
RESEARCH ARTICLE

Level of Job Satisfaction among Acquisition and Erstwhile Bank Employees after Merger and Acquisition

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ABSTRACT

Mergers and Acquisitions are taking place and have dramatically increased in every industry, and the banking industry is not left untouched. As we all know, the banking sector plays an important role in the Indian economy, and it is like a base of the Indian economy. In the last five years, most of the public sector banks were merged for the betterment of the banking industry, and 12 nationalized public sector banks remain after merger and acquisitions. Everything has its own advantages and disadvantages. So Mergers and Acquisitions also have their own advantages, such as - minimized operating expenses, a rise in the share, it prevents the shutdown of an unsuccessful business, avoiding duplication, etc., and disadvantages like:- a breakdown in communication, it creates joblessness, no working experience in the past, strict evaluation, complicated situations, etc. Apart from these things, many bank employees have experienced many psychological effects of mergers and acquisitions. The purpose of this research was to study the effects of the merger and acquisition process on the job satisfaction level of bank employees. For this purpose, the Job Satisfaction Scale (Developed by B. L. Dubey) was used to collect data from 100 bank employees from various banks in the Patna District of Bihar aged between 25 to 50 years. Analysis was done with the help of statistical techniques like mean, SD, and t – value. The result of this study reveals significant differences in job satisfaction levels among Erstwhile and Acquisition Bank Employees as well as officers and clerks groups belonging to the same bank.

KEYWORDS

Merger, Acquisition, Erstwhile Bank Employees, Acquisition Bank Employees, Job Satisfaction

ARTICLE INFORMATION

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1. Introduction

The role of public sector banks has been remarkably exceptional in the development and growth of our country's economy. However, due to, call it, bad financing or occurrence of fraud or due to political influences, public sector banks have seen a major setback because of default or fraud in large size loans. Mergers and Acquisitions are very common in any industry, and when we talk about the banking industry, actually, these are the important tools through which banking industries are improving their financial health, etc. The terms merger and acquisitions are often used as a substitute for each other by the people, but both have their own different meanings. In simple words, a Merger is a combination of two or more commercial organizations, or you can say it is a process of amalgamation of companies to form a new company. Whereas Acquisition refers to a process in which a company acquires one or more organizations' shares to gain control of that organization. In this present era in our country India, we have 12 nationalized banks altogether, and these banks are as follows:- S.B.I., B.O.B., P.N.B., C.B.I., BOI, UCO Bank, Canara Bank, Indian Bank, U.B.I., I.O.B., Punjab and Sind Bank and Bank of Maharashtra. The merger and acquisition process has its own advantages and disadvantages, and these are affecting employees' psychological well-being also. Few recent studies show that mergers and acquisitions are affecting the job satisfaction level of bank employees, which is very important for any person who is working in any organization. If a person is not satisfied with his or her job, then he or she cannot give 100% to their job, and that

will be a reason for the poor performance of any company. But the sad thing is that bank authorities are not giving much importance to these aspects, which are equally important for achieving expected goals. Now the question arises, what is Job Satisfaction? So we can describe job satisfaction as a pleasant or positive emotional state which can be a result of an individual's appraisal of his or her job experience. It is a pleasurable and positive attitude and emotional state which is based on experience in one's job. Job satisfaction is very important for employee retention, customer satisfaction, higher productivity, employee loyalty, etc. So, for the profit and achievements in the banking industry, it is necessary and important also for banking authorities to manage manpower (bank employees) effectively for the betterment and advancement of the banking industry. They should find out whether their workers are satisfied and happy with their job or not satisfied only if they feel satisfied with their job they will work with dedication and achieve their targets. If they are highly satisfied with their job, they will produce more, and this is profitable for the company. So job satisfaction is very important for bankers, and this study will provide an insight into the level of job satisfaction among bankers after the process of merger and acquisition.

2. Review of literature

Gautam (2016) investigated the effect of the organizational merger on bank employees' job satisfaction by conducting a research study on mergers and acquisitions in Nepal. The purpose of this investigation was to find out the relationship between organizational mergers and employees' job satisfaction levels. For this purpose, they examined two groups (1) who worked in a merging company and (2) who worked in a merged company before the merger with the help of a questionnaire survey method. This study reveals the significant relationship between the employees who worked before and after the merger and their job satisfaction levels.

Madu (2014) conducted a research study to investigate the main factors affecting bank employees' job satisfaction after a merger and acquisition process. In addition to this, it also examined the strategies which will help bank leaders to work for the betterment of employees. This study examined the effect of gender, education, age, designation, job tenure, and demographic factors of race by using online survey data on 217 bank employees between the years 2006 – 2007. These data were analyzed through analysis of variance and found a significant level of 0.5 significance. This study reveals that there was a significant effect of those factors on employees post merger job satisfaction.

Baker (2009) examined the level of job satisfaction of bankers after the process of merger and acquisition. The important objective of this study was to assess the level of job satisfaction among employees after the merger process and also determine the relationship between job satisfaction and demographic identity. In other words, this study focuses on whether demographic identity is related to job satisfaction or not. In his study, the independent variables were such as age, sex, level of work, job period, and education level with the help of a two-way analysis of variance (ANOVAs). Further, he analyzed obtained scores and found that participants over 40 years of age and participants in managerial positions (compared to staff level) are highly satisfied with mergers and acquisitions. He also found a significant interaction between job tenure and the job level of employees. In conclusion, as a whole, participants were satisfied with the nature of work, authorities, colleagues, opportunities, and job in general. They were neither satisfied nor dissatisfied with their pay scale. Age and job level were found to be significant factors that affect the job satisfaction level.

Bosomtwe (2015) conducted research on mergers and acquisitions. The aim of this research was to evaluate the effects of the merger on employees' job satisfaction and turnover intention. For this purpose, he used the purposive sampling method and designed a cross-sectional survey to obtain the data. In this quantitative research, 313 respondents participated. For the analysis of obtained data, he used linear regression and Pearson correlation. On the basis of this study, he found a significant positive relationship between mergers and job satisfaction which is contradictory to numerous previous studies that found a negative relationship between mergers and job satisfaction. But in addition to this, he also found a significant positive relationship between mergers and turnover intention because the employees also expressed rejection and dissatisfaction towards mergers. On the basis of this study, he also found a positive relationship between job satisfaction and turnover intention. Results of this study also revealed that communication is an important factor that affects the employee's perception of the merger.

3. Objectives -

- To compare the level of job satisfaction among erstwhile bank employees and acquisition bank employees.
- To compare the level of job satisfaction among officers group and clerks group of acquisition bank.
- To compare the level of job satisfaction among officers of erstwhile bank and clerks of the erstwhile bank.

4. Hypotheses -

- 1 (a) There would be a significant difference between acquisition and erstwhile bank employees in terms of their job satisfaction level.
- (b) The job satisfaction level of acquisition bank employees would be better than erstwhile bank employees.

- 2 (a) There would be a significant difference between officers and clerks of acquisition bank employees in terms of their job satisfaction level.
 (b) The job satisfaction level of officers would be better than acquisition clerks.
- 3 (a) There would be a significant difference between officers and clerks of erstwhile bank employees in terms of their job satisfaction level.
 (b) The job satisfaction level of erstwhile officers would be better than erstwhile clerks.

5. Methodology

5.1 Sample

The sample consists of 100 bank employees of different banks (Bank of Baroda, SBI, Canara Bank, Bank of India) from Patna district, belonging to the age group of 25 to 60 years old. Online survey and personal interview methods were used to obtain the data.

5.2 Tool

Job Satisfaction Scale developed by B.L. Dubey et al. (1988) was used to measure the job satisfaction level of bank employees. This scale consisted of 25 items, and the reliability of this scale is 0.64.

5.3 Result and Discussion

This section is dedicated to the results and discussion, which is the heart of any research. The main goal of this investigation was to see the difference in job satisfaction levels among acquisition bank employees and erstwhile bank employees and also the difference in officers and clerks in terms of their job satisfaction levels. 100 bank employees (50 Acquisition bank employees and 50 Erstwhile bank employees) participated in this research. After the data collection, it was required to draw some important conclusions for the verification of the hypotheses. For this motive, some statistical methods like mean, SD, and t value were computed.

Table-1: Showing mean, SD & “t” value of Job Satisfaction level among Acquisition and Erstwhile bank employees.

Group	N	Mean	SD	t value	Significance level
Acquisition bank employees	50	63.92	23.49	3.53	0.001*
Erstwhile bank employees	50	50.9	8.55		



Table 1 shows that the t value of 3.53 (df = 98) is significant at the 0.001 level of significance. This means that acquisition bank employees and erstwhile bank employees differ significantly from each other in relation to their job satisfaction levels. The mean score of the acquisition bank employees group is 63.92 and SD is 23.49, whereas the mean score of erstwhile bank employees is 50.9 and SD is 8.55, which is lower than the acquisition bank employees and according to the manual of scale higher score indicates

the higher job satisfaction. So, from the result, it could be said that acquisition bank employees are more satisfied than erstwhile bank employees. So, on the basis of the results, hypotheses 1(a) and (b) are accepted.

Table -2: Showing mean, SD & t value of Job Satisfaction level among Acquisition Officers and Clerks group.

Group	N	Mean	SD	"t" value	Significance level
Acquisition Officer	25	68	8.4	2.06	0.05**
Acquisition Clerks	25	59.8	5.98		

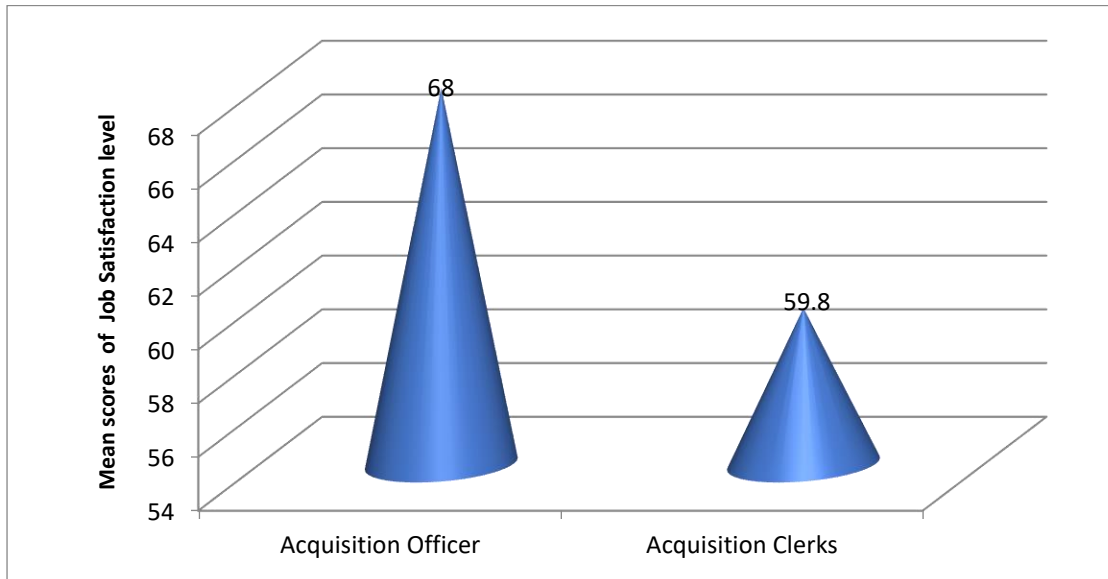


Table 2 indicated that the "t" value of 2.06 is significant at the 0.05 level of significance. This shows that the Officers group and Clerks group of Acquisition banks are significantly different in the job satisfaction level. The mean score of the Officers group is 68 and SD is 8.4, whereas the mean score of the Clerks group is 59.8 and SD is 5.98. So, it shows that the Officers group has a higher score on the job satisfaction level than the clerk group. So, it could be said that the Officers group of Acquisition bank are more satisfied with their job in comparison to clerks group. On the basis of these results, hypothesis no. 2(a) & (b) are accepted.

Table – 3: Showing mean, SD & "t" value of Job Satisfaction level among Erstwhile Officers and Clerks group.

Group	N	Mean	SD	"t" value	Significance level
Erstwhile Officers	25	51.72	7.75	2.37	0.05**
Erstwhile Clerks	25	50.04	9.25		

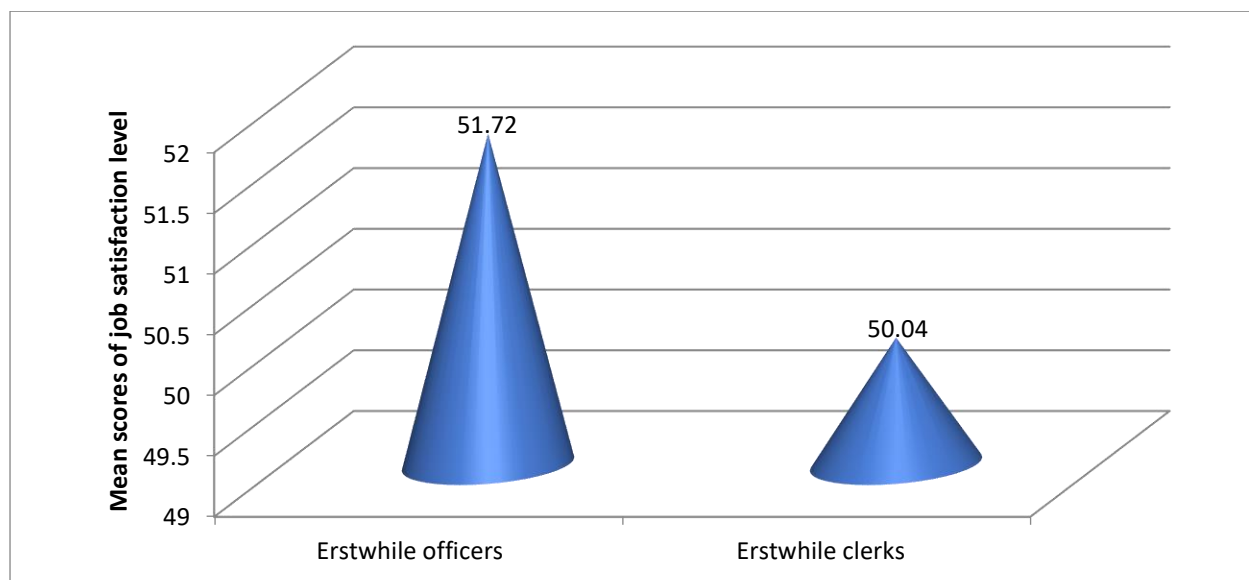


Table 3 shows that the obtained mean score of the Erstwhile Officers group is 51.72 and SD is 7.75, whereas the mean score of the Clerks group is 50.04 and SD is 9.25, and the "t" value of 2.37 is significant at 0.05 level. It indicated that both groups differ significantly from each other in terms of their job satisfaction level. On the basis of the result, it could be said that the Clerks group of Erstwhile bank is more dissatisfied with their job. So, hypothesis no. 3 (a) & (b) are accepted.

6. Limitations

This present research has some limitations related to sampling technique, data collection measures, generalization, etc. The present research is based on a small sample of only one district, and an incidental sampling technique was used for the collection of data which is none stratified. These factors can be responsible for inaccurate generalization to some extent. As we all know, Bankers have so much work to do, and they are always busy, and that is why it is difficult to collect data from them as they were unable to pay much attention to the statement stated on the job satisfaction scale. These factors may lead to erroneous responses, which could affect the finding of this study.

7. Conclusion

In the light of the findings of the present research, the following conclusions were drawn:-

- There is a significant mean difference in the job satisfaction score of Acquisition bank employees and Erstwhile bank employees. So, Acquisition bank employees are more satisfied with their job in comparison to Erstwhile bank employees. Hence it supports hypotheses no. 1 (a) and (b).
- Table 2 shows that there is a significant mean difference in scores on the job satisfaction scale of the Acquisition Officers group and Clerks group. It indicates that Officers are more satisfied with their job in comparison to Clerks. It supports hypothesis no. 2(a) & (b).
- Table 3 shows a significant mean difference between the Erstwhile Officers group and the Erstwhile Clerks group. It means Clerks are more dissatisfied with their job in comparison to the Officers group. Hence it supports hypothesis no. 3(a) & (b).

These findings of the present research will provide a preliminary foundation for follow-up work in designing novel and effective prevention against causes of dissatisfaction among bank employees.

8. Implication

Banks are the base of the economic development of any country, and bankers are the pillars of the banking industry. Merger and Acquisitions processes are adversely affecting their psychological aspect as well as the physical aspect. This may lead to poor working performance, absentees, dissatisfaction with their work, etc. these factors can be responsible for the poor financial performance of banks, which is bad for the economic growth of any country. So, it is important to take care of these factors for the betterment of bankers and the banking industry; otherwise, it will affect their work adversely. This study will be a base for future research in this area.

9. Recommendation for future research

This study will provide a base for the future researcher. It is useful for those who want to work for the betterment of our bankers and the banking industry. This study should be done on a large sample, including different districts or states of India or other countries, using a stratified sampling technique. This will be more helpful for drawing accurate results and generalization. Different other variables like age, gender, education, area, the income of the family, marital status, etc., can be studied for future research. These few important factors will make it more elaborative and broad. These things will also be helpful for policymakers in terms of making strategies for the employees to cope with the adverse effects of the merger and acquisition process.

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