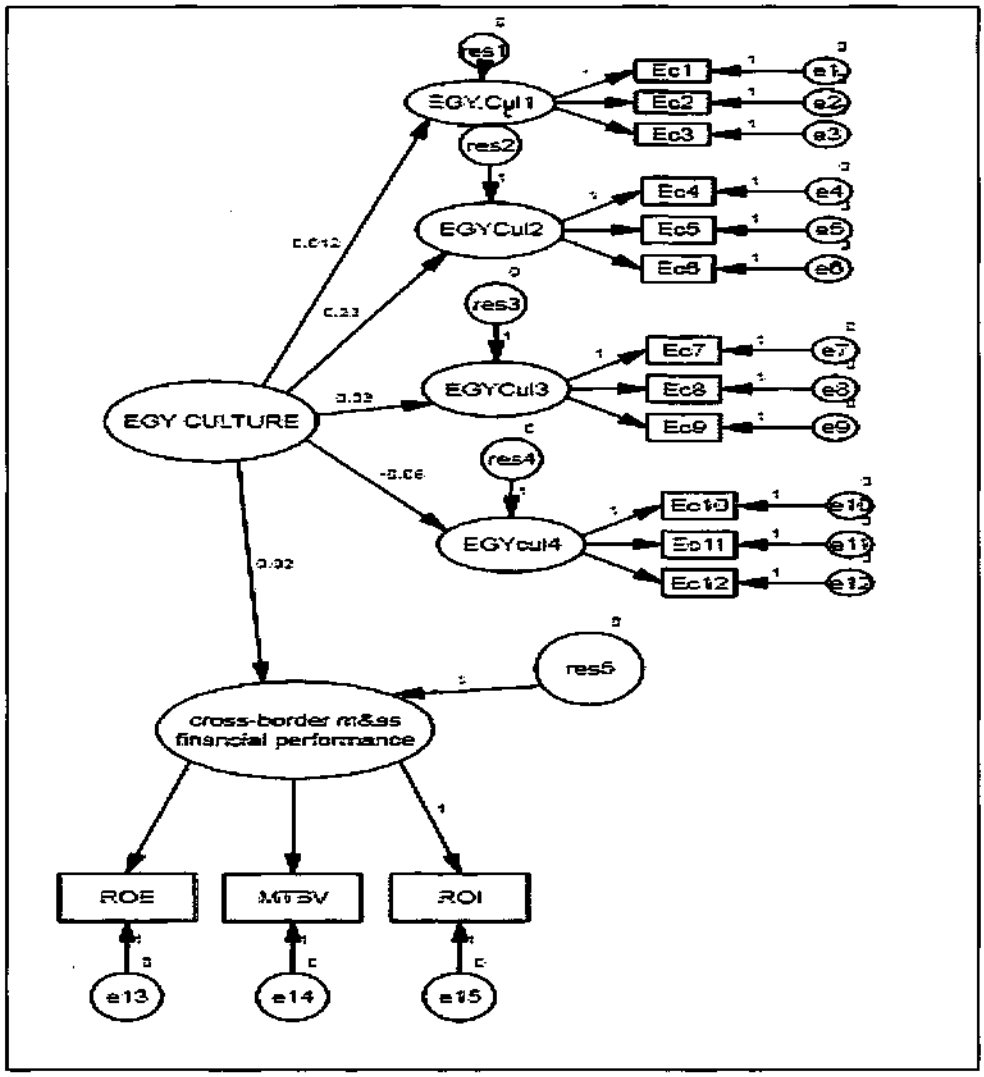
The structural model differs from the measurement model in that the emphasis moves from the relationships between latent constructs and measured variables to the nature and magnitude of the relationships between constructs (Hair et al., 2006). In this study, we classify the structural equation modelling into three sets: the direct relationships to cross-border M&A post financial performance; the second sets considers the indirect relationships. In the sets the author describes the role of the mediator variables in the impact of culture on the cross-border M&As financial performance. The last sets describe the multi-group mediator variables in the relationship.

5.5.9.1 The Structural Model of the first sets

The transition from the measurement model to the structural model implies specifying which constructs are related to each other and the nature of each relation.

5.5.9.2 Direct relationship sets of structural equation models (the Egyptian and the British culture and the post financial performance)

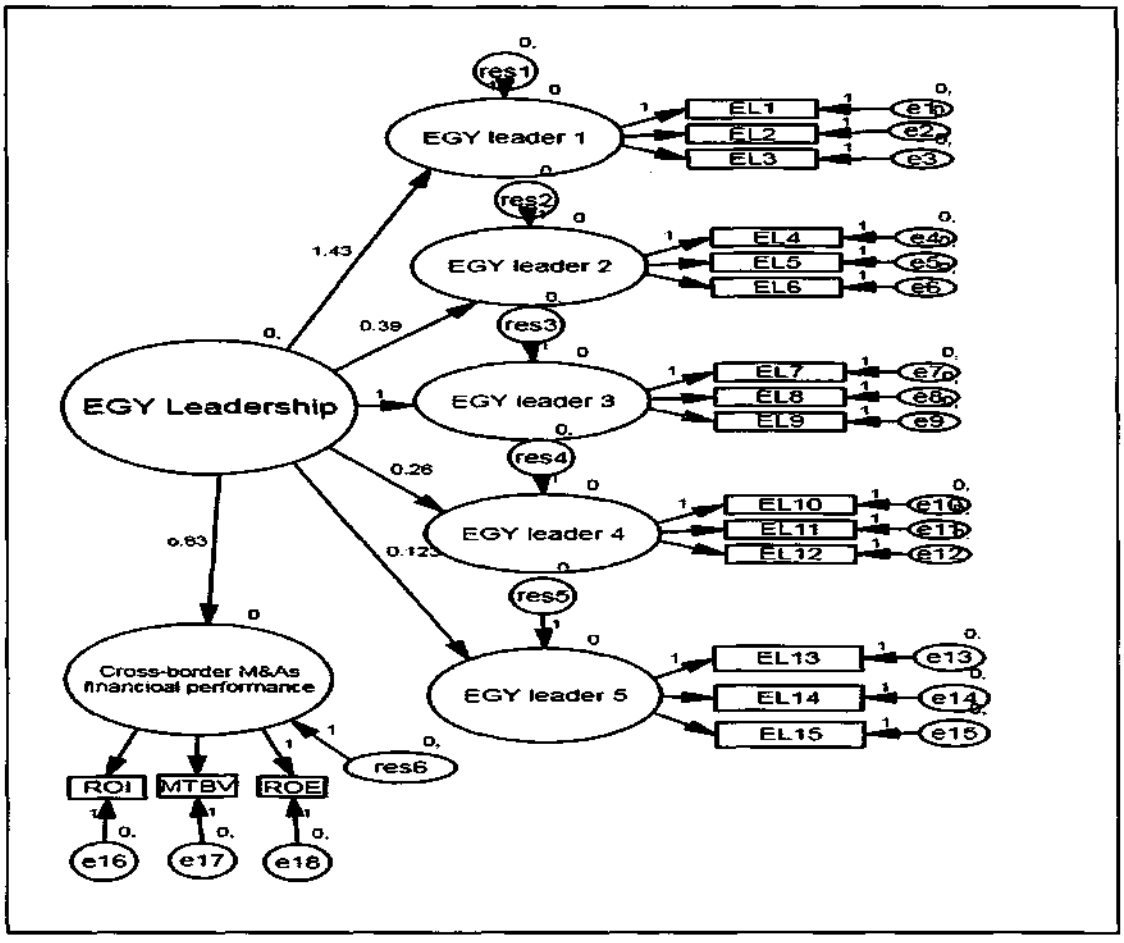
Figure 5. 2: Structural Model direct relationship sets: The Egyptian culture and the post financial performance structural model (1)



After re-specifying the model, a run of the model's goodness of fit statistics resulted in the readings: CMIN = 87.832 with df = 44, P = 0.021 and CMIN/df = 3.407; NFI =.869 and CFI = .871; RMSEA = .125 with 90 per cent confidence interval (.000 and .072) and a PCLOSE = .765. P. value=

0.124 All indicating NOT a good fit. The results of the model not supported the hypothesis ***H1Egy.***1 insignificantly, suggesting that the Egyptian national cultural dimensions are associated with the cross-border M&As post-financial performance in Egypt, because the path coefficient was 0.02. and the P. Value is insignificant However it is not a very week coefficient,

Figure 5. 1: Structural Model direct relationship sets: The Egyptian leadership behaviours and the post financial performance structural model (2)



The final model consists of four constructs of the Egyptian leadership behaviours and post financial performance The Egyptian leadership behaviours constructs were included in the model as it significantly proved that they have a strong impact on the post financial performance.

The model fit indices readings are: CMIN = 239.754 with df = 162 and which is <2 indicating a good fit; and SRMR = .0539, both within the Acceptable ranges; NFI = .969 and CFI = 0.975, also within the acceptable ranges; and RMSEA = .038 with 90 per cent confidence interval (.035 and .061) and PCLOSE =.569, which is insignificant thus indicating that 90 per cent confidence that the RMSEA value falls within these two interval values. The results of the model supported the hypothesis ***H1Egy***.3 statistically suggesting *The Egyptian banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance Egypt,* because the path coefficient was 0.83.

5.5.9.3 Direct relationship sets of structural equation models (the UK culture and the post financial performance)

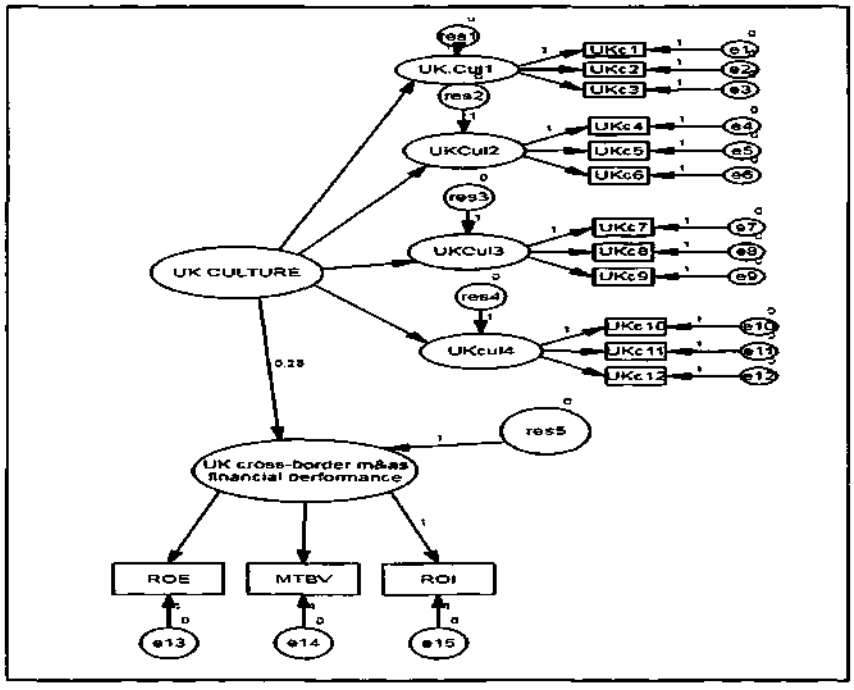


Figure 5. 2: Structural Model direct relationship sets: The UK culture

After re-specifying the model, a run of the model's goodness of fit statistics resulted in the readings: CMIN = 78.832 with df = 39, P = 0.051 and CMIN/df = 2.337; NFI =.959 and CFI = .961; RMSEA = .045 with 90 per cent confidence interval (.000 and .072). All indicating a good fit.

Thus based on these results, the model can be considered to best represent the structure of the impacts of UK national culture on post financial performance. The results of the model supported the hypothesis ***H1UK.***1 significantly, suggesting that the UK national cultural dimensions are associated with the cross-border M&As post-financial performance In the UK, because the path coefficient was 0.28. However it is not a strong coefficient, there is still a relationship that is associated with the cross-border M&As post-financial performance In the UK.

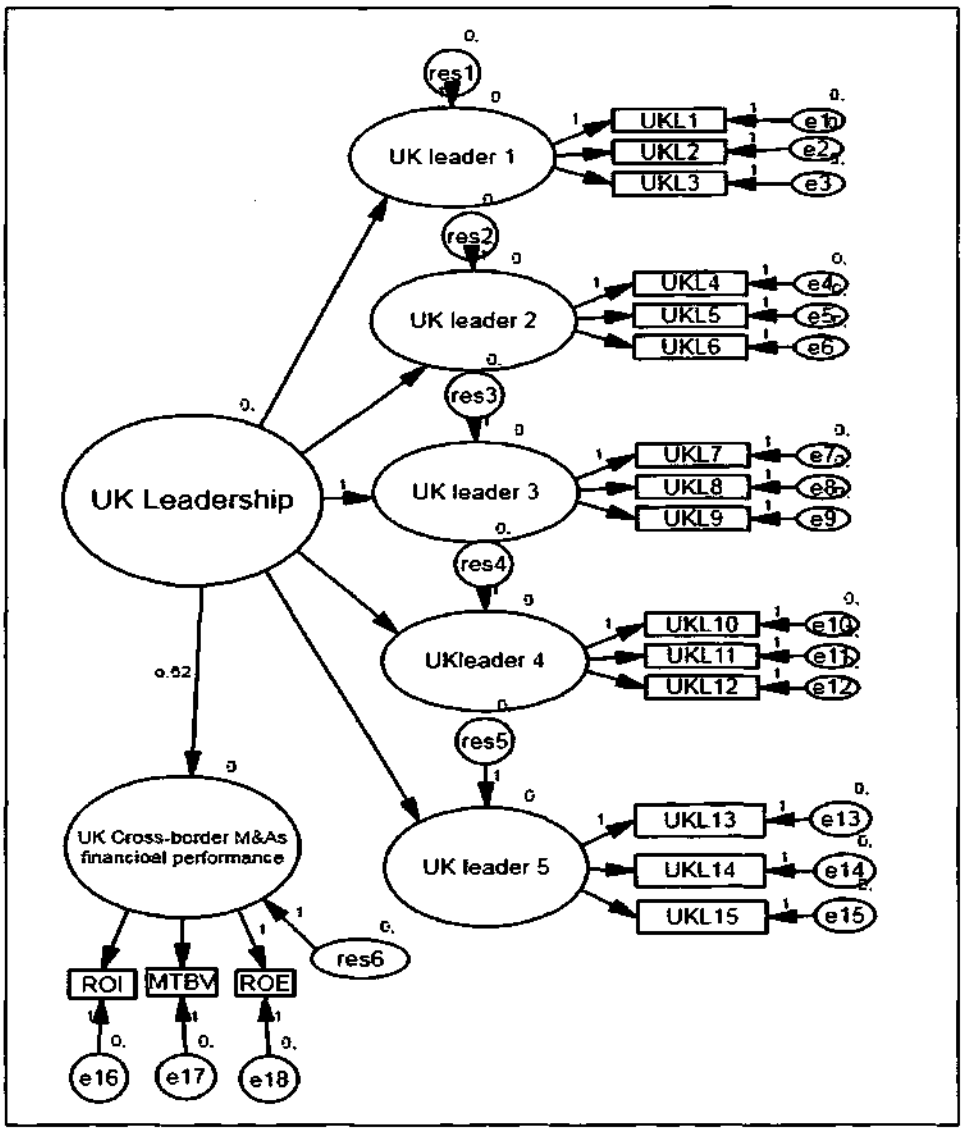


Figure 5. 3: Structural Model direct relationship sets: The UK leadership behaviours and the post financial performance structural model (2)

The final model consists of four constructs of the UK leadership behaviours and post financial performance The UK leadership behaviours constructs were included in the model as it significantly proved that they have a strong impact on the post financial performance.

The model fit indices readings are: CMIN = 212.754 with df = 92 and which is <2 indicating a good fit; both within the Acceptable ranges; NFI = .959 and CFI = 0.969, also within the acceptable ranges; and RMSEA = .048 with 90 per cent confidence interval (.035 and .061). The results of the model supported the hypothesis ***H1UK.***3 statistically suggesting *The UK banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UK* because the path coefficient was 0.62.

5.5.9.4 Indirect relationship sets of models: The Effect of Moderators.

Having established direct relationship model fit in the last step model and validity, the next step is to test more than one sample group in the Egyptian banks as a mediator variables in the cultural impacts–post-financial performance relationship (multi group structural model).

The final model consists of three constructs in addition to the higher order factor of Egyptian culture and the Egyptian leadership behaviours. The model fit indices readings are: CMIN = 219.344 with df = 185 and a CMIN/df = 1.981 which is <2 indicating a good fit; NFI = .902 and CFI = .915, also within the acceptable ranges; and RMSEA = .058 with 90 per cent confidence interval (.035 and .061) and, which is significant. The results of the figure (5.13) structural model indicated that there was sufficient model-to-data fit.

H1Egy.2 *the Egyptian national cultural dimensions are strongly associated with the Egyptian banking leaders' behaviours in the cross-border M&As' banks In Egypt.* The results of the model supported it statistically because the path coefficient was 0.72 which can prove that there is a strongly positive relationship between The Egyptian national cultural dimensions and the Egyptian banking leaders' behaviours in the cross-border M&As' banks.

H1Egy.3 *the Egyptian banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance Egypt.* The results of the model supported it statistically because the path coefficient was 0.48 which can prove that there is a strongly positive relationship.

H1Egy.1 The Egyptian national culture dimensions are strongly associated with the cross-border M&As post-financial performance in Egypt. The results of the model do not support it statistically because the path coefficient was 0.012 which can prove that there is not a strongly relationship between the Egyptian national cultural dimensions and the cross-border M&As post-financial performance in Egypt.

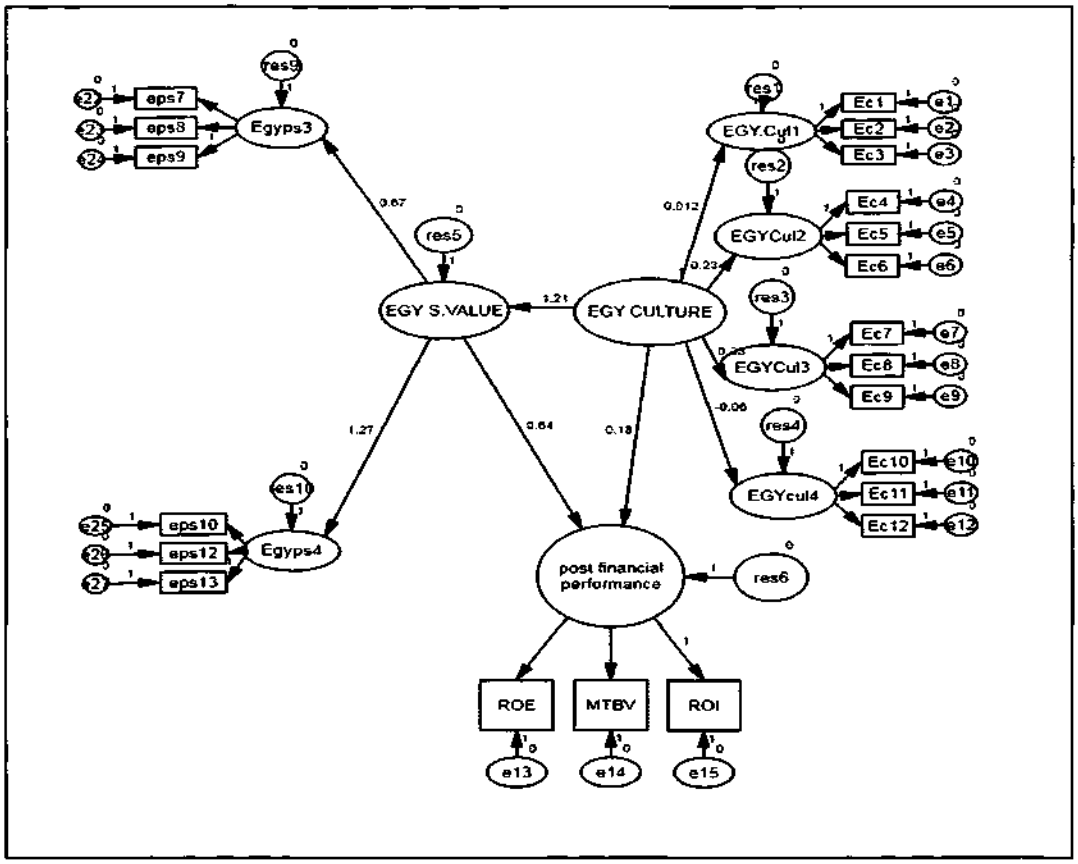
Table 5. 12: Selected AMOS text output for Egyptian Banks' model estimates The Egyptian culture and the post financial performance mediating the Egyptian Employees shared understanding values structural model (6)

Hypotheses	Paths			Estimate	S.E.	C.R	P
H1Egy.2	EGY culture	→	EGY Leaders	.354	.062	2.421	***
H1Egy.3	EGY Leaders	→	Post-Performance	.421	.048	6.544	***
H1Egy.1	EGY culture	→	Post-Performance	.265	.261	7.139	.142

Note: *** p<.001; ** p<.01; * p<.05.

In table (5.12) shows that the P values are all significant for all the two hypnotised models ***H1Egy.2*** and ***H1Egy.3*** However, the hypothesis ***(H1Egy.1)*** with P=.142 has an insignificant. That mean that there is not a strongly relationship between the Egyptian national cultural dimensions and the cross-border M&As post-financial performance in Egypt. However the overall model can prove the hypothesis ***H1Egy.*** Suggesting that the impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours in Egypt.

Figure 5. 4 The Egyptian culture and the post financial performance mediating the Egyptian customer's perceived services quality structural model (6)



The final model consists of three constructs in addition to the higher order factor of Egyptian culture and the Egyptian leadership behaviours. The model fit indices readings are: CMIN = 234.311 with *df* = 141 and a CMIN/*df* = 2.331 which is <3 indicating a good fit; NFI = .957 and CFI = .963, also within the acceptable ranges; and RMSEA = .042 with 90 per cent confidence interval (.035 and .061) and, which is significant. The results of the in figure (5.14) structural model indicated that there was sufficient model-to-data fit.

H1Egy.*2 the Egyptian national cultural dimensions are strongly associated with the Egyptian employees shared understanding values in the cross-*

border M&As' banks In Egypt. The results of the model supported it statistically because the path coefficient was 1.21 which can prove that there is a strongly positive relationship between *Egyptian national cultural dimensions and the Egyptian employees shared understanding values in the cross-border M&As' banks In Egypt.*

H2Egy.1 *the Egyptian culture in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance Egypt.* Again the results of the model do not support it statistically because the path coefficient was 0.18 (P= .082) which can prove that there is not a strongly relationship between the Egyptian national cultural dimensions and the cross-border M&As post-financial performance in Egypt.

H2Egy.2 Egyptian shared understanding values are strongly associated with the cross-border M&As post-financial performance in Egypt. The results of the model supported it statistically because the path coefficient was 0.64 which can prove that there is a strongly positive relationship.

Table 5. 13: Selected AMOS text output for UK model estimates The Egyptian culture and the post financial performance mediating the Egyptian customers perceived services quality structural model (7)

Hypotheses	Paths			Estimate	S.E.	C.R	P
H1Egy.2	EGY culture	→	Egy S.values	.354	.025	3.381	***
H1Egy.3	Egy S.values	→	Post-Performance	.421	.053	5.324	***
H2Egy.2	EGY culture	→	Post-Performance	.265	.643	7.965	.082

Note: *** p<.001; ** p<.01; * p<.05.

In table (5.13) shows that the P values are all significant for all the two hypnotised models ***H1Egy.***2 and ***H1Egy.3*** except ***H2Egy.2*** which is insignificant and not supported as the P value= .082. However the overall model can prove the hypothesis ***H2Egy.,*** suggesting the impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values in Egypt. Mediating the Egyptian customers perceived services quality in the Egyptian culture impacts on post financial performance model consists of three constructs in addition to the higher order factor of Egyptian culture and the Egyptian leadership behaviours. The model fit indices readings are: CMIN = 494.733 with *df* = 162 and a CMIN/*df* = 2.636 which is <3

indicating a good fit; NFI = .937 and CFI = .940, also within the acceptable ranges; and RMSEA = .056 with 90 per cent confidence interval (.035 and .061) and, which is significant. The results of the in figure (5.15) structural model indicated that there was sufficient model-to-data fit.

H3Egy.1 The Egyptian national cultural dimensions are associated with the customers' perceived service quality in the cross-border M&As' banks In Egypt. The results of the model supported it statistically because the path coefficient was 0.28 which can prove that there is a strongly positive relationship between *Egyptian national cultural dimensions and the Egyptian* customers' perceived service quality in the cross-border M&As' banks In Egypt.

H3Egy.2 The Egyptian customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance Egypt. The results of the model supported it statistically because the path coefficient was 1.32 which can prove that there is a strongly positive relationship.

Table 5. 14: Selected AMOS text output for UK model estimates The Egyptian culture and the post financial performance mediating the Egyptian leadership behaviours structural model (7)

Hypotheses	Paths			Estimate	S.E.	C.R	P
H3Egy.1	EGY culture	→	Egy Serqual	.427	.052	2.171	***
H3Egy.2	Egy Serqual	→	Post-Performance	.531	.063	5.974	***

Note: *** p<.001; ** p<.01; * p<.05.

The P values are all significant for all the two hypnotised models ***H3Egy.1*** and ***H3Egy.2*** the overall hypothesis ***H3Egy*** is significant suggesting that the impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the with the customers' perceived service quality in cross-border M&As' banks worked in Egypt.

5.5.9.5 Multi-group relationship seta of models: The effects of Multi-group mediators

An examination of the goodness of fit indices show that the modified model as presented fits well as all indices are within the acceptable range (For example the chi-square statistic (=149.33) and the x2/df value of 2.15 indicate an acceptable model. RMSEA (0.058), CFI (0.952), TLI (0.942) and IFI (0.939) indicate a reasonable good fitting model. Based on these it was concluded that the modified model is acceptable. (Further information

on goodness of fit indices and other estimates for the modified structural model are presented in Appendix C).

Evaluation of the hypotheses as presented in the section was conducted by examination of structural coefficients and critical ratios. Table 5.16 presents the estimates for regression weights. These are also included on the path diagram in figure 5.16. The estimates indicate that they are all statistically significant ($p>0.05$) with critical ratios (cr) >1.96. Figure 5.16 presents the full model with all associated estimates while table 6.36 presents data on the direct and indirect effects. Because of modifications to the model and the findings that ***H4Egy.***

The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values, and ***H4Egy.***1The Egyptian Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks were evaluated here:

Table 5. 15: Estimates -Regression Weights

		Estimate	S.E	C.R	P
EGY CULTURE →	LEADERSHIP	0.75	0.16	3.652	***
EGY CULTURE →	EGY S.VALUES	1.67	0.33	4.231	***
EGY CULTURE →	POST PERFORMANCE	0.21	0.11	2.245	0.04
LEADERSHIP →	EGY S.VALUES	1.53	0.31	3.528	***
LEADERSHIP →	POST PERFORMANCE	1.21	0.23	4.785	***
EGY S.VALUES →	POST PERFORMANCE	0.89	0.18	3.971	***

Note: *** p<.001; ** p<.01; * p<.05.

An examination of the goodness of fit indices show that the modified model as presented fits well as all indices are within the acceptable range (For example the chi-square statistic (=479.83) and the x2/df value of 2.93 indicate an acceptable model. RMSEA (0.061), CFI (0.944), TLI (0.938) and IFI (0.931) indicate a reasonable good fitting model. Based on these it was concluded that the modified model is acceptable. Evaluation of the hypotheses as presented in Section (5.15) was conducted by examination of structural coefficients and critical ratios. The estimates indicate that they are all statistically significant (p>0.05) with critical ratios (cr) >1.96. Figure 5.16 presents the full model with all associated estimates while table 6.36 presents data on the direct and indirect effects because of modifications to the model and the findings that ***H5Egy***. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial

performance is mediated by a combination of leaders' behaviours and customers perceived services quality, and ***H5Egy.***1The Egyptian Leaders' behaviours are strongly associated with customers perceived services quality in cross-border M&As banks were evaluated here

Table 5. 16: Estimates -Regression Weights

		Estimate	S.E	C.R	P
EGY CULTURE →	LEADERSHIP	0.98	0.23	3.112	***
EGY CULTURE →	EGY SERVQUAL	1.39	0.65	5.642	***
EGY CULTURE →	POST PERFORMANCE	0.31	0.14	2.271	0.01
LEADERSHIP →	EGY SERVQUAL	1.86	0.56	4.128	***
LEADERSHIP →	POST PERFORMANCE	1.35	0.83	4.235	***
EGY SERVQUAL	POST PERFORMANCE	1.54	0.19	4.349	***

Note: *** p<.001; ** p<.01; * p<.05.

Goodness of Fit Indices

An examination of the goodness of fit indices show that the modified model as presented fits well as all indices are within the acceptable range (For example the chi-square statistic (=173.24) and the x2/df value of 2.15 indicate an acceptable model. RMSEA (0.051), CFI (0.957), TLI (0.948) and IFI (0.955) indicate a reasonable good fitting model. Based on these it was concluded that the modified model is acceptable. Evaluation of the hypotheses as presented last section was conducted by examination of structural coefficients and critical ratios. Table 5.15 presents the estimates

for regression weights. These are also included on the path diagram in figure 5.18.

The estimates indicate that they are all statistically significant ($p>0.05$) with critical ratios (cr) >1.96. Figure 5.16 presents the full model with all associated estimates while table 6.36 presents data on the direct and indirect effects.

Because of modifications to the model and the findings that (***H6, 7Egy***) the impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality. And (***H,6,7Egy.1***) The Egyptian employees' shared understanding values are strongly associated with the customers' perceived service quality.

Table 5. 17: Estimates -Regression Weights

		Estimate	S.E	C.R	P
LEADERSHIP →	EGY S.VALUES	1.23	0.39	4.452	***
LEADERSHIP →	EGY S.VALUES	1.64	0.44	4.331	***
LEADERSHIP →	POST PERFORMANCE	1.31	0.67	4.25	***
EGY S.VALUES →	EGY SERVQUAL	1.01	0.45	3.237	***
EGY S.VALUES →	POST PERFORMANCE	1.45	0.23	4.124	***
EGY SERVQUAL →	POST PERFORMANCE	1.22	0.23	4.211	***

Note: *** p<.001; ** p<.01; * p<.05.

5.5.10 Feasibility of estimates

This is the initial step in assessment of the model. The viability of the estimates is determined by examining the sign and size of the estimates, and the consistence with underlying theory. Byrne (2010) suggest that all estimates falling outside the expectations would indicate that the model is wrong or the input matrix lacks sufficient information. Further she suggests that parameters exhibiting unreasonable estimates are correlations >1.00, negative variances and covariance or correlations that are not positively defined (Byrne 2010).

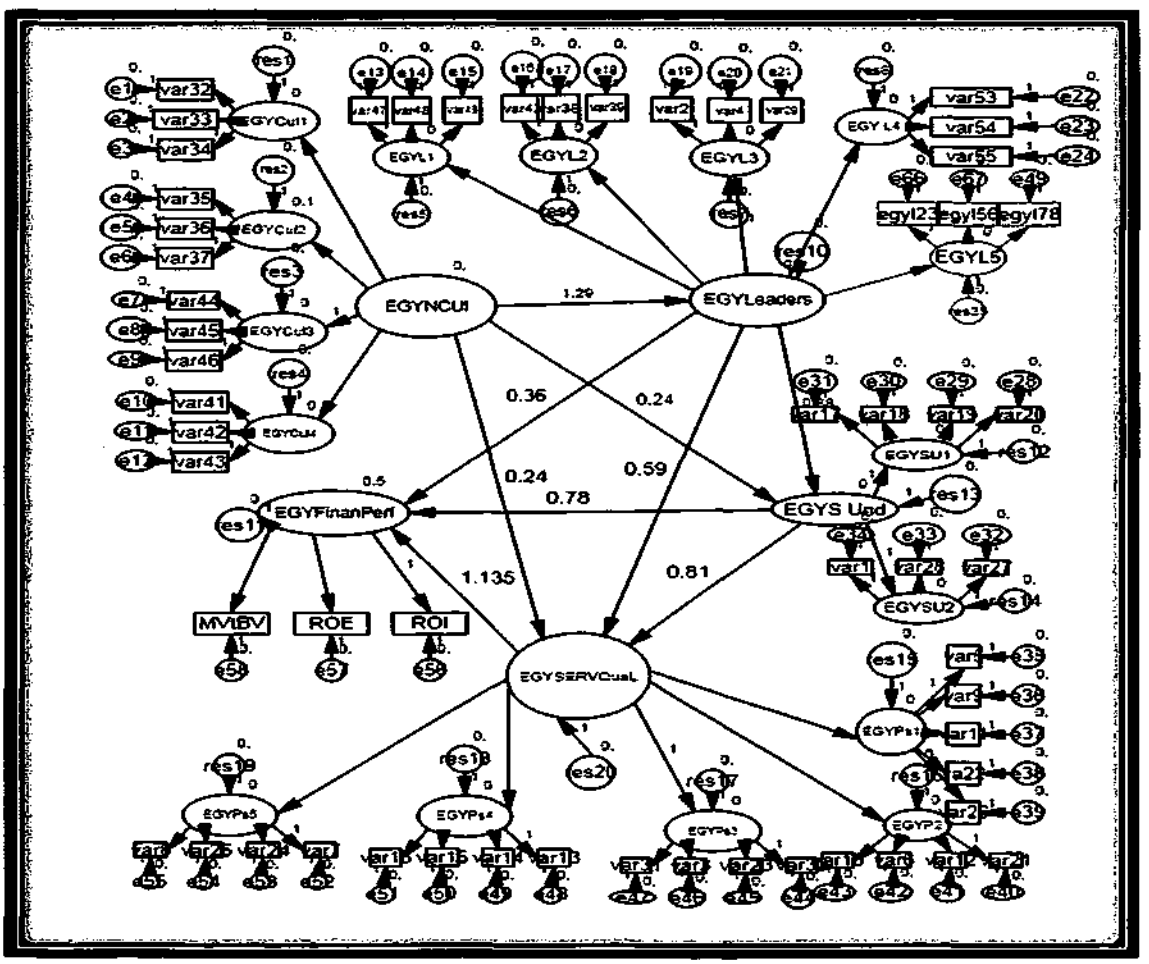
5.5.10.1 Statistical Significance of Parameter Estimates

Having established that the estimates are all of the correct sign and size, the next step was to assess the significance of the parameter estimates.

The test statistic here is the use of the critical ratio (C.R.). Based on the level of $p<0.05$, the c. r. need to be >1.96 before the hypothesis can be rejected.

Byrne (2010) although suggesting that insignificant parameters should be deleted from the model, accepts that this could be a sign of sample size that is too small. Theoretical justification can be another reason why a non-significant parameter could be returned.

Figure 5. 5: The best model fit of the research "Multi-group relationship sets of models: The effects of Multi-group mediators (Leadership Behaviours, customers perceived services quality employees shared understanding values) (Model 12)"



The identification of the model was assessed and the results show that the model is identified. It was observed that model identification results can either be (1) under-identified, (2) just identified or (3) under-identified. However the primary goal in SEM is to have a model that is over-identified (Hair et al 2010). Two methods can be used to assess this.. It is clear from the results that this model is accepted based on the order condition, as there are 201 degrees of freedom.

Table 5. 18: Regression Weights:

		Estimate	S.E.	C.R.	P	Label
LEADERSHIP <---	**EGY CULTURE**	1.335	.113	3.916	***	
Egysvalues <---	**EGY CULTURE**	1.147	.093	2.916	.003	par_1
Egyservqual <---	**EGY CULTURE**	.600	.181	3.324	***	par_2
Egysvalues <---	**LEADERSHIP**	1.000				
Egyservqual <---	**LEADERSHIP**	1.137	.173	5.624	***	par_3
Post fin.pf.<---	**LEADERSHIP**	1.036	.070	4.897	***	par_4
Post fin.pf <---	**Egysvalues**	1.000				
Egyservqual <---	**Egysvalues**	1.267	.174	3.385	***	par_5
Post fin.pf <---	**Egyservqual**	.821	.119	3.751	***	par_6

Table 5. 19 : Covariance

			Estimate	S.E.	C.R.	P
LEADERSHIP	<-->	EGY CULTURE	.007	.410	3.340	***
Egysvalues	<-->	EGY CULTURE	.023	.021	3.454	***
Egyservqual	<-->	EGY CULTURE	.022	.029	4.366	***
Egysvalues	<-->	LEADERSHIP	-.001	.027	5.452	***
Egyservqual	<-->	LEADERSHIP	-.010	.013	5.502	***
Post fin.pf.	<-->	LEADERSHIP	.001	.079	4.430	***
Post fin.pf-	<-->	Egysvalues	-.008	.002	3.392	***
Egyservqual	<-->	Egysvalues	-.005	.009	4.554	***
Post fin.pf-	<-->	Egyservqual	.004	.008	3.504	***

Table 5. 20: Correlations

			Estimate
LEADERSHIP	<-->	EGY CULTURE	.368
Egysvalues	<-->	EGY CULTURE	.232
Egyservqual	<-->	EGY CULTURE	.268
Egysvalues	<-->	LEADERSHIP	.504
Egyservqual	<-->	LEADERSHIP	.556
Post fin.pf.	<-->	LEADERSHIP	.509
Post fin.pf-	<-->	Egysvalues	.481
Egyservqual	<-->	Egysvalues	.458
Post fin.pf-	<-->	Egyservqual	.553

Based on data in figure 5.10 it is seen that the majority of the estimates are significant (>1.96). Examination of table 6.19 showing factor loadings'

(presented as regression weights) indicate that all estimates are significant at $p<0.05$, except for quality indicator loading on performance: However this is significant at $p<0.10$.

Examination of the Covariance and variances also indicate that the majority of the estimates are significant at $p<0.05$, based on the analysis of the parameter estimates (Byrne 2010).

Although some of the estimates have critical ratio values of <1.96, they were considered theoretically adequate to be included in the model. As noted above, one of the reasons for non-significant parameters is the use of small sample size. As the sample size used was small compared to the required minimum, such a result is therefore not unexpected.

Table 5. 21: Standardized Total Effects (Group number 1 - Default model)

	EGY culture	LEAD	Egysals	Egy. Service quality	Post-performance
LEAD	1.29	.000	.000	.000	.592
EGY CULE	.000	.000	.000	.000	.000
Egysus	.24	.88	.000	.81	.000
Egyservqual	.36	.59	.000	.000	.000
Post-performance	.000	1.135	.000	.000	.000

5.5.10.1.1 Goodness of Fit Indices

The final model consists of five constructs in addition to the higher order factor of Four factors (the Egyptian culture, leadership behaviours shared values and customer perceived services quality). The Egyptian culture impacts of cross-border M&As post-performance coefficient was excluded from the model as it proved to have no substantive impact on the cross-border M&As post-performance. That can investigate the week association of Egyptian national culture in the direct and indirect relationship in the previous models.

The new model fit indices readings are: CMIN = 321.675with df = 202 and a CMIN/df = 2.680, which is <3 indicating a good fit; both within the acceptable ranges; NFI = .939 and CFI = .945, also within the acceptable ranges; and RMSEA = .068 with 90 per cent confidence interval (.035 and .061) and PCLOSE =.5497, which is insignificant thus indicating that 90 per cent confidence that the RMSEA value falls within these two interval values. The model (12) in figure is the best model fit we can get whid can prove hypothesis ***H8Egy.*** The impact of the Egyptian national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality in Egypt.

5.5.10.2 Structural Model direct relationship sets: The UK customer perceived services quality and the post financial performance structural model (3)

The results of the structural model indicated that there was sufficient model-to-data fit CMIN = 244.751 and which is <2 with df = 154 indicating a good fit; and SRMR = .0512, both within the Acceptable ranges; NFI = .936 and CFI = 0.957, The results of the model supported the hypothesis ***H3UK.2*** statistically suggesting *The UK customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UK* because the path coefficient was 0.32.

5.5.10.3 Structural Model direct relationship sets: The UK customer perceived services quality and the post financial performance structural model (4)

The model fit statistics are indicative of a good fit: CMIN = 323.732 with df = 175, and CMIN/df ratio = 2.102; and SRMR = .0401; NFI = .951 and CFI = .965; and RMSEA = 0.039 with 90 per cent confidence interval (.038 and .061) and PCLOSE = .432. The results of the model supported the hypothesis ***H2UK.2 statistically*** suggesting that The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post- financial performance In the UK, because the path coefficient was 0.89.

Table 5. 22: Selected AMOS text output for UK Direct relation models' estimates

Hypotheses	Paths			Estimate	S.E.	C.R	P
H1UK.1 *Model (1)*	UK culture	→	Post-Performance	.563	.125	4.034	***
H1UK.3 *Model (2)*	UK Leaders	→	Post-Performance	.446	.089	5.234	***
H3UK.2 *Model (3)*	PSQ UK	→	Post-Performance	.561	.051	4.754	***
H2UK.2 *Model (4)*	UK SUV	→	Post-Performance	.542	.084	5.667	***

Note: *** p<.001; ** p<.01; * p<.05.

In table (5.12) shows that the P values all significant for all the four hypnotised models.

5.5.11 Indirect relationship sets of models: The Effect of Moderators.

Having established direct relationship model fit in the last step model and validity, the next step is to test more than one sample group in the UK banks as a mediator variables in the cultural impacts–post-financial performance relationship (multi group structural model).

H1UK.2 *the UK national cultural dimensions are strongly associated with the UK banking leaders' behaviours in the cross-border M&As' banks In the UK.* The results of the model supported it statistically because the path coefficient was 0.72 which can prove that there is a strongly positive relationship between The UK national cultural dimensions and the UK banking leaders' behaviours in the cross-border M&As' banks.

H1UK.3 *the UK banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UKpt.* The results of the model supported it statistically because the path coefficient was 0.48 which can prove that there is a strongly positive relationship

H1UK.1 The UK national culture dimensions are strongly associated with the cross-border M&As post-financial performance In the UK. The results of the model do not support it statistically because the path coefficient was 0.012 which can prove that there is not a strongly relationship between the UK national cultural dimensions and the cross-border M&As post-financial performance In the UK.

Table 5. 23: Selected AMOS text output for UK model estimates The UK culture and the post financial performance mediating the UK Employees shared understanding values structural model (6)

Hypotheses	Paths			Estimate	S.E.	C.R	P
H1UK.2	UK culture	→	UK Leaders	.354	.062	2.421	***
H1UK.3	UK Leaders	→	Post-Performance	.421	.048	6.544	***
H1UK.1	UK culture	→	Post-Performance	.265	.261	7.139	.142

Note: *** p<.001; ** p<.01; * p<.05.

The P values are all significant for all the two hypnotised models ***H1UK.***2 and ***H1UK.3*** However, the hypothesis ***(H1UK.1)*** with P=.142 has an insignificant. That mean that there is not a strongly relationship between the UK national cultural dimensions and the cross-border M&As post-financial performance In the UK. However the overall model can prove the hypothesis ***H1UK.*** Suggesting that the impact of the UK national cultural

dimensions on cross-border post-financial performance is mediated by banking leadership behaviours In the UK

5.5.11.1 The UK culture and the post financial performance mediating the UK customer's perceived services quality structural model (6)

The final model consists of three constructs in addition to the higher order factor of UK culture and the UK leadership behaviours. The model fit indices readings are: CMIN = 264.764 with *df* = 141 and a CMIN/*df* = 2.013 which is <3 indicating a good fit; NFI = .957 and CFI = .963, also within the acceptable ranges; and RMSEA = .060 with 90 per cent confidence interval (.035 and .061) and, which is significant. The results of the structural model indicated that there was sufficient model-to-data fit.

H1UK.2 *the UK national cultural dimensions are strongly associated with the UK employees shared understanding values in the cross-border M&As' banks In the UK.* The results of the model supported it statistically because the path coefficient was .45 which can prove that there is a strongly positive relationship between *UK national cultural dimensions and the UK employees shared understanding values in the cross-border M&As' banks In the UK.*

H2UK.1 *the UK culture in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UK.*

H2UK.2 UK shared understanding values are strongly associated with the cross-border M&As post-financial performance In the UK. The results of

the model supported it statistically because the path coefficient was 0.89 which can prove that there is a strongly positive relationship.

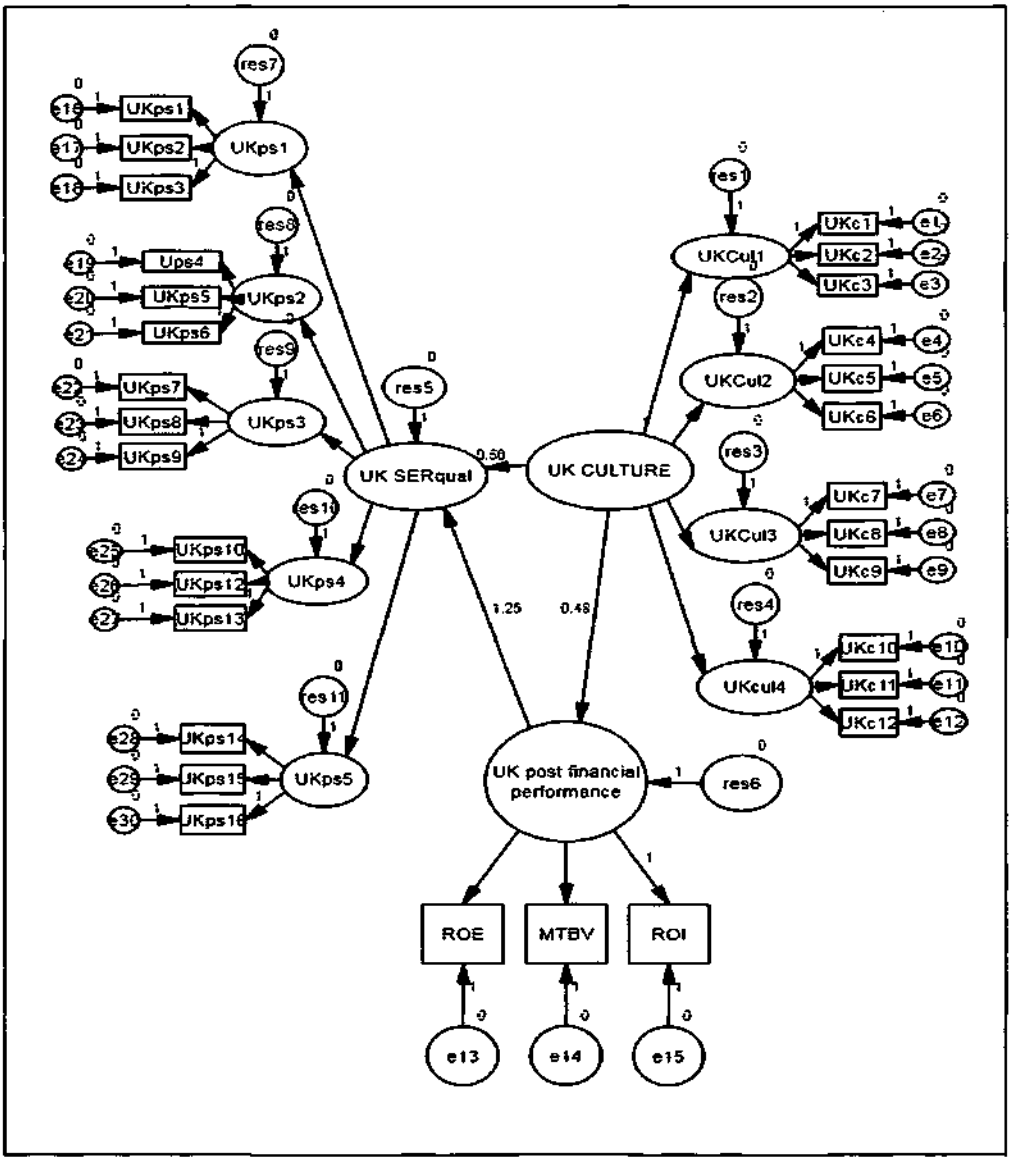
Table 5. 24: Selected AMOS text output for UK model estimates The UK culture and the post financial performance mediating the UK customers perceived services quality structural model (7)

Hypotheses	Paths			Estimate	S.E.	C.R	P
H1UK.2	UK culture	→	UK S.values	.343	.025	2.381	***
H1UK.3	UK S.values	→	Post-Performance	.322	.053	4.324	***
H2UK.2	UK culture	→	Post-Performance	.454	.643	5.965	***

Note: *** p<.001; ** p<.01; * p<.05.

In table (5.14) shows that the P values are all significant for all the two hypnotised models ***H1UK.2*** and ***H1UK.3*** except ***H2UK.2*** which is insignificant and not supported as the P value= .082. However the overall model can prove the hypothesis ***H2UK.,*** suggesting the impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values In the UK.

Figure 5. 6: The UK culture and the post financial performance mediating the UK customers' perceived services quality structural model (7)



Mediating the UK customers perceived services quality in the UK culture impacts on post financial performance model consists of three constructs in addition to the higher order factor of UK culture and the UK leadership behaviours.

The model fit indices readings are: CMIN = 394.543 with *df* = 92 and a CMIN/*df* = 2.126 which is <3 indicating a good fit; NFI = .947 and CFI =

.951, also within the acceptable ranges; and RMSEA = .046 with 90 per cent confidence interval (.035 and .061) and, which is significant. The results of the in figure (6.15) structural model indicated that there was sufficient model-to-data fit.

H3UK.1 The UK national cultural dimensions are associated with the customers' perceived service quality in the cross-border M&As' banks In the UK. The results of the model supported it statistically because the path coefficient was 1.26 which can prove that there is a strongly positive relationship between *UK national cultural dimensions and the UK* customers' perceived service quality in the cross-border M&As' banks In the UK.

H3UK.2 The UK customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UK. The results of the model supported it statistically because the path coefficient was 0.48 which can prove that there is a strongly positive relationship.

Table 5. 25: Selected AMOS text output for UK model estimates The UK culture and the post financial performance mediating the UK leadership behaviours structural model (7)

Hypotheses	Paths			Estimate	S.E.	C.R	P
H3UK.1	UK culture	→	UK Serqual	.427	.052	3.423	***
H3UK.2	UK Serqual	→	Post-Performance	.531	.063	4.675	***

Note: *** p<.001; ** p<.01; * p<.05.

The P values are all significant for all the two hypnotised models ***H3UK.1*** and ***H3UK.2*** the overall hypothesis ***H3UK*** is significant suggesting that the impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated with the with the customers' perceived service quality in cross-border M&As' banks worked In the UK.

5.5.12 Goodness of Fit Indices

An examination of the goodness of fit indices show that the modified model as presented fits well as all indices are within the acceptable range (For example the chi-square statistic (=167.833) and the x2/df value of 2.665 indicate an acceptable model. RMSEA (0.061), CFI (0.942), TLI (0.922) and IFI (0.932) indicate a reasonable good fitting model. Based on these it was concluded that the modified model is acceptable.

Evaluation of the hypotheses as presented was conducted by examination of structural coefficients and critical ratios. Table 6.16 presents the estimates for regression weights.

The estimates indicate that they are all statistically significant (p>0.05) with critical ratios (cr) >1.96. Figure 5.16 presents the full model with all associated estimates while table 6.36 presents data on the direct and indirect effects. Because of modifications to the model and the findings that ***H4UK.*** The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values, and ***H4UK.***1The UK Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks were evaluated here:

Table 5. 26: Estimates -Regression Weights

		Estimate	S.E	C.R	P
UK CULTURE	**LEADERSHIP**	0.93	0.16	3.652	***
UK CULTURE	**UK S.VALUES**	1.23	0.33	4.231	***
UK CULTURE	**POST PERFORMANCE**	0.97	0.11	2.245	***
LEADERSHIP	**UK S.VALUES**	1.35	0.31	3.528	***
LEADERSHIP	**POST PERFORMANCE**	1.11	0.23	4.785	***
UK S.VALUES	**POST PERFORMANCE**	1.83	0.18	3.971	***

Note: *** p<.001; ** p<.01; * p<.05.

5.5.12.1 Multi-group relationship seta of models: The effects of Multi-group mediators (Leadership behaviours and customers perceived services quality) (Model 9)

An examination of the goodness of fit indices show that the modified model as presented fits well as all indices are within the acceptable range (For example the chi-square statistic (=543.83) and the x2/df value of

2.183 indicate an acceptable model. RMSEA (0.059), CFI (0.934), TLI (0.938) and IFI (0.921) indicate a reasonable good fitting model. Based on these it was concluded that the modified model is acceptable. Evaluation of the hypotheses as presented was conducted by examination of structural coefficients and critical ratios. Table 6.17 presents the estimates for regression weights.

The estimates indicate that they are all statistically significant ($p>0.05$) with critical ratios (cr) >1.96. Figure 5.16 presents the full model with all associated estimates while table 6.36 presents data on the direct and indirect effects because of modifications to the model and the findings that H5UK. The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and customers perceived services quality, and H5UK.1The UK Leaders' behaviours are strongly associated with customers perceived services quality in cross-border M&As banks were evaluated here.

Table 5. 27: Estimates -Regression Weights

		Estimate	S.E	C.R	P
UK CULTURE →	**LEADERSHIP**	1.23	0.43	3.112	***
UK CULTURE →	**UK SERVQUAL**	1.66	0.67	5.642	***
UK CULTURE →	**POST PERFORMANCE**	0.78	0.78	2.271	***
LEADERSHIP →	**UK SERVQUAL**	1.23	0.67	4.128	***
LEADERSHIP →	**POST PERFORMANCE**	1.45	0.84	4.235	***
UK SERVQUAL	**POST PERFORMANCE**	1.59	0.45	4.349	***

Note: *** p<.001; ** p<.01; * p<.05.

An examination of the goodness of fit indices show that the modified model as presented fits well as all indices are within the acceptable range (For example the chi-square statistic (=157.76) and the x2/df value of 2.765 indicate an acceptable model. RMSEA (0.061), CFI (0.947), TLI (0.938) and IFI (0.954) indicate a reasonable good fitting model. Based on these it was concluded that the modified model is acceptable. Evaluation of the hypotheses as presented was conducted by examination of structural coefficients and critical ratios. Table 5.15 presents the estimates for regression weights.

The estimates indicate that they are all statistically significant (p>0.05) with critical ratios (cr) >1.96. Figure 5.16 presents the full model with all associated estimates while table 6.36 presents data on the direct and indirect effects. Because of modifications to the model and the findings

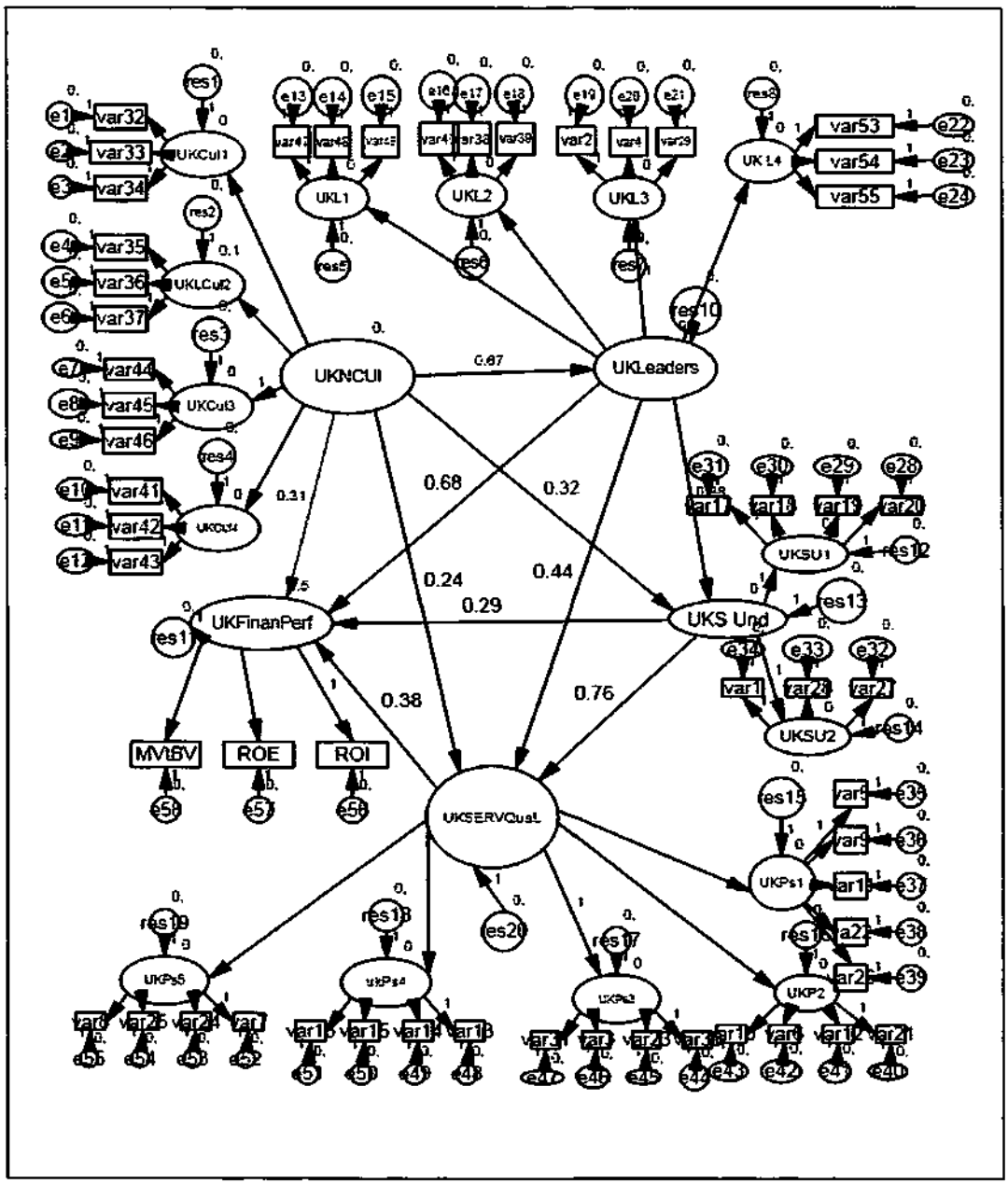
that (***H6, 7UK***) the impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality. And (***H,6,7UK.1***) The UK employees' shared understanding values are strongly associated with the customers' perceived service quality.

Table 5. 28: Estimates -Regression Weights

		Estimate	S.E	C.R	P
LEADERSHIP →	UK S.VALUES	1.73	0.69	5.462	***
LEADERSHIP →	UK S.VALUES	1.64	0.74	3.342	***
LEADERSHIP →	POST PERFORMANCE	1.43	0.67	3.774	***
UK S.VALUES →	UK SERVQUAL	1.32	0.45	3.256	***
UK S.VALUES →	POST PERFORMANCE	1.12	0.23	5.156	***
UK SERVQUAL →	POST PERFORMANCE	1.33	0.23	3.286	***

Note: *** p<.001; ** p<.01; * p<.05.

Figure 5. 7: mediators (Leadership Behaviours, customers perceived services quality



5.5.12.2 Feasibility of estimates

This is the initial step in assessment of the model. The viability of the estimates is determined by examining the sign and size of the estimates, and the consistence with underlying theory. Byrne (2010) suggest that all estimates falling outside the expectations would indicate that the model is

wrong or the input matrix lacks sufficient information. Further she suggests that parameters exhibiting unreasonable estimates are correlations >1.00, negative variances and covariance or correlations that are not positively defined (Byrne 2010).

5.5.12.2.1 Statistical Significance of Parameter Estimates

Having established that the estimates are all of the correct sign and size, the next step was to assess the significance of the parameter estimates. The test statistic here is the use of the critical ratio (C.R.). Based on the level of $p<0.05$, the c. r. need to be >1.96 before the hypothesis can be rejected. Byrne (2010) although suggesting that insignificant parameters should be deleted from the model, accepts that this could be a sign of sample size that is too small. Theoretical justification can be another reason why a non-significant parameter could be returned.

The identification of the model was assessed and the results show that the model is identified. It was observed that model identification results can either be (1) under-identified, (2) just identified or (3) under-identified. However the primary goal in SEM is to have a model that is over-identified (Hair et al 2010). Two methods can be used to assess this It is clear from the results that this model is accepted based on the order condition, as there are 201 degrees of freedom.

Table 5. 29: Computation of degrees of freedom

Computation of degrees of freedom (Default model)

Number of distinct sample moments:	645
Number of distinct parameters to be estimated:	175
Degrees of freedom (645 - 175):	470

Result (Default model)

Minimum was achieved Chi-square = 221.756 Degrees of freedom = 175

Probability level = .000

5.5.12.2.2 Scalar Estimates and Maximum Likelihood Estimates

Based on data it is seen that the majority of the estimates are significant (>1.96). Examination of table 6.19 showing factor loadings' (presented as regression weights) indicate that all estimates are significant at $p<0.05$, except for quality indicator loading on performance: However this is significant at $p<0.10$. Examination of the Covariance and variances also indicate that the majority of the estimates are significant at $p<0.05$, based on the analysis of the parameter estimates (Byrne 2010).

Although some of the estimates have critical ratio values of <1.96, they were considered theoretically adequate to be included in the model. As noted above, one of the reasons for non-significant parameters is the use of small sample size. As the sample size used was small compared to the required minimum, such a result is therefore not unexpected.

Table 5. 30: Regression Weights:

		Estimate	S.E.	C.R.	P
LEADERSHIP <---	**UK CULTURE**	1.335	.113	3.916	***
UKsvalues <---	**UK CULTURE**	1.147	.093	2.916	***
UKservqual <---	**UK CULTURE**	.600	.181	3.324	***
UKsvalues <---	**LEADERSHIP**	1.000			***
UKservqual <---	**LEADERSHIP**	1.137	.173	5.624	***
Post fin.pf.<---	**LEADERSHIP**	1.036	.070	4.897	***
Post fin.pf <---	**UKsvalues**	1.000			***
UKservqual <---	**UKsvalues**	1.267	.174	3.385	***
Post fin.pf <---	**UKservqual**	.821	.119	3.751	***

Table 5. 31: Covariance

			Estimate	S.E.	C.R.	P
LEADERSHIP	<-->	UK CULTURE	.327	.010	3.340	***
UKsvalues	<-->	UK CULTURE	.023	.001	3.454	***
UKservqual	<-->	UK CULTURE	.022	.019	4.366	***
UKsvalues	<-->	LEADERSHIP	.011	.017	5.452	***
UKservqual	<-->	LEADERSHIP	.023	.013	5.502	***
Post fin.pf.	<-->	LEADERSHIP	.022	.079	4.430	***
Post fin.pf-	<-->	UKsvalues	.0018	.022	3.392	***
UKservqual	<-->	UKsvalues	.025	.019	4.554	***
Post fin.pf-	<-->	UKservqual	.033	.028	3.504	***

Table 5. 32: Correlations

			Estimate
LEADERSHIP	<-->	UK CULTURE	.248
UKsvalues	<-->	UK CULTURE	.233
UKservqual	<-->	UK CULTURE	.328
UKsvalues	<-->	LEADERSHIP	.344
UKservqual	<-->	LEADERSHIP	.446
Post fin.pf.	<-->	LEADERSHIP	.539
Post fin.pf-	<-->	UKsvalues	.341
UKservqual	<-->	UKsvalues	.348
Post fin.pf-	<-->	UKservqual	.533

5.5.12.2.3 Goodness of Fit Indices

The final model consists of five constructs in addition to the higher order factor of Four factors (the UK culture, leadership behaviours shared values and customer perceived services quality).

The UK culture impacts of cross-border M&As post=performance coefficient was excluded from the model as it proved to have no substantive impact on the cross-border M&As post-performance. That can investigate the week association of UK national culture in the direct and indirect relationship in the previous models.

The new model fit indices readings are: CMIN = 321.675with df = 202 and a CMIN/df = 2.680, which is <3 indicating a good fit; both within the

acceptable ranges; NFI = .909 and CFI = .915, also within the acceptable ranges; and RMSEA = .066 with 90 per cent confidence interval (.035 and .061) The model (11) in figure is the best model fit we can get that can prove hypothesis ***H8UK.*** The impact of the UK national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality In the UK.

5.6 Summary

This chapter started by presenting the process of acquiring the data used in the analysis. While the use of questionnaire was intended to yield a sample size within the recommended rule of thumbs in SEM, the resultant sample was sixty three.

This, however, was deemed enough to proceed with SEM analysis as evidence shows that valid results have been obtained in some SEM studies with sample size less than 100 (Hair et al 2010). However in order to reduce the effect of sample size on the results, indicator variables were formed into composite variables so as to have only three indicator variables per construct. A two-step approach as recommended in literature (Bryn 2010) was used. This required first the assessment of the measurement model.

Once this was deemed acceptable, then the structural model was assessed. However, the initial assessment of the measurement model indicated that, while it generally had an acceptable fit based on goodness of fit indices and parameter estimates, there was room for improvement of the model. This was subsequently done by re-specifying the model with a deleted indicator item that was deemed problematic. The result of the re-specified model produced an acceptable measurement model. Once this was done, the structural model was assessed. Based on the goodness of fit indices, the model was acceptable as valid. Evaluation of the strength of

the direct and indirect relationship between project management process quality variables and construction project performance was based on the significance of the estimates. In the following table the author summarises the result of hypotheses testing of the thesis:

Table 5. 33: Summary of the Research Results

(Based on the AMOS analysis[ii])

Hypothesis	Description	Results Egyptian Banks
Hypothesis 1	***H1Egy.*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours In Egypt.	**Supported**
	H1 Egy 1 In Egypt, the national cultural dimensions are strongly associated relationship with the cross-border M&As post-financial performance In Egypt	**Rejected**
	H1 Egy 2 In Egypt, the national cultural dimensions are strongly associated with the Egyptian, banking leaders' behaviours in the cross-border M&As' banks In Egypt.	**Supported**
	H1 Egy 3 banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance In Egypt	**Supported**
Hypothesis 2	***H2 Egy*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values In Egypt.	**Supported**
	H2 Egy 1The Egyptian national cultural dimensions are associated with the employees shared understanding values in the cross-border M&As' banks In Egypt.	**Supported**
	H2 Egy 2The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post-financial performance In Egypt.	**Supported**

Hypothesis	Description	Results Egypt Banks
Hypothesis 3	**H3 *Egy*.** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the customers' perceived service quality in cross-border M&As' banks worked In Egypt.	**Supported**
	H3. *Egy* 1 In the Egyptian national cultural dimensions are associated with the customers' perceived service quality in the cross-border M&As' banks In Egypt.	**Supported**
	H3 *Egy* 2 customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance In Egypt	**Supported**
Hypothesis 4	***H4 Egy.*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values.	**Supported**
	H4 Egy 1 In the Egypt Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks.	**Supported**

Hypothesis	Description	Results Egypt Banks
Hypothesis 5	**H5 *Egy*.** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and the customers' perceived service quality.	**Supported**
	H5 *Egy* 1 In the Egyptian, Leaders' behaviours are strongly associated with the customers' perceived service quality.	**Supported**
Hypothesis 6	**HH6 *Egy*.** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality.	**Supported**
	H6 *Egy*.1 In the Egyptian, employees' shared understanding values are strongly associated with the customers' perceived service quality	**Supported**

Hypothesis	Description	Results Egypt Banks
	H7 Egy. The Egyptian Leaders' behaviours are strongly associated with a combination of employees' shared understanding values and the customers' perceived service quality.	**Supported**

Hypothesis 7	***H7 Egy.***1The Egyptian Leaders' behaviours are strongly associated with a combination of employees' shared understanding values.	**Supported**
	H7 Egy.2The Egyptian Leaders' behaviours are strongly associated with a combination of and the customers' perceived service quality.	**Supported**
Hypothesis 8	***H8 Egy.*** The impact of the Egyptian national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality In Egypt	**Supported**

Table 5. 34

Summary of the Research Results

(Based on the AMOS analysis[iii])

Hypothesis	Description	Results UK Banks
Hypothesis 1	***H1UK.*** The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours In the UK.	**Supported**
	H1 UK1 national cultural dimensions are strongly associated with the cross-border M&As post-financial performance In the UK	**Supported**
	H1 UK 2 national cultural dimensions are strongly associated with the UK banking leaders' behaviours in the cross-border M&As' banks In the UK.	**Supported**
	H1 UK3 banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UKpt.	**Supported**
Hypothesis 2	***H2UK.*** The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values In the UK.	**Supported**
	H2UK 1The UK national cultural dimensions are associated with the employees shared understanding values in the cross-border M&As' banks In the UK.	**Supported**
	H2UK 2The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post-financial performance In the UK.	**Supported**

Hypothesis	Description	Results UK Banks
Hypothesis 3	**H3UK.**The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated with the with the customers' perceived service quality in cross-border M&As' banks worked In the UK.	**Supported**
	H3.UK1 In the UK national cultural dimensions are associated with the customers' perceived service quality in the cross-border M&As' banks In the UK.	**Supported**
	H3 UK2 customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance UK	**Supported**
Hypothesis 4	***H4UK.*** The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values.	**Supported**
	H4UK 1 In the UK, Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks.	**Supported**

Hypothesis	Description	Results UK Banks
Hypothesis 5	**H5UK.** The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and the customers' perceived service quality.	**Supported**
	H5UK1 In the UK, Leaders' behaviours are strongly associated with the customers' perceived service quality.	**Supported**
Hypothesis 6	**HH6UK.** The impact of the UK national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality.	**Supported**
	H6UK.1 In the UK, employees' shared understanding values are strongly associated with the customers' perceived service quality	**Supported**

Continue

Hypothesis	Description	Results UK Banks
Hypothesis 7	***H7UK.*** The UK Leaders' behaviours are strongly associated with a combination of employees' shared understanding values and the customers' perceived service quality.	**Supported**
	H7UK.1The UK Leaders' behaviours are strongly associated with a combination of employees' shared understanding values.	**Supported**
	H7UK.2The UK Leaders' behaviours are strongly associated with a combination of and the customers' perceived service quality.	**Supported**
Hypothesis 8	***H8UK.*** The impact of the UK national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality In the UK	**Supported**

CHAPTER 6 DISCUSSION AND CONCLUSION OF THE STUDY

6.1 Introduction

The primary aim of this research was to empirically test the national culture impacts on cross-border mergers and acquisitions performance in Egyptian and British banking industry from 2004-2007. In Chapter One the need for a cross-culture perspective in understanding the influence of national culture dimensions on post financial performance was presented. Chapter Two presented a background on the theoretical literature has examined the influence of national culture dimensions on performance. No past research was identified as having empirically examined national culture influences on banking post-financial performance mediating leadership behaviour; employees shared values and customers perceived services quality consistent with the aim of this research.

Chapter three presented a review of literature concerning the direct and indirect impacts of national culture on post-performance. This was the basis for developing a theoretical project management quality model, which was used to measure cultural impacts on banking post-performance in cross-border M&As environment.

Structural Equation Modelling was selected as the appropriate method and was presented in Chapter Four. Structural equation modelling was chosen as the method because of its ability to simultaneously examine a web of causal relationships. The theoretical model in Chapter five mirrored the SEM concepts. Chapter Five and Six presented the Egyptian and British banks empirical results from the study. This final chapter presents the principle outcomes of the research.

The chapter is divided into three sections. Section one presents the findings and conclusions of the research in relation to the aims and objectives as presented in Chapter One. Section Two is concerned with the limitations of the research, while Section Three discusses possibilities of future research in relation to the influence of national culture and human sides role on cross-border M&As post-performance and construction post-M&As performance.

6.1.1 Section One: Main Findings andrelationship to previous literature

6.1.1.1 Research aim and Hypotheses

Chapter one present the study aim which is: To model the impacts of national culture on the post cross-border M&As performance in banking industry with the inclusion of human side effects that have been neglected in the previous researches as mediator variables in different cross-border M&As setting (Egypt and the UK).

This study used the GLOBE projects theoretical framework, the assumptions in the models were that understanding the national culture of any nation will enable to know the leadership behaviours that can make the strategic decisions in the nation , that affect the post financial performance of the cross-border M&As through the followers or human side effecting role . Based on these postulated relationships eight Hypotheses were developed and tested in Egypt and the UK. These hypotheses are stated below:

The Models Of the Egyptian/British culture – post-performance relationships	*(X^2/DF)*		*(CFI)*		*(IFI)*		*(NFI)*		(RMSEA)		(NNFI/TLI)	
	Egypt	*UK*	*Egypt*	*UK*	*Egypt*	*UK*	*Egypt*	*UK*	*Egypt*	*UK*	*Egypt*	*UK*
Acceptable fit	**≤2 to 5**		**≥0.90**		**≥0.90**		**≥0.90**		**≤ 0.05 or < 0.08**		**≥0.90**	
Measurement Models (first-order)												
National Culture (CFA)	2.173	2.241	.979	.979	.968	.968	.958	.934	.023	.045	.966	.985
Leadership behaviours (CFA)	1.901	1.901	.975	.975	.976	.976	.950	.944	.022	.029	.963	.933
Shared understanding values (CFA)	1.961	1.961	.983	.983	.977	.977	.963	.945	.036	.033	.952	.967
Customers perceived services quality (CFA)	2.001	2.165	.961	.961	.945	.945	.939	.939	.034	.035	.951	.965
Post-financial performance (CFA)	1.974	1.951	.975	.975	.963	.963	.955	.923	.021	.023	.941	.943
Measurement Models (second-order)												
National Culture (CFA)	2.201	2.110	.971	.969	.972	.972	.949	.944	.026	.043	.953	.932
Leadership behaviours (CFA)	2.361	2.341	.963	.971	.959	.959	.939	.954	.046	.046	.942	.945
Shared understanding values (CFA)	1.971	1.918	.973	.978	.961	.961	.954	.933	.029	.056	.962	.939
Perceived services quality (CFA)	2.211	2.229	.963	.969	.949	.949	.939	.945	.041	.044	.951	.951
Post-financial performance (CFA)	2.102	1.914	.985	.978	.970	.970	.965	.955	.031	.023	.961	.945
Structural Modules (direct relationship)												
culture and post-performance	3.407	3.122	.875	.943	.869	.944	.745	.976	.125	.012	.892	.943
leadership and post-performance	2.541	2.129	.951	.947	.940	.923	.934	.943	.033	.044	.951	.944
Path Analysis structural models (Indirect relationship)	2.661	2.126	.953	.949	.939	.939	.921	.933	.049	.045	.932	.956
Culture---Leadership---Post-Performance	2.459	2.231	.946	.955	.931	.940	.924	.935	.039	.033	.942	.976
Culture---Leadership---Shared Understanding Value---Post-Performance	2.723	2.320	.931	.964	.940	.942	.941	.951	.033	.043	.951	.952
Culture---Leadership---Customer Perceived Services quality--- Post-Performance	2.531	2.129	.957	.964	.949	.943	.934	.933	.065	.054	.942	.934
Culture---Leadership--- Shared Understanding Value---Customer Perceived Services quality ---- Post-Performance *(Final Fit Model)*	2.922	2.799	.945	.951	.931	.939	.940	.945	.039	.045	.941	.946

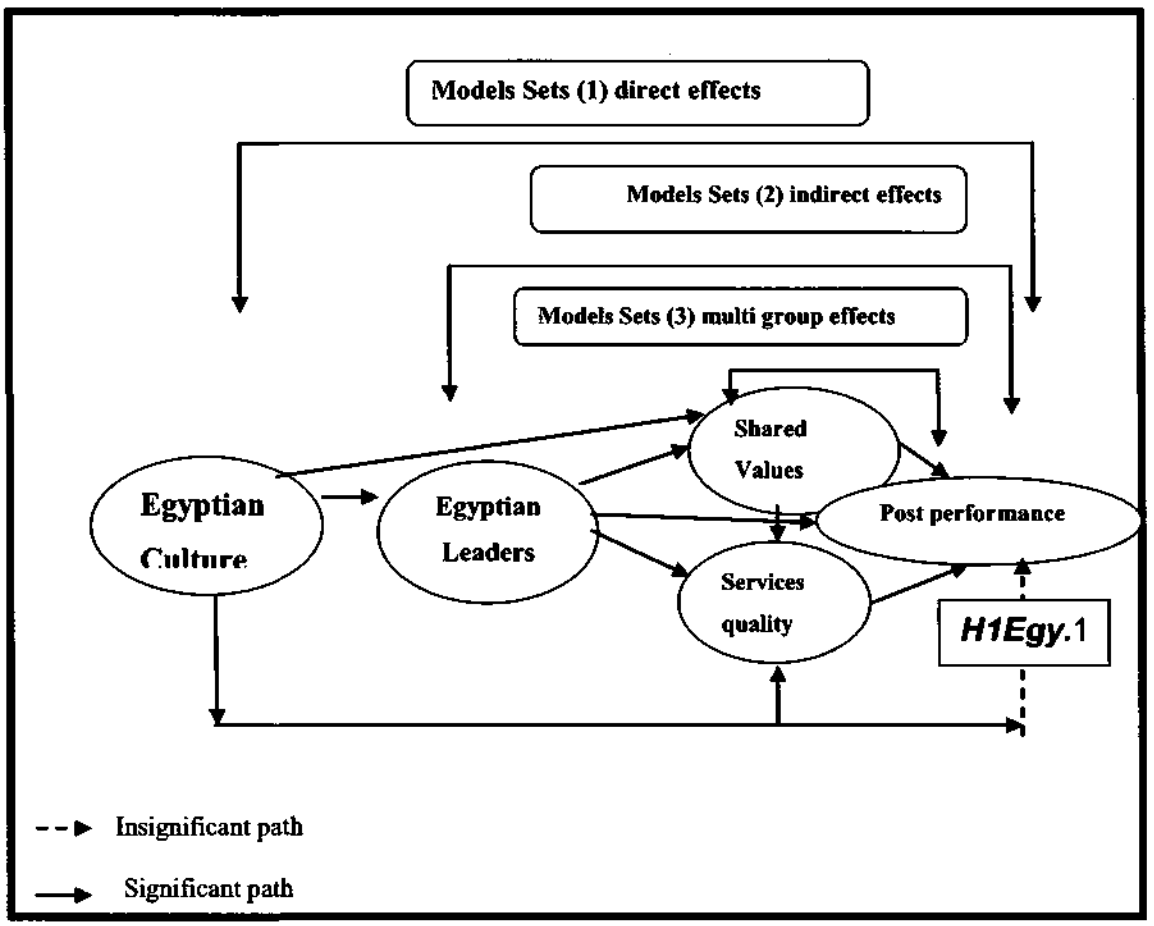


Figure 6. 1

Structural Model with Hypotheses depicted on paths

6.1.2 The link between qualitative and quantitative findings and literature review

Determining the research question is an extremely important step in both the quantitative and the qualitative process because these questions narrow the research objective and research purpose to specific questions that researchers attempt to address in their studies (Creswell, 2005). However, research questions are even more important in mixed methods

research because mixed methods researchers make use of the pragmatic method and system of philosophy. The research question of the study drives the methods used (Newman & Benz, 1998; Tashakkori & Teddlie, 1998).

In line with literature on the general relationship between national culture and post cross-border financial performance in banking industry mediating the human side role and effects in the relationship, the following theoretical proposition was examined;

> *There is a significant relationship between national culture and cross-border financial performance in banking industry mediating the human side role and effects in the relationship.*

In order to examine the above relationship, a national culture effects on post financial performance model was developed.

The model developed in chapter Five of the Egyptian banking industry and in chapter six of the UK banking industry, reflected the assumed nature of the relationship between GLOBE project theoretical framework and cross-border post performance. This was deemed theoretically sound as its basis was the well-known.

This model has been used by few researchers including, House and Hanges, et al. (2006) Hofsted (2001). A full structural equation model has

two components. These are the structural model which defines the relationships between constructs and the measurement model which describes the indicators used to measure the constructs. The findings with respect to these two components of the structural equation model are discussed below.

6.1.3 The Measurement Model

The measurement model as defined in Section Chapter Five was subjected to statistical analysis in order to determine its validity). Following the example of Byrne (2010), confirmatory factor analysis was used. However before SEM procedure was conducted, there was a need to reduce the number of indicator variables in order to minimise the effect of sample size on the results as the sample size was less than 100, which was the threshold considered appropriate for structural equation modelling analysis (See Section 4.3.3 and Section 6.2.1). Item parcelling was used to reduce the number of indicator variables per construct. However, before item parcelling was performed, a preliminary reliability analysis was conducted on the original scale to determine the reliability of the measurement scale. The results based on cronbach alpha and inter-item correlation statistics indicated a generally accepted scale for all the constructs except for the leadership and partnership and resources constructs, which were subjected to refinement.

6.1.4 Item parcelling

Item parcelling procedures were conducted on the resultant measurement scales, using the single factor analysis method. This procedure resulted in quality constructs having only three indicator variables. The measurement model was subsequently subjected to confirmatory factor analysis using structural equation modelling. The preliminary results while indicating that the measurement model was valid based on goodness of fit indices, showed some element of miss-specification. A re-specification of the model yielded a measurement model that was valid. It was concluded therefore that the adjusted measurement model was valid and therefore could be used in the full SEM analysis. The finding that the measurement scale was valid is consistent with the work of Nasser & Takahashi, (2003).were also partly concerned with the identification of indicator variables for project management constructs. The findings are also consistent with many other studies that have included these variables as critical success factors in national culture and cross-cultural behaviours.

Having ascertained that the measurement model was valid, an examination of the full structural equation model was conducted. The interest in assessing the structural model was the evaluation of the validity and significance of the relationships between constructs in the cultural - post financial performance model. These postulated relationships are reflected in the hypotheses.

6.2 Summary

The study found reasonably support for the research hypotheses. The findings from this study seem to suggest that the culture in Egypt and the UK mediating leadership behaviours, employees shared valued and customer perceived services quality were quite similar to each other in terms of the mediating impacts of post financial performance of banking industry. The results of the initial SEM analysis of the cultural -post financial performance model suggested that the model was valid based on goodness of fit indices. However, an examination of the significance of the relationships, suggest that not all variables have statistical significant effect on project performance when presented in the form of the cultural - post financial performance model. The model postulated a direct and indirect relationship between cultural -post financial performance:

Table 6. 1: Summary of the Research Results **(Based on the AMOS analysis[iv])**

Hypothesis	Description		Results	
	Egyptian Banks	**British Banks**	**Egyptian Banks**	**British Banks**
Hypothesis 1	***H1Egy.*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours in Egypt.	***H1UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by banking leadership behaviours in the UK.	**Supported**	**Supported**
	1.1 The Egyptian national cultural dimensions are associated with the cross-border M&A post-financial performance in Egypt[v].	1.1 The British national cultural dimensions are associated with the cross-border M&As post-financial performance in the UK.	**Rejected**	**Supported**
	1.2 The Egyptian national cultural dimensions are strongly associated with the Egyptian banking leaders' behaviours in the cross-border M&As' banks In Egypt.	1.2 The British national cultural dimensions are strongly associated with the Egyptian banking leaders' behaviours in the cross-border M&As' banks In the UK.	**Supported**	**Supported**
	1.3 The Egyptian banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance Egypt.	1.3 The British banking leaders' behaviours in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance in the UK.	**Supported**	**Supported**

Hypothesis	Description		Results	
	Egyptian Banks	**British Banks**	**Egyptian Banks**	**British Banks**
	H2Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values in Egypt.	**H2UK.** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated with the employees shared understanding values in the UK.	**Supported**	**Supported**
Hypothesis 2	2.1 The Egyptian national cultural dimensions are associated with the employees shared understanding values in the cross-border M&As' banks In Egypt.	2.1The British national cultural dimensions are associated with the employees shared understanding values in the cross-border M&As' banks In the UK.	**Supported**	**Supported**
	2.2 The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post-financial performance in Egypt	2.2 The employees shared understanding values in the cross-border M&As' banks are associated with the cross-border M&As post-financial performance in the UK.	**Supported**	**Supported**

Hypothesis	Description		Results	
	Egyptian Banks	**British Banks**	**Egyptian Banks**	**British Banks**
Hypothesis 3	***H3Egy.*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated with the with the customers' perceived service quality in cross-border M&As' banks worked in Egypt.	***H3UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated with the with the customers' perceived service quality in cross-border M&As' banks worked in the UK.	**Supported**	**Supported**
	3.1 The Egyptian national cultural dimensions are associated with the customers' perceived service quality in the cross-border M&As' banks In Egypt.	3.1The British national cultural dimensions are associated with the customers' perceived service quality in the cross-border M&As' banks In the UK.	**Supported**	**Supported**
	3.2The Egyptian customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance Egypt.	3.2The British customers' perceived service quality in the cross-border M&As' banks are strongly associated with the cross-border M&As post-financial performance the UK.	**Supported**	**Supported**

Hypothesis	Description		Results	
	Egyptian Banks	**British Banks**	**Egyptian Banks**	**British Banks**
	H4Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values.	***H4UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and employees' shared understanding values.	**Supported**	**Supported**
	4.1The Egyptian Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks.	4.1The British Leaders' behaviours are strongly associated with employees shared understanding values in cross-border M&As banks.	**Supported**	**Supported**
Hypothesis 4,5	***H5Egy.*** The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and the customers' perceived service quality.	***H5UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of leaders' behaviours and the customers' perceived service quality.	**Supported**	**Supported**
	5.1 The Egyptian Leaders' behaviours are strongly associated with the customers' perceived service quality.	5.1 The British Leaders' behaviours are strongly associated with the customers' perceived service quality.	**Supported**	**Supported**

Hypothesis	Description		Results	
	Egyptian Banks	British Banks	Egyptian Banks	British Banks
	H6Egy. The impact of the Egyptian national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality.	***H6 UK.*** The impact of the British national cultural dimensions on cross-border M&As post-financial performance is mediated by a combination of employees' shared understanding values and the customers' perceived service quality.	**Supported**	**Supported**
	6.1 The Egyptian employees' shared understanding values are strongly associated with the customers' perceived service quality	6.1 The British employees' shared understanding values are strongly associated with the customers' perceived service quality.	**Supported**	**Supported**
Hypothesis 6,7	***H7Egy.*** The Egyptian Leaders' behaviours are strongly associated with a combination of employees' shared understanding values and the customers' perceived service quality.	***H7UK.*** The British Leaders' behaviours are strongly associated with a combination of employees' shared understanding values and the customers' perceived service quality.	**Supported**	**Supported**
	7.1The Egyptian Leaders' behaviours are strongly associated with a combination of employees' shared understanding values.	7.1 The British Leaders' behaviours are strongly associated with a combination of employees' shared understanding values.	**Supported**	**Supported**
	7.2The Egyptian Leaders' behaviours are strongly associated with a combination of and the customers' perceived service quality.	7.2The British Leaders' behaviours are strongly associated with a combination of and the customers' perceived service quality.	**Supported**	**Supported**

Hypotheses	Description		Results	
	Egyptian Banks	British Banks	Egyptian Banks	British Banks
Hypothesis 8	***H8Egy.*** The impact of the Egyptian national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality in Egypt.	***H8UK.*** The impact of the British national culture on cross-border M&As bank post-financial performance is mediated by a combination of leaders' behaviours, employees' shared understanding values and customers' perceived service quality in the UK.	**Supported**	**Supported**

Table 6. 2: Causal relationships flow within Qualitative methods culture-cross-border M&As post-performance

Cross-border M&As Banks	Magnitude and Directionality	Mechanisms Used	Perceived impact on post-financial performance
In Egypt			
Misr International bank	-Significant relationship between culture and cross-border M&As post financial performance. *_Nationalistic bias of organizational members as* human resources and cross-border M&As post financial performance.	Corporate-wide meetings Cross-site teams	**Positive** *"....national cultures would appear not be an impediment, but a potential success factor for Team members of cross border acquisitions."* *"....national culture can result in the nationalistic bias of organizational members as* human resources tend to react negatively to being acquired..."
Delta International Bank.	Unknown relationship between culture and cross-border M&As post financial performance	Corporate-wide meetings Cross-site teams	**Neither positive nor negative (No effects)** *"....I suggest that the culture– performance relationship is more subtle and complex than is assumed theoretically"*
The Misr American International Bank Egypt S.A.E.	the process of cultural leadership as an important influence on merging national cultures	Corporate-wide meetings Cross-site teams	**Positive** *"the process of cultural leadership as an important influence on merging national cultures"*
In the UK			
Barclays Bank PLC.	Significant relationship between culture and cross-border M&As post financial performance.	Corporate-wide meetings Cross-site teams	**Positive** *"....the performance of acquisitions in culturally distant countries should improve more as a result of these new practices than the performance of acquisitions in culturally similar countries....."*
Abbey National plc	-Significant relationship between culture, human side and cross-border M&As post financial performance	Corporate-wide meetings Cross-site teams	**Positive** *"...leadership in a newly merged organization may entail a relatively complex interplay of both maintenance and innovation, as leaders help followers and customers negotiate, modify, and manage cultural similarities and differences in the post-merger environment..."*

Source: the Author.

6.3 Research contribution

This paper has investigated the impact of national cultural dimensions on cross border M&A post-performance in banking industry. The study found reasonably strong support for the research hypotheses. The findings from this study seem to suggest that the culture in Egypt and the UK mediating leadership behaviours, employees shared valued and customer perceived services quality were quite similar to each other in terms of the mediating impacts of post financial performance of banking industry.

6.3.1 Conceptual contribution

An important finding of this research is that the post-M&As post-performance is not a simple phase. In fact, and these have been identified and included into the theoretical framework. That phase has shaded a strong focuses on the importance of leadership behaviours which is more important that the effect of culture in some nations like the Egyptian culture. The role of humane side in the post financial performance in more importance in studying the culture impacts on post financial p[performance actions carried out by the acquiring firm and the ensuing behaviour of the employees. By charting the sub-phases, the reader is able to anticipate certain behavioural patterns of employees and relevant management solutions for each post-acquisition sub-phase.

In addition, the multi-dimensional cultural interface developed from the literature has been supported by the findings of the research. It displayed the complex interactions of national culture and organisational culture on the post-acquisition process. It discussed the strength of the influences the cultural dimensions on each post-acquisition phase and how to deal with it. This interface tried to bridge the gap in the literature that often focused on either organisational culture or national culture in M&A studies, but seldom both.

6.3.2 Research conclusion

The findings of the study contribute to existing research on the national culture – performance relationship by overcoming the limitations of (Mehdi 2006; Olajide 2010) study in the following ways. First, (Mehdi 2006; Olajide 2010) used the four dimension cultural index of Hostede (1980). The present study adds more holistic conceptualisation and measurement of cross-culture leadership behaviours measurement scales as a mediator in Culture- cross-border M&As post-financial performance relationship.

In contrast, this study uses the nine dimensions of the GLOBE practice scores (House et al.2006). National cultural distance measures utilizing Hofstede's (2001) scores have been widely criticized. The GLOBE project attempted to create elaborate and reliable national cultural differences scores. Second, in (Mehdi 2006; Olajide 2010) the post-acquisition integration variable measures the 'planned level' of integration as perceived by managers of the acquirer. However, integration plans may

not always be carried out after an acquisition has been made, and may be perceived differently by managers of the acquired unit (Mehdi 2006; Olajide 2010). This study examined the moderating effect of the 'realized level' of integration on acquisition performance by surveying managers of the acquiring unit (Mehdi 2006; Olajide 2010)

In the present study adds more holistic conceptualisation and Measurement the GLOBE measures rather than Hofsted's measures as the GLOBE study (House et al. 2004) attempted to address the criticism of Hofstede's measures in the following ways: 1) the GLOBE study also used qualitative methods to assist the development of quantitative survey instruments, 2) the GLOBE study is not based solely on nations (for instance, French and English-speaking Canada are separated), 3) the data is collected in 951 organizations instead of just one, 4) data collection is more recent than Hofstede's (1980), and 5) the GLOBE study has nine dimensions.6) the GLOBE study uses six cross-cultural leadership behaviours rather than one .

The theoretical proposition was that there is a significant relationship between national culture and post financial performance in banking industry (Mehdi 2006; Olajide 2010). The findings of this study show that such a relationship exists between the national culture and post financial performance in British and Egyptian banking industry, through mediating the human sides specially the British and the Egyptian leadership behaviour which is:

British Leadership behaviours (4 Factors)	Egyptian Leadership behaviours (5 Factors)
Performance Oriented and Charismatic	Participative and Autocratic
Diplomatic	Orderly Organizer
Participative	Performance Oriented and Charismatic
Orderly Organizer	Administratively Competent
	Diplomatic

Table 6. 3: specially the British and the Egyptian leadership behaviour

However in the Egyptian banking sample the relationship between national culture and post financial performance in banking industry noted that the hypothesis was rejected as the P values was insignificant. Therefore, the author has removed the coefficient between national culture and post financial performance in the Egyptian final full structural model for even more fitting indices.

Based on the findings in Chapter Five and Summarised above, it can be concluded that the multi-group mediation in the full model play a significant role in order to fit the overall model. In other word the human side role can reveal the curtain that the previous studies do not found for more explanation on the nature of the relationship. This research contributes to the understanding of the relationship between national culture and post

financial performance in banking industry. It was noted that although the issue of project management quality has been addressed in some studies, none were consistent with the aims of this research.

Although some of the studies have attempted to evaluate the relationship between national culture and post financial performance in banking industry, their deficiencies were noted in chapter Three. In particular no empirical examination of the relationship in a manner consistent with the approach in this research was conducted.

Further the use of Structural Equation Modelling (SEM) to the analysis of the relationship between project management variables and construction project performance allowed the evaluation of both the direct and indirect effects of these variables on project performance. Noted of course was that most studies, that have examined the impact of project management on performance, have used approaches that only considered the direct effects of these variables on cross-border M&A of post banks financial performance. Taking such an approach as in the present research therefore increases the understanding of the relationship between national culture and post financial performance in banking industry. In this respect this research makes a significant contribution to the current debate concerning the influence of project management on post financial performance in banking industry performance.

Table 6. 4: Research Contribution

Gap Identified in literature	Contribution to bridging the gap	Methodological Approve	
A-Culture- cross-border M&As post financial performance relationship			
1-Culture-cross-border M&As post financial performance relationship has been neglected the role of leadership behaviours across nation(Mehdi 2006; Olajide 2010)Ahammad and Glaister 2009).	1- A more holistic conceptualisation and measurement of cross-culture leadership behaviours measurement scales as a mediator in Culture-cross-border M&As post financial performance relationship.	**Qualitatively**	**Quantitatively**
2-Culture-cross-border M&As post financial performance relationship focuses on Hofsted's cultural dimension measures only and focuses on transformational leadership (Bass 1994)and (Mehdi 2006; Olajide 2010)Ahammad and Glaister 2009).	2- A more holistic conceptualisation and Measurement the GLOBE measures rather than Hofsted's measures as the GLOBE study (House et al. 2004) attempted to address the criticism of Hofstede's measures in the following ways: 1) the GLOBE study also used qualitative methods to assist the development of quantitative survey instruments, 2) the GLOBE study is not based solely on nations (for instance, French and English-speaking Canada are separated), 3) the data is collected in 951 organizations instead of just one, 4) data collection is more recent than Hofstede's (1980), and 5) the GLOBE study has nine dimensions.6) the GLOBE study uses six cross-cultural leadership behaviours rather than one .	**Qualitatively**	**Quantitatively**
3-Culture-cross-border M&As post financial performance relationship neglecting human side combination as mediator variables (Mehdi 2006; Olajide 2010)Ahammad and Glaister 2009).	3-A more holistic conceptualisation and Measurement on multi group analysis of human side mediated in the Culture-cross-border M&As post financial performance relationship.	**Qualitatively**	**Quantitatively**

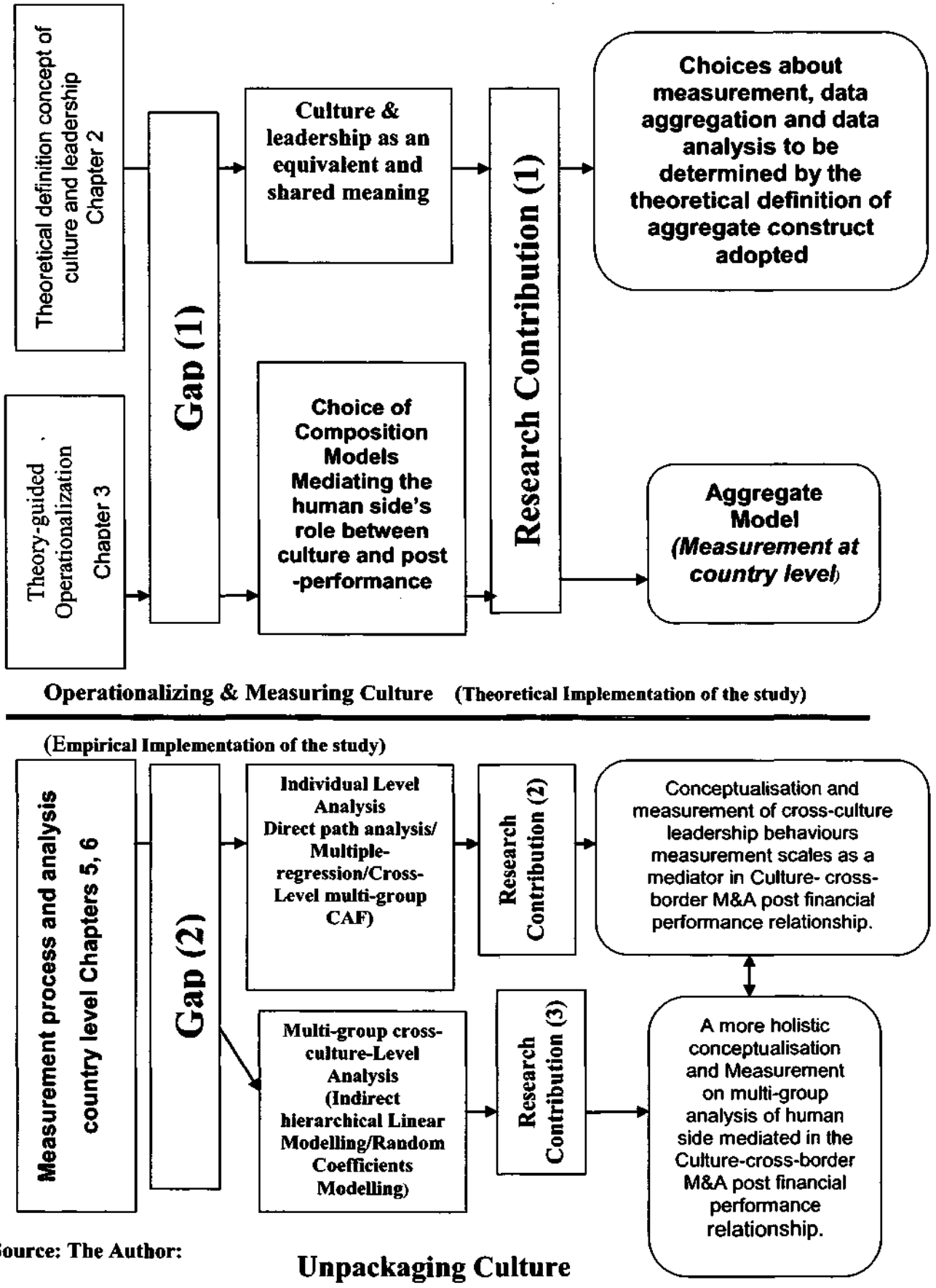


Figure 6. 1: Culture as a shared meaning

6.4 Limitations of the Research

7.2.1 Model Design

The development of the national culture and post financial performance only considered not the organisational culture and how this influences construction cross-border M&AS post-performance' results. However on a wider scale many other intervening variables can be included intervening variables as pre or during, risk, variations, and procurement. However Further, there is much debate concerning the measures of financial and share prices performance.

6.4.1 The Study Limitations

It is acknowledge in this research that the sample size is relatively small compared to the recommendations in most literature. Therefore the interpretation of the results should acknowledge this limitation in this research. In Chapter Four sample size requirements for SEM analysis was discussed. The recommended minimum in some studies was 100 cases. However, an examination of literature showed that studies with less than 100 cases have been used in other studies and provided valid results.

Further, the use of item parcelling to reduce the number of indicator variables, and thereby reducing the complexity of the model, was a step in the right direction aimed at reducing the impact of small sample size. The issue of sample bias due to a significant number of non-respondents was considered. However it was concluded that no sample bias was expected

due to the sample frame characteristics. Based on this it can be concluded that, while it is acknowledged that the sample size is relatively small compared to the recommended minimum, the sample size was considered adequate and therefore the results presented are valid.

6.5 Future Related Work and recommendations

1-This research used literature on critical success factors to define a measurement model by aligning critical success factors found in literature with the national culture and post financial; performance relationship with mediating the human side in banking industry across countries.

2-The definition of the constructs and the postulated causal relationships was based on the national culture – post financial performance frameworks. While the measurement model was found to be valid and was consistent with other studies, the selection of the indicator variables differed from the specific indicators variables in the national culture – post financial performance frameworks.

3- In the GLOBE project reveals all analyses indicated substantial support for the culturally endorsed nature of the leadership scales" It should be noted, however, that we do not know the psychometric properties of these scales at the individual level of analysis.

4- Indeed, since the underlying theory driving this aspect of the GLOBE project (i.e., implicit leadership theory) is an individually focused theory, it is possible that the items could be useful for measuring individual level leadership schemas. It is entirely reasonable, given constraints of sample size, to conduct analysis of the leadership scales at the individual level within a particular society. However, the same caveat emptor applies. The GLOBE project has NOT demonstrated the usefulness of using the leadership scales at the individual level of analysis within a society" House et al. (2006) P. 115.

6.6 Research implications

The managerial implications of these findings are twofold. First, it is inadequate to consider the extent of differences in national culture among the cross-border M&A' banks in isolation when examining how these differences affect the performance of cross border acquisitions.

In order to more accurately assess or predict this effect, it is necessary to consider simultaneously the level of post cross-border M&A financial performance implemented by the acquirer. Second, cultural differences are not necessarily detrimental to performance especially in the arable world, as has often been argued in the literature. This study found that national cultural distance had no significant impact on cross-Border M&As financial performance.

6.7 Summary of the Thesis

The aim of this thesis was to model the impacts of national culture on the post cross-border M&As performance in banking industry with the intention of human side effects that have been neglected in the previous researches as mediator variables in different cross-border M&As setting (Egypt and the UK) .

Analysis of the case studies and survey suggested that national culture and Post financial performance in banking industry in Egypt and the UK are mediating by leadership behaviours, employees shared values and customers perceived services quality interact to influence the post-acquisition behaviour and performance of the cross-border M&A bank.

The thesis advanced the current literature by integrating the concepts of both national and in a longitudinal study of cross-border M&As, and by incorporating the interactions and influences at various post-acquisition performance.

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University of Plymouth

PLYMOUTH BUSINESS SCHOOL

Consent to participial investigator: Tarek Kandil

"Banking Managers Survey"

Research Title: The effect of culture on cross-border mergers and acquisitions performance in banking sector

Brief statement of purpose of work: This questionnaire is part of a study, which aims to investigate the effects of culture on cross-border banking mergers and acquisitions performance. In the following pages you are to choose a number of statements that reflect your observation of culture or organizational practices, your beliefs, your values and perceptions.

The objectives of this research have been explained to me.

So, I clearly understand that I am free to withdraw at any time any stage, and ask for my data to be destroyed.

I understand that my anonymity is guaranteed, unless I expressly state otherwise.

Under these circumstances, I agree to participate in the research

Name.....

Signature.....

Date.....

Section 2 in this section, you should rank each statement as follows:

Strongly disagree strongly agree

NO	Statements	Scale
Part 1		
1.	In this society, a person's influence is based primarily on one's ability to the society.	1 2 3 4 5
2.	In this society, followers are expected to obey their leaders without question.	1 2 3 4 5
3.	In this society, people try to increase their social distance from less powerful individuals.	1 2 3 4 5
4.	In this society, rank and position in the hierarchy have special privileges.	1 2 3 4 5
5.	In this society, power is concentrated at the top.	1 2 3 4 5
6.	In this society, children generally live at home with their parents until they get married.	1 2 3 4 5
7.	In this society, orderliness and consistency are stressed.	1 2 3 4 5
8.	In this society, most people lead highly structured lives with few unexpected events.	1 2 3 4 5
9.	In this society, societal requirements are spelled out in detail.	1 2 3 4 5
10.	This society has rules or laws to cover situation.	1 2 3 4 5
11	The way to be successful in this society is to plan ahead.	1 2 3 4 5
12	In this society, the accepted norm is to plan for the future.	1 2 3 4 5

Continue

No	Section 2	Scale				
Part 3						
25.	In this society, people place more emphasis on solving current problems.	1	2	3	4	5
26..	The economic system in this society is designed to maximize individual interests.	1	2	3	4	5
27.	In this society, group cohesion is valued more than individualism.	1	2	3	4	5
28.	In this society, being accepted by the other members of a group is very important.	1	2	3	4	5
29.	In this society, teen-aged students are encouraged to strive for improved performance.	1	2	3	4	5
30.	In this society, major rewards are based on performance effectiveness only.	1	2	3	4	5
31.	In this society, being innovative to improve performance is generally nearly substantially.	1	2	3	4	5
32.	In this society, people are generally assertive.	1	2	3	4	5
33.	In this society, people are generally dominant.	1	2	3	4	5
34.	In this society, people are generally tough.	1	2	3	4	5

This is the end of part one in this section.

Please turn over to continues part 2

NO	Statements	Scale				
1.	Bossy	1	2	3	4	5
2.	Autocratic	1	2	3	4	5
3.	Domineering	1	2	3	4	5
4.	Elitist	1	2	3	4	5
5.	Ruler	1	2	3	4	5
6.	Dictatorial	1	2	3	4	5
7.	Non-egalitarian	1	2	3	4	5
8.	Non delegator	1	2	3	4	5
9.	Loner	1	2	3	4	5
10.	Asocial	1	2	3	4	5
11	Cautious	1	2	3	4	5
12	Individually oriented	1	2	3	4	5
13.	Domineering	1	2	3	4	5
14.	Micromanager	1	2	3	4	5
15.	Procedural	1	2	3	4	5

Please turn over to continues

40-	Group-oriented	1	2	3	4	5
41-	Self-sacrificial	1	2	3	4	5
42-	Administratively skilled	1	2	3	4	5
43-	Unique	1	2	3	4	5
44-	Organized	1	2	3	4	5
45-	Status-conscious	1	2	3	4	5
46-	Class conscious	1	2	3	4	5
47-	Formal	1	2	3	4	5
48-	Procedural	1	2	3	4	5
49-	Ritualistic	1	2	3	4	5
50-	Secretive	1	2	3	4	5
51-	Intra-group competitor	1	2	3	4	5
52-	Diplomatic	1	2	3	4	5
53-	Worldly	1	2	3	4	5
54-	Win/win problem-solver	1	2	3	4	5
55-	Intra-group conflict avoider	1	2	3	4	5
56-	Effective bargainers	1	2	3	4	5
57-	Avoids negatives	1	2	3	4	5

Thanks again for your help.

This is the end of this questionnaire.

Finally, if you are interested in the results of this study, write down your e-mail address in the space provided and we are happy to send them for you once we got them.

E-mail:

Date:

University of Plymouth

PLYMOUTH BUSINESS SCHOOL

Consent to participial investigator: Tarek Kandil

"banking employees' survey"

Research Title: The effect of culture on cross-border mergers and acquisitions performance in banking sector

Brief statement of purpose of work: This questionnaire is part of a study, which aims to investigate the effects of culture on cross-border banking mergers and acquisitions performance. In the following pages you are to choose a number of statements that reflect your observation of culture or organizational practices, your beliefs, your values and perceptions.

The objectives of this research have been explained to me.

So, I clearly understand that I am free to withdraw at any time any stage, and ask for my data to be destroyed.

I understand that my anonymity is guaranteed, unless I expressly state otherwise.

Under these circumstances, I agree to participate in the research

Name.....

Signature.....

Date.....

Section 1: Your personal information

Please Tick the appropriate (√)

Name (Optional) ----------

Sex:

1- Male [1]

2- Female [2]

Age:

1- <25 yrs [1]

2- 26-35 yrs [2]

3- 36-45 yrs [3]

4- >46 yrs [5]

Marital Status:

1 - Single [1]

2 - Married [2]

3 - Divorced [4]

4 - Other [5]

Education:

1- High Diploma [1]

2- Bachelor [2]

3- Professional [3]

4- Masters/PhD [4]

Experience:

1-<10 yrs [1]

2-- 10-15 yrs [2]

3- 16-20 yrs [3]

4->20 yrs [4]

Job Title: ----------

Name of the bank: ----------

Section 2 in this section, you need to rank each statement as follows:

Strongly disagree **strongly agree**

No	Statements	Scale				
1.	Managers, in this bank, offer the necessary training to do my job well.	1	2	3	4	5
2.	Managers, in this bank, support my ability to deliver high standards of quality to the bank's customers.	1	2	3	4	5
3.	Managers, in this bank, provide my department with assistance in exchange for their efforts	1	2	3	4	5
4.	Managers, in this bank, provide me with feedback concerning my job.	1	2	3	4	5
5.	Managers, in this bank, cooperate to get the work done.	1	2	3	4	5
6.	My colleagues understand the results of banking service performance.	1	2	3	4	5
7.	Managers, in this bank, offer the opportunity to receive feedback to services delivered.	1	2	3	4	5
8.	Managers, in this bank, involve other employees in solving problems facing our department.	1	2	3	4	5
9.	Managers, in this bank, pay attention on the customer needs.	1	2	3	4	5
10.	Managers, in this bank, listen to employees' suggestions.	1	2	3	4	5
11	Managers, in this bank, offer technology to meet customers' needs.	1	2	3	4	5
12	Managers, in this bank, talks enthusiastically about what needs to be accomplished.	1	2	3	4	5
13.	Manager, in this bank, directs his attention towered failure to meet standards.	1	2	3	4	5
14..	Managers, in this bank, communicate a clear sense of direction.	1	2	3	4	5
15.	Managers, in this bank, provide me with the necessary resources to do my job well.	1	2	3	4	5
16.	Managers, in this bank, set performance goals for my jobs.	1	2	3	4	5

Thanks again for your help.

This is the end of this questionnaire.

Finally, if you are interested in the results of this study, write down your e-mail address in the space provided and we are happy to send them for you once we got them.

E-mail:

Date:

Comparing mail and web-based surveys

Criterion	Web-based survey	Mail survey	Remarks
Cost	Usually lower	Usually higher	• Total costs depend on the length of the survey and volume of surveys distributed and returned • Web-based surveys tend to have higher fixed costs but essentially no variable costs
Time	Less time-demanding (usually 1 week)	More time demanding (usually 3-4 weeks)	• Survey respondents act more quickly with electronic notifications • Mail surveys tend to have idle times
Data entry	Automatic	Manual	• The web-based method allows for automatic and accurate data entry, eliminating human error
Data completeness	Usually fewer incomplete responses	Usually more incomplete responses	• Web-based surveys can offer higher-quality data, as they allow respondents to continue the survey from the point they left it
Questionnaire design	More difficult to develop, constrains question format	Easier to develop, no constrains on question format	• Web-based surveys allow only for particular question formats; they work better with simple questionnaires • Mail surveys are preferred when the questionnaire design is complex
Geographical reach	Ideal for reaching rapidly across boundaries	Ideal for targeting local populations	• Web-based surveys can target geographically remote populations (assuming access to the internet)
Comfort with the survey format	Web access and familiarity with web surveys is required	Very friendly survey format	• Non-response error can be increased in web-based surveys

Source: Adopted from (Fischer 2009)

Generic Interview Guide

- **Exploratory Research Objectives**

Generic Interview Guide of Egyptian Banks and UK Banks

- **Exploratory Research Objectives**

1. **How do the investigated cross-border M&As' banks explain the impact of culture on post-financial performance?**
2. **What are the importance of leadership behaviours on their followers in cross-culture Mergers and acquisitions in banking industry?**
3. **What is the important of cultural equivalence as a shared meaning system in studying cultural fit impacts on post cross-border M&As in banking industry?**

- **Questions:**

Part A: Warm-up questions and verification of general information on the cross-border M&As process? (Corroborated with secondary data)

1. What are your responsibilities in the bank? Could you discuss briefly the cross-border M&As history of your bank?
2. Have you involved in the pre-mergers and acquisitions process of the bank?

Part B: Focus discussion on the theme about the national culture and leadership behaviours considerations and impacts on post financial performance of cross-border M&As?

1. How can you investigate whether there is an interrelation between leadership behaviour and national culture in cross-border M&As, and both leadership?
2. Has the culture a joint effect on important banking post financial performance?

Appendix E

University Of Plymouth
School of Sociology, Politics and Law
Faculty of Social Science and Business
Room 215, 8 Portland Villas, Drake Circus
Plymouth PL4 8AA

04/04/2011

Your Ref: SSB, Arts & UPC/FREC/08/09/No:13

Tarek Kandil
PhD Research Student (Banking & Finance)
Plymouth Business School
Cookworthy Building

Re: The Effect of Culture on Cross-Border Mergers and Acquisitions Performance

This is to confirm that your application for ethical approval has been approved by the Faculty Research Ethics Committee.

Approval is for the duration of the project. Should you wish to extend the project, you would need to seek further ethical approval.

Yours sincerely,

(Sent as e-mail attachment)

Dr Kevin Meethan
Chair of Faculty Research Ethics Committee
Faculty of Social Science and Business
Faculty of Arts
University of Plymouth Colleges Faculty

The perceptions of culture

Culture concept classifications	Historical Perspective	Social life Perspective	Individual perspective
ıing process of one's culture l enculturation cultural ission.	Li & Karakowsky (2001). Culture in its broadest sense is cultivated behaviour; that is the totality of a person's learned, accumulated experience which is socially transmitted, or more briefly, behaviour through social learning.	Hosfsted, (2001), Trompenaars Hampden-Turner (1998) Defines culture as "A learned, shared, compelling, interrelated set of orientations for members of society." (Webster's (1994) defines culture as "the ideas, customs and skills of a people or group, that are transferred, communicated, or passed along to other generations."(P.56)	Damen, L. 1987). The collective programming of the mind that distinguishes the members of one human group from another. He states that each person has layers of cultural programming and expands upon this idea of "mental programming"(P.79)
red meaning by the ers of a society.		Hosfsted, (2001) defined culture as "cultural group characteristics and considered it as a way of perceiving man-made parts of its environment"	Triandis (1972) "Culture is the systems of knowledge shared by a relatively large group of people."(P.109).
erned. People in a society l think in ways that form e patterns.	Kroeber, A.L., & Kluckhohn, C. 1952. "Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts."(P65)	Triandis, 1998; Walter, 1985) (Kilmann, Saxton, & Serpa, 1985) common philosophies, ideologies, perceptions, and expectations (Kilmann, Saxton, & Serpa, 1985) shared among most organizations belonging to the same culture or country.	Schwartz & Smith (1997) Attitude toward time and environment, and relationship with people.
:ually constructed through a nt process of social unications		Li & Karakowsky (2001).Culture is communication, communication is culture.	The group's particular ideas about authority, hierarchy, communication style, conflict, etc.

ce: Adopted from Shahin (2004) PP. 36-41

Theoretical perspective	Study	Sample	Dependent variable	Independent variable	Key findings
Cross-border M&As Leadership styles: institutional theory, national cultural differences	(Haspeslagh and . 1991)	114 subsidiaries set up by acquisition or Greenfield ventures between 1978– 1980 And 1984– 1987 in the U.S	performance (acquisition, Greenfield), the degree of post-acquisition performance	Firm level: R&D intensity, host country experience, objective of entry (i.e., diversification), the degree of diversification, advertising intensity, the degree of human resource endowment, relative size of cross-border M&As bank, the degree of leverage, commonness of products	Strong Japanese investors choose to enter the U.S. market by Greenfield entry, while weak Japanese investors tend to enter the U.S. market by acquisition. Japanese banks choose acquisitions when the market has either very high or low growth, relative size of entry is large, and entry is into a different industry.
Cross-border M&As Leadership styles: institutional theory, national cultural differences	Fischer (2009)	228 U.S. entries by foreign banks between 1991– 2003	Post-performance (JV, acquisition, Greenfield)	Country level: cultural distance, Uncertainty avoidance	Diversification, country experience, and multinational experience have no significant impact on mode of entry. Cultural distance and uncertainty avoidance increase the likelihood of choosing JV or Greenfield over Acquisitions.

Source: Adopted from (Singh 1994; Fischer 2009).

(Appendix C)

Understanding the six theories of human side of M&A

Source: Seo and Hill (2005)

Underlying Theories	Sources of Problems	Predicted Outcomes	Related Prescriptions
Anxiety theory	Uncertainty and anticipated negative impact on career and job	Low productivity Self-cantered behaviours Mental and physical illness Lack of motivation	Top-down communication; social support; participation in decision making; training managers to empathize and listen to employees; golden parachutes
Social identity theory	Loss of old identities (organizational, professional, work group)	Sense of loss, anger, and grief Denial and refusal of change	
Acculturation theory	Contact with or adjustment to different organizational culture	Acculturative stress and Resistance Inter organizational tension and conflict Culture clash	Cultural due diligence; fostering multiculturalism; facilitating intercultural learning; heightening awareness of thinking and behaviours that cause culture clash to develop
Role conflict theory	Ambiguous and conflicting roles	Low productivity Low job satisfaction	Two-way communication; leadership of role Clarification
Job characteristics theory	Changes in post-M&A job environments	Job satisfaction and commitment Absenteeism/turnover	Post-M&A job redesign; employee involvement in job design; job transfer training
Organizational justice theory	Perceived fair treatment of surviving and displaced employees	Psychological withdrawal Turnover	Fair and objective human resource management; equal participation in decision making; treating employees with dignity and respect

Appendix D the Sample of the Study

Date Announced	Target Name	Target Industry Sector	Acquirer Name	Acquirer Industry Sector	Date Announced	Target Name	Target Industry Sector
06/07/06	New Mersey Shopping Park	**Real Estate; Mortgage Bankers and Brokers**	Bank of Ireland Private	**Commercial Banks, Bank Holding Companies**	06/07/05	New Mersey Shopping Park	Real Estate; Mortgage Bankers and Brokers
07/23/07	Barclays PLC	**Commercial Banks, Bank Holding Companies**	CDB	**Commercial Banks, Bank Holding Companies**	07/23/06	Barclays PLC	Commercial Banks, Bank Holding Companies
07/23/07	Barclays PLC	**Commercial Banks, Bank Holding Companies**	CDB	**Commercial Banks, Bank Holding Companies**	07/23/06	Barclays PLC	Commercial Banks, Bank Holding Companies
07/31/07	Abbey Life Assurance Co Ltd	**Insurance**	Deutsche Bank AG	**Commercial Banks, Bank Holding Companies**	07/31/07	Abbey Life Assurance Co Ltd	Insurance
10/18/07	DLG	**Business Services**	Kaupthing Bank hf	**Commercial Banks, Bank Holding Companies**	10/18/07	DLG	Business Services
11/20/07	Bradford & Bingley PLC-Housing	**Credit Institutions**	Dexia SA	**Commercial Banks, Bank Holding Companies**	11/20/07	Bradford & Bingley PLC-Housing	Credit Institutions

Appendix E

DV	MTBV			ROE			ROI		
	Model1	*Model12*	*Model3*	*Model1*	*Model12*	*Model3*	*Model1*	*Model12*	*Model3*
Constant	-0.26	0.85	3.59***	-0.433	1.00	-0.30	-0.16	0.30	-0.03
Control variables									
Relative size	1.42	1.68*	1.83**	1 0.81	0.37	0.39	1.12	0.73	0.63
Cross-border M&A experience	-1.43	0.69	0.80	2.69**	-0.299	-0.29	-1.21	3.39**	3.17**
Cross-border M&A relatedness	1.10	-0.77	-0.95	-1.23	1.435	1.44	1.15	0.67	0.55
Explanatory variables									
National cultural distance		0.06	-3.46		-0.27	0.78		-0.61	-1.67
Level of Integration		-2.22**	-3.96***		-3.21	0.21		-1.79*	-1.92*
Cultural distance x Integration level			-3.54***			-0.84			-1.78*
R2	0.07	0.21	0.42	0.13	0.27	0.28	0.06	0.22	0.23
Adjusted *R2*	0.03	0.10	0.32	0.08	0.17	0.15 -	.001	0.15	0.15
F value	1.58	1.98*	4.27***	3.03**	2.62**	2.29**	1.39	3.37***	3.01**

Appendix F Fit Indices

Fit Index	Description	Acceptable fit
Absolute Fit		
Chi-Square Statistic(X2)	Tests the statistically significant differences between the observed and estimated matrices. Non significant X^2 is desired as a significant x^2 indicate probability that differences are due to sampling variations.	p> 0.05
Root Mean square Residue (RMR)	This is the square root of the mean of the squared residuals established. No absolute threshold has been established.	Close to 0
Root mean square Error of approximation (RMSEA)	Similar to the RMR above but measures discrepancy in terms of the population and not just the sample	≤ 0.05 to 0.08
Incremental Fit		
Comparative Fitindex (CFI)	Compares the estimated model against the null or independence model. It is more appropriate for a model development strategy or when smaller sample is used (Hair etal 1998). Values range from 0-1	≥0.90
Incremental Fit Index (IFI)	Incremental Fit Index compares estimated model with null or independence model	≥0.90
Nor med fit index (NFI)	Provides a relative comparison of the proposed model to the null model. Values range from 0 to 1	≥0.90
Non-normed Fit index or the Tucker Lewis index (NNFI/TLI)	This combines a measure of parsimony into a comparative index between the proposed model and the null model. Values range from 0-1	≥0.90
Parsimonious Fit		
Chi-Square Statistic(X2)	Calculated by dividing the Chi-Square Statistic by degrees of freedom (*df*)	≤2 to 5

Source: Byrne (2010); Hair et al (2010).